IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") WITHIN THE MEANING OF RULE 144A ("RULE 144A") UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR (2) OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT.

IMPORTANT: You must read the following before continuing. The following applies to the offering memorandum following this notice, whether received by email or otherwise received as a result of electronic communication. You are therefore advised to read this carefully before reading, accessing or making any other use of the offering memorandum. In accessing the offering memorandum, you agree to be bound by the following terms and conditions, including any modifications to them anytime you receive any information from us as a result of such access.

The offering memorandum has been prepared in connection with the proposed offer and sale of the securities (including the guarantees) described herein. The offering memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your representation. In order to be eligible to view the offering memorandum or make an investment decision with respect to the securities, investors must be either (1) QIBs or (2) outside the United States in reliance on Regulation S. The offering memorandum is being sent at your request. By accepting the e-mail and accessing the offering memorandum, you shall be deemed to have represented to us that:

(1) you consent to delivery of such offering memorandum by electronic transmission; and

(2) either you and any customers you represent are:

1. QIBs; or
2. outside the United States and the e-mail address that you gave us and to which the e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States or the District of Columbia.

Prospective purchasers that are QIBs are hereby notified that the seller of the securities will be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act pursuant to Rule 144A.

You are reminded that the offering memorandum has been delivered to you on the basis that you are a person into whose possession the offering memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located, and you may not, nor are you authorized to, deliver the offering memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where such offers or solicitations are not permitted by law. If a

jurisdiction requires that the offering be made by a licensed broker or dealer and the initial purchasers or any affiliate of the initial purchasers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the initial purchasers or such affiliate on behalf of us in such jurisdiction.

Under no circumstances shall the offering memorandum constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

This offering memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA") in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). The offering memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which the offering memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

No person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the securities other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

The offering memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the initial purchasers, or any person who controls any of the initial purchasers, or any of their directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering memorandum distributed to you in electronic format and the hard copy version available to you on request from the initial purchasers.

OFFERING MEMORANDUM

CONFIDENTIAL
NOT FOR GENERAL DISTRIBUTION
IN THE UNITED STATES OF AMERICA

Intralot Finance Luxembourg S.A.

€325,000,000 9.750% Senior Notes due 2018

guaranteed on a senior basis by

Intralot S.A.—Integrated Lottery Systems and Services
and certain subsidiaries of Intralot S.A.—Integrated Lottery Systems and Services

Intralot Finance Luxembourg S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg ("Luxembourg"), having its registered office at 46A, avenue John F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under B 177543 (the "Issuer"), is hereby offering €325,000,000 in aggregate principal amount of its 9.750% Senior Notes due 2018 (the "Notes").

Interest will be paid on the Notes, semi-annually in arrear on February 15 and August 15 of each year, commencing February 15, 2014. The Notes will mature on August 15, 2018.

The Issuer may redeem all or a part of the Notes at any time on or after August 15, 2016, at the redemption prices specified herein plus accrued and unpaid interest and additional amounts, if any. Prior to August 15, 2016, the Issuer will be entitled, at its option, to redeem all or a part of the Notes, at a price equal to 100% of the principal amount plus accrued and unpaid interest and additional amounts, if any, plus a "make-whole" premium. In addition, prior to August 15, 2016, the Issuer may redeem at its option up to 35% of the aggregate principal amount of the Notes, using the proceeds of certain equity offerings at the redemption price set forth herein plus accrued and unpaid interest and additional amounts, if any. Upon the occurrence of certain events constituting a change of control, the Issuer may be required to make an offer to repurchase all of the Notes at a redemption price equal to 101% of the principal amount thereof, plus accrued and unpaid interest and additional amounts, if any. In the event of certain developments affecting taxation, the Issuer may redeem all, but not less than all, of the Notes.

The Notes will be senior obligations of the Issuer and will rank *pari passu* in right of payment to all of the Issuer's existing and future indebtedness that is not subordinated in right of payment to the Notes and senior in right of payment to all existing and future indebtedness of the Issuer that is subordinated in right of payment to the Notes. The Notes will have the benefit of an unconditional and irrevocable guarantee (the "Company Guarantee") from Intralot S.A. Integrated Lottery Systems and Services, a public limited liability company (*société anonyme*) organized under the laws of the Hellenic Republic (the "Company" or "Intralot S.A."), and guarantees (subject to certain important limitations as described elsewhere in this Offering Memorandum) from certain of its subsidiaries (the "Subsidiary Guarantors" and, together with the Company, the "Guarantors"). The Company Guarantee and the guarantees provided by the Subsidiary Guarantors (the "Subsidiary Guarantees" and, together with the Company Guarantee, the "Guarantees") will be senior obligations of the Guarantors and will rank *pari passu* in right of payment to all of the Guarantors' existing and future indebtedness that is not subordinated in right of payment to the Guarantees, including the Syndicated Facilities (as defined below), and senior in right of payment to all existing and future indebtedness of the Guarantors that is subordinated in right of payment to the Guarantees. The Notes and the Guarantees will also be effectively subordinated to all of the existing and future debt of the Company's subsidiaries (other than the Issuer) that do not guarantee the Notes and to all existing and future secured indebtedness of the Issuer and the Guarantors to the extent of the value of the property and assets securing such indebtedness.

Investing in the Notes involves risks. See "Risk Factors" beginning on page 24.

This offering memorandum (the "Offering Memorandum") constitutes a prospectus for purposes of Part IV of the Luxembourg act dated July 10, 2005 on prospectuses for securities, as amended, and includes information on the terms of the Notes, including redemption and repurchase prices, covenants and transfer restrictions. The Issuer has applied to have the Notes listed on the Official List of the Luxembourg Stock Exchange (the "LxSE") and traded on the LxSE's Euro MTF market (the "Euro MTF Market"), which is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. It is expected that the approval (*visa*) in connection with the listing of the Notes on the Official List of the LxSE and the admission of the Notes to trading on the Euro MTF Market will be granted by the LxSE promptly after the issuance of the Notes.

The Issuer expects that the Notes will be delivered in book-entry form through Euroclear System ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") on or about August 8, 2013 (the "Issue Date").

Neither the Notes nor the Guarantees have been or will be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws. Accordingly, the Notes and the Guarantees are being offered and sold in the United States only to qualified institutional buyers ("QIBs") as defined in, and in reliance on, Rule 144A under the U.S. Securities Act ("Rule 144A") and outside the United States in reliance on Regulation S under the U.S. Securities Act ("Regulation S"). Prospective purchasers that are QIBs are hereby notified that the seller of the Notes and the Guarantees may be relying on the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144A. See "Important Information" and "Transfer Restrictions" for additional information about eligible offerees and transfer restrictions.

Price for the Notes: 99.027% plus accrued interest, if any, from the Issue Date.

Joint Bookrunners

Citigroup **HSBC** **Barclays** **Société Générale**

Co-Managers

Alpha Bank **BNP PARIBAS** **Eurobank** **Piraeus Bank** **Nomura** **BERENBERG**

Offering Memorandum dated August 1, 2013.

intralot

Innovation
drives our Growth

intralot interactive
VIRTUAL GAMES
quick game, instant win
iGEM™
innovation
Universal Gaming Experience
Gablet
nefos
intralotcloud
Genion
So small
So powerful
PRESS PLAY
WinStation
iflex
PAPERLESS
UNVEILING
A NEW WORLD
OF RETAIL GAMING
Capture the future.
Today.
photon
eyeLOT

Terminals

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IMPORTANT INFORMATION

This Offering Memorandum is confidential and has been prepared by us solely for use in connection with the proposed offering of the Notes described in this Offering Memorandum and for application for listing particulars to be approved by the Luxembourg Stock Exchange and for the Notes to be admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market thereof. This Offering Memorandum is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire Notes. Distribution of this Offering Memorandum to any person other than the prospective investor and any person retained to advise such prospective investor with respect to the purchase of Notes is unauthorized, and any disclosure of any of the contents of this Offering Memorandum, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any documents referred to in this Offering Memorandum.

In making an investment decision, prospective investors must rely on their own examination of our company and the terms of this offering, including the merits and risks involved. In addition, neither we nor the initial purchasers nor any of our or their respective representatives is making any representation to you regarding the legality of an investment in the Notes, and you should not construe anything in this Offering Memorandum as legal, business or tax advice. You should consult your own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. You must comply with all laws applicable in any jurisdiction in which you buy, offer or sell the Notes or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we nor the initial purchasers shall have any responsibility for any of the foregoing legal requirements.

You should base your decision to invest in the Notes solely on information contained in this Offering Memorandum. Neither we nor the initial purchasers have authorized anyone to provide you with any different information.

We are offering the Notes in reliance on an exemption from registration under the U.S. Securities Act for an offer and sale of securities that does not involve a public offering. If you purchase the Notes, you will be deemed to have made certain acknowledgments, representations and warranties as detailed under this section. You may be required to bear the financial risk of an investment in the Notes for an indefinite period. Neither we nor the initial purchasers are making an offer to sell the Notes in any jurisdiction where the offer and sale of the Notes is prohibited or make any representation to you that the Notes are a legal investment for you. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Each prospective purchaser of the Notes must comply with all applicable laws, rules and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor the initial purchasers shall have any responsibility therefor.

None of the U.S. Securities and Exchange Commission, any U.S. state securities commission or any non-U.S. securities authority or other authority has approved or disapproved of the Notes or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

We have applied to have the Notes listed on the Official List of the LxSE and traded on the Euro MTF Market, which is not a regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. We cannot guarantee that our application to the LxSE for approval of this Offering Memorandum, or for the Notes to be admitted for trading on the Euro MTF Market, will be approved as of the settlement date for the Notes or at any time thereafter, and settlement of the Notes is not conditional on obtaining this listing.

The Issuer and Guarantors accept responsibility for the information contained in this Offering Memorandum. The Issuer and Guarantors have made all reasonable inquiries and confirm to the best of their knowledge, information and belief that the information contained in this Offering Memorandum with regard to the Issuer and Guarantors and their subsidiaries and affiliates and the Notes is true and accurate in all material respects, that the opinions and intentions expressed in this

Offering Memorandum are honestly held and that the Issuer and Guarantors are not aware of any other facts the omission of which would make this Offering Memorandum or any statement contained herein misleading in any material respect.

No representation or warranty is made or implied by the initial purchasers or any of their respective affiliates, and neither the initial purchasers nor any of their respective affiliates make any representation or warranty or accept any responsibility or any liability, as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Memorandum and any other information provided by the Issuer and the Guarantors in connection with the issuance of the Notes. None of the initial purchasers accepts any responsibility or liability in relation to the information contained or incorporated by reference in this Offering Memorandum or any other information provided by the Issuer and the Guarantors in connection with the issuance of the Notes.

By receiving this Offering Memorandum, investors acknowledge that they have had an opportunity to request for review, and have received, all additional information they deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum. Investors also acknowledge that they have not relied on the initial purchasers in connection with their investigation of the accuracy of this information or their decision whether to invest in the Notes. The contents of this Offering Memorandum is not to be considered legal, business, financial, investment, tax or other advice. Prospective investors should consult their own counsel, accountant and other advisors as to legal, business, financial, investment, tax and other aspects of a purchase of the Notes. In making an investment decision, investors must rely on their own examination of the Issuer and the Intralot Group (as defined below), the terms of the offering of the Notes and the merits and risks involved.

Société Générale is not registered with the U.S. Securities and Exchange Commission as a U.S. registered broker-dealer and will effect offers and sales solely outside of the United States to the extent permitted by rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") through its U.S. registered broker-dealers.

We and the initial purchasers may reject any offer to purchase the Notes in whole or in part, sell less than the entire principal amount of the Notes offered hereby or allocate to any purchaser less than all of the Notes for which it has subscribed.

Certain exchange rate information presented in this Offering Memorandum includes extracts from information and data publicly released by official and other sources. While we accept responsibility for accurately summarizing the information concerning exchange rates, and as far as we are aware and able to ascertain, no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information. The information set out in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including the section entitled "Book-Entry, Delivery and Form," is subject to change in or reinterpretation of the rules, regulations and procedures of Euroclear and Clearstream currently in effect. While we accept responsibility for accurately summarizing the information concerning Euroclear and Clearstream, and, as far as we are aware, and able to ascertain, no facts have been omitted which would render this information inaccurate or misleading, we accept no further responsibility in respect of such information.

THE NOTES AND THE GUARANTEES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT. THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144A AND OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S. YOU ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SECTION 5 OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the U.S. Securities Act and applicable securities laws of any other jurisdiction pursuant to registration or exemption therefrom. Prospective purchasers should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. See "Transfer Restrictions."

IN CONNECTION WITH THIS OFFERING OF NOTES, CITIGROUP GLOBAL MARKETS LIMITED (THE "STABILIZING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILIZING MANAGER) MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAW,

OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO STABILIZING OR MAINTAINING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILIZING MANAGER WILL UNDERTAKE ANY SUCH STABILIZATION ACTION. SUCH STABILIZATION ACTION, IF COMMENCED, MAY BEGIN ON OR AFTER THE DATE OF ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFERING OF THE NOTES AND MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 CALENDAR DAYS AFTER THE DATE ON WHICH THE ISSUER RECEIVED THE PROCEEDS OF THE ISSUE AND 60 CALENDAR DAYS AFTER THE DATE OF ALLOTMENT OF THE NOTES.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES, AS AMENDED ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This Offering Memorandum has been prepared on the basis that any offer of Notes in any member state of the European Economic Area ("EEA") which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive (as defined below), as implemented in that Relevant Member State, from the requirement to produce a prospectus for offers of Notes. Accordingly, any person making or intending to make any offer within that Relevant Member State of Notes, which are the subject of the offering contemplated in this Offering Memorandum, may only do so in circumstances in which no obligation arises for the Issuer or the initial purchasers to produce a prospectus for such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the initial purchasers to publish a prospectus for such offer. Neither the Issuer nor the initial purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the initial purchasers, which constitute the final placement of Notes contemplated in this Offering Memorandum. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

NOTICE TO INVESTORS IN LUXEMBOURG

The terms and conditions relating to this Offering Memorandum have not been approved by and will not be submitted for approval to the Luxembourg Financial Sector Regulator (*Commission de Surveillance du Secteur Financier*) for purposes of a public offering or sale in Luxembourg. Accordingly, the Notes may not be offered or sold to the public in Luxembourg, directly or indirectly, and neither this Offering Memorandum nor any other circular, prospectus, form of application, advertisement or other material may be distributed, or otherwise made available in or from, or published in, Luxembourg, except for the sole purpose of the admission to trading of the Notes on the Euro MTF Market and listing on the Official List of the Luxembourg Stock Exchange and except in circumstances that do not constitute an offer of securities to the public in accordance with the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended from time to time, and implementing the Prospectus Directive.

Consequently, this Offering Memorandum and any other offering circular, prospectus, form of application, advertisement or other material may only be distributed (i) to Luxembourg qualified investors as defined in the Luxembourg Act of July 10, 2005 on prospectuses for securities, as amended, (ii) to no more than 149 prospective investors, which are not qualified investors and (iii) in any other circumstance contemplated by the Luxembourg Act of July 10, 2005 on prospectus for securities, as amended from time to time and implementing the Prospectus Directive.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the "Financial Promotion Order"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "relevant persons"). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

THIS OFFERING MEMORANDUM CONTAINS IMPORTANT INFORMATION WHICH YOU SHOULD READ BEFORE YOU MAKE ANY DECISION WITH RESPECT TO AN INVESTMENT IN THE NOTES.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains forward-looking statements and other information that involves risks, uncertainties and assumptions. The words "anticipate," "assume," "believe," "estimate," "expect," "intend," "may," "plan," "project," "should" and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about our beliefs and expectations and the assumptions underlying them, including, without limitation, statements regarding our future financial position, risks and uncertainties related to our business, strategy, capital expenditure, projected costs and our plans and objectives for future operations. These statements are based on plans, estimates and projections as they are currently available to our management. Forward-looking statements therefore speak only as of the date they are made, and we undertake no obligation to update any of them in light of new information or future events. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct.

By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on our management's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the gaming industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, the cost and availability of adequate insurance coverage and financing, changes in interest rates and other factors beyond our control). Changing factors, risks and uncertainties that could affect us include, without limitation:

- changes in government regulations and oversight in the jurisdictions in which we operate, including new and increased taxation;
- illegal betting and challenges relating to public perception and efforts of gaming opponents to curtail legalized gambling;
- changes in consumer preferences;
- increased competition;
- slow growth or declines in sales of lottery and gaming products and services;

- non-renewal or termination of material contracts and licenses, whether as a result of litigation, changing regulations, breaches of contract provisions, public policy concerns or any other factors, including our relationship with government authorities;
- our relationships with government authorities;
- our compliance with anti-corruption laws and regulations and economic sanction programs;
- changes in market trends including technological changes and the changing technological demands and preferences of our customers;
- risks associated with our strategic expansion into new geographic markets and joint ventures or other strategic investments;
- the need for unexpected capital expenditures;
- the risk of accidents, natural disasters, labor matters or other adverse incidents in our operations;
- losses with respect to individual events or betting outcomes;
- difficulties in renewing existing or raising additional financing, including financing to fund future capital expenditures, acquisitions and other general corporate activities;
- changes in interest rates and currency fluctuations;
- changes in global or regional economic conditions;
- instability in the social, political and economic conditions in the countries in which we operate;
- the availability of adequate insurance coverage; and
- other risks related to the business, the industry or the regions in which we operate.

Should one or more of such risks and uncertainties materialize, or should any underlying assumptions prove incorrect, actual outcomes may vary materially from those indicated in the applicable forward-looking statements. Any forward-looking statement or information contained in this Offering Memorandum speaks only as of the date the statement was made.

All of the forward-looking statements made by us herein and elsewhere are qualified in their entirety by the risk factors and statements discussed in "Risk Factors" and "Management's Discussion and Analysis of Our Financial Condition and Results of Operations." These risk factors and statements describe circumstances that could cause actual results to differ materially from those contained in any forward-looking statement in this Offering Memorandum. The risks described in the "Risk Factors" section in this Offering Memorandum are not exhaustive. Other sections of this Offering Memorandum describe additional factors that could adversely affect our business, financial condition or results of operations. Moreover, we operate in a very competitive and rapidly changing environment. We may face new risks from time to time, and it is not possible for us to predict all such risks; nor can we assess the impact of all such risks on our business or the extent to which any factor, or combination of factors may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not place undue reliance on forward-looking statements as a prediction of actual results.

The Issuer, the Guarantors and the initial purchasers assume no obligation to update any of the forward-looking statements after the date of this Offering Memorandum to conform those statements to actual results, subject to compliance with all applicable laws. The Issuer, the Guarantors and the initial purchasers assume no obligation to update any information contained in this Offering Memorandum or to publicly release any revisions to any forward-looking statements to reflect events or circumstances, or to reflect that the Issuer or the Guarantors became aware of any such events or circumstances, that occur after the date of this Offering Memorandum.

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offering Memorandum, the term "Issuer" refers to Intralot Finance Luxembourg S.A. with its registered office in Luxembourg. The term "Company" refers to Intralot S.A. with its registered office in Greece. The terms "we," "us," "our" and the "Intralot Group" refer to Intralot S.A. together with its subsidiaries.

References to management, directors and executive officers refer to the management, directors and executive officers of the Issuer or the Company, as the context requires. References to the "United States" or "U.S." in this Offering Memorandum shall be to the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

In addition, the following terms used in this Offering Memorandum have the meanings assigned to them below:

2013 Convertible Bond	The convertible notes due 2013 issued by Intralot Luxembourg S.A. €60.0 million in aggregate principal amount of the 2013 Convertible Bond has been cancelled and €140.0 million in aggregate principal amount of the 2013 Convertible Bond is outstanding.
Alpha Bank Facility	A term facility under a facility agreement entered into on June 7, 2013 by Intralot Finance UK PLC as borrower and Intralot Global Holdings and Intralot S.A. as guarantors, which has been entered into in order to refinance a previous loan made to the Company by Emporiki Bank of Greece S.A. The facility agreement, which will mature on December 31, 2015, provides for borrowings up to an aggregate of €62,500,000 on a committed basis, of which €20.0 million is expected to be repaid using the proceeds from the offering of the Notes. See "Description of Other Indebtedness."
Company Guarantee	The unconditional and irrevocable guarantee provided by Intralot S.A. on the Notes.
EBIT	Earnings before interest and tax.
EBITDA	Earnings before interest, tax, depreciation and amortization.
Escrow Agent	Citibank, N.A., London Branch.
Escrow Agreement	Agreement pursuant to which the common depository will deposit directly with the Escrow Agent an amount of the proceeds of the offering of the Notes sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond, plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond, a portion of which the Company expects to use to pay the purchase price, plus accrued and unpaid interest, of the amount of the 2013 Convertible Bond that will be accepted for payment by Intralot Luxembourg S.A. in the Tender Offer.
Escrow Termination Date	The date of any Termination Event, as described in "Summary—Transactions—Escrow Arrangements."
Escrowed Property	The amount deposited into the Escrow Account.
Euro MTF Market	An exchange-regulated market under the aegis of the Luxembourg Stock Exchange, which is not an EU-regulated market within the meaning of Directive 2004/39/EC on markets in financial instruments. The Notes are expected to be admitted to trading on the Euro MTF Market.
Guarantors	The Subsidiary Guarantors, together with the Company.

IAS	International Accounting Standards, used by the Company for the presentation of the unaudited interim financials.
IFRS	International Financial Reporting Standards as endorsed by the European Union.
Local Credit Facilities	Our existing local credit facilities, as described more fully under "Capitalization" and "Description of Other Indebtedness," of which €21.2 million is expected to be repaid using the proceeds from the offering of the Notes.
LxSE	The Luxembourg Stock Exchange.
Notes	€325,000,000 in aggregate principal amount of 9.750% senior notes due 2018, described more fully under "Description of the Notes."
OID	Original Issue Discount.
Purchase Agreement	Agreement entered among the Issuer, Guarantors and the initial purchasers dated as of the date of this Offering Memorandum, under the terms and conditions of which the Issuer has agreed to sell the Notes to the initial purchasers, and, subject to certain conditions contained therein, the initial purchasers have, severally and not jointly, agreed to purchase the principal amount of the Notes, as set forth in the "Plan of Distribution."
QIBs	Qualified institutional buyers as defined in Rule 144A under the U.S. Securities Act.
Revolving Facility	€150,000,000 revolving facility entered through Intralot Finance UK PLC due December 21, 2014, €113.8 million of which is expected to be repaid (but not cancelled) using, in part, the proceeds from the issue of the Notes.
Stabilizing Manager	Citigroup Global Markets Limited.
Subsidiary Guarantees	Guarantees on the Notes provided by the Subsidiary Guarantors.
Subsidiary Guarantors	Certain of the Company's subsidiaries, which are providing the Subsidiary Guarantees, listed in "Summary—The Guarantors."
Syndicated Facilities	The Term Facility together with the Revolving Facility.
Tender Offer	Our tender offer to purchase the outstanding principal amount of the 2013 Convertible Bond described under "Summary—Transactions—Tender Offer for the 2013 Convertible Bond."
Term Facility	€150,000,000 term facility entered through Intralot Finance UK PLC due December 21, 2014, €70.0 million of which is expected to be repaid using the proceeds of the issue of the Notes and cancelled.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This Offering Memorandum includes audited consolidated and standalone financial statements of the Company as of and for the years ended December 31, 2010, 2011 and 2012 and unaudited interim consolidated and standalone financial statements of the Company as of and for the three months ended March 31, 2013. The audited consolidated financial statements of the Company as of and for the years ended December 31, 2010, 2011 and 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and the unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2013 have been prepared in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting."

The consolidated financial statements of the Company as of and for the years ended December 31, 2010, 2011 and 2012 have been audited by S.O.L. S.A. ("S.O.L."), an affiliate of Crowe Horwath. The unaudited interim consolidated financial statements of the Company as of and for the three months ended March 31, 2013 have been reviewed by both S.O.L. and Grant Thornton Greece ("GT").

Unaudited financial information for the last twelve months ended March 31, 2013 is calculated by taking results of operations for the three months ended March 31, 2013 and adding it to the difference between the results of operations for the year ended December 31, 2012 and the three months ended March 31, 2012.

We consolidate certain subsidiaries under IFRS in which we have a minority ownership but nevertheless control, either through certain shareholder agreements or by virtue of our control of a controlling intermediate holding company. Income attributable to our partners in such consolidated subsidiaries is reflected under the equity method of consolidation as "Minority Interest" in our consolidated financial statements.

In this Offering Memorandum, references to "2010," "2011" and "2012" refer to the years ended December 31, 2010, 2011 and 2012, respectively. Individual figures (including percentages) appearing in this Offering Memorandum have been rounded according to standard business practice. Figures rounded in this manner may not necessarily add up to the totals contained in a given table.

The term "revenue" as used in this Offering Memorandum corresponds to the line item "sales proceeds" in the consolidated financial statements of the Company.

Non-IFRS Financial Measures

We have included in this Offering Memorandum certain financial measures and ratios, including EBIT, EBITDA, EBITDA margin and certain leverage and coverage ratios, that are not presented in accordance with IFRS. In this Offering Memorandum, references to "EBIT" for the years ended December 31, 2012, 2011 and 2010, the three months ended March 31, 2013 and 2012, and the last twelve months ended March 31, 2013 for Intralot Group are calculated as operating profit before tax plus profit/(loss) equity method consolidations, exchange differences, interest and related income and interest and similar charges, write-off and impairment losses of assets and investments, and gain/(loss) from asset disposal, all for the same period. "EBITDA" for the same periods is calculated as EBIT before depreciation and amortization, all for the same period. EBIT and EBITDA are presented in the consolidated financial statements of Intralot Group.

We are not presenting EBIT and EBITDA as measures of our results of operations. EBIT and EBITDA have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results of operations. Our management believes that the presentation of EBIT and EBITDA is helpful to investors, securities analysts and other parties to measure our operating performance and ability to service debt. Our EBIT and EBITDA may not be comparable to similarly titled measures used by other companies. EBIT, EBITDA, EBITDA margin and leverage and coverage ratios are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS. Furthermore, the presentation of guarantor coverage as a percentage of consolidated EBITDA aggregates solely those subsidiaries that contribute positive EBITDA to the Intralot Group.

This Offering Memorandum includes consolidated financial data which has been adjusted to reflect certain effects of the sale of the Notes and the use of proceeds on our gross financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid as of or for the last twelve months ended March 31, 2013. Our consolidated *pro forma* financial data has been prepared for illustrative purposes only and does not purport to represent what our actual gross financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid would have been if the sale of the Notes and the use of proceeds had occurred on March 31, 2013, nor does it purport to project our gross financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid at any future date. The unaudited *pro forma* adjustments and the unaudited *pro forma* financial data set forth in this Offering Memorandum are based on available information and certain assumptions and estimates that we believe are reasonable but may differ materially from the actual adjusted amounts.

CURRENCY PRESENTATION AND DEFINITIONS

In this Offering Memorandum, all references to "€", "euro" or "EUR" refer to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended. All references to "U.S.$", "U.S. dollars" or "USD" are to the lawful currency of the United States of America. "JMD" refers to amounts denominated in the Jamaican dollar. "AZN" refer to amounts denominated in the Azerbaijan manat. "PEN" refers to amounts denominated in the Peruvian new sol. "AUD" refers to amounts denominated in the Australian dollar. "TRY" refers to amounts denominated in the Turkish lira. "PLN" refers to amounts denominated in the Polish zloty. "RON" refers to amounts denominated in the Romanian new leu. "BRL" refers to amounts denominated in the Brazilian real. "ARS" refers to amounts denominated in the Argentine peso. "BGN" refers to amounts denominated in the Bulgarian lev. "XCD" refers to amounts denominated in the East Caribbean dollar.

We have set forth in the table below, for the periods and dates indicated, period end, average, high and low Bloomberg Composite Rates expressed as U.S. dollars per €1.00.

	Period End	Average	High	Low
	U.S. dollars per €1.00			
Year				
2008	1.3973	1.4712	1.5992	1.2454
2009	1.4326	1.3949	1.5134	1.2531
2010	1.3387	1.3266	1.4513	1.1923
2011	1.2959	1.3926	1.4830	1.2907
2012	1.3192	1.2860	1.3458	1.2061
Month				
January 2013	1.3577	1.3302	1.3577	1.3049
February 2013	1.3056	1.3339	1.3641	1.3056
March 2013	1.2820	1.2957	1.3107	1.2780
April 2013	1.3168	1.3025	1.3177	1.2820
May 2013	1.2998	1.2978	1.3180	1.2839
June 2013	1.3010	1.3200	1.3392	1.3010
July 2013	1.3302	1.3095	1.3302	1.2782

The exchange rate of the euro on July 31, 2013 was U.S.$1.3302 = €1.00.

The rates in the foregoing table may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Offering Memorandum. We have provided these exchange rates solely for the convenience of potential investors.

For information on the impact of fluctuations in exchange rates on our operations, see "Risk Factors—Risks Related to Our Business Operations—Fluctuations in currency exchange rates and related risks may adversely affect our results of operations, and hedging carries certain costs and risks" and "Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Key Factors Affecting Our Results of Operations—Exchange Rate Fluctuations."

PRESENTATION OF INDUSTRY AND MARKET DATA

In this Offering Memorandum, we rely on and refer to information regarding our business and the markets in which we operate and compete. Certain economic and industry data, market data and market forecasts set forth in this Offering Memorandum were extracted from market research, governmental and other publicly available information, independent industry publications and reports prepared by industry consultants. These external sources include, among others, Gambling Compliance and GBGC Analysis.

Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources that are believed to be reliable. We cannot assure you of the accuracy and completeness of, and have not independently verified, such information. We do, however, accept responsibility for the correct reproduction of this information.

Certain information in this Offering Memorandum, including without limitation, statements regarding the industry in which we operate, our position in the industry, our market share and the market shares of various industry participants are based on our internal estimates and analyses and our own investigation of market conditions.

We cannot assure you that our estimates or any of the assumptions underlying our estimates are accurate or correctly reflect our position in the industry. None of our internal surveys or information have been verified by any independent sources.

AVAILABLE INFORMATION

Each purchaser of the Notes from the initial purchasers will be furnished with a copy of this Offering Memorandum and any related amendments or supplements to this Offering Memorandum. Each person receiving this Offering Memorandum acknowledges that:

- such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;
- such person has not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with its investigation of the accuracy of such information or its investment decision; and
- except as provided above, no person has been authorized to give any information or to make any representation concerning the Notes offered hereby other than those contained herein and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

This Offering Memorandum contains summaries, believed to be accurate in all material respects, of certain terms of certain agreements, but reference is made to the actual agreements (copies of which will be made available upon request to us or the initial purchasers) for complete information with respect thereto, and all such summaries are qualified in their entirety by this reference.

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" within the meaning of the U.S. Securities Act, the Issuer has undertaken to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the U.S. Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act and the Issuer is neither a reporting company under Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

Requests for such information and requests for the agreements summarized in this Offering Memorandum should be directed to Ioannis Pantoleon, Intralot Finance Luxembourg S.A., 46A avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. Our website can be found at *www.intralot.com*. Information contained on our website is not incorporated by reference into this Offering Memorandum and is not part of this Offering Memorandum.

SUMMARY

The following summary is intended as an introduction to this Offering Memorandum and summarizes selected information from it. Because of the more detailed information contained elsewhere in this Offering Memorandum, investors are strongly recommended to carefully read the Offering Memorandum, and base their decision on whether to invest in the Notes on a review of the entire Offering Memorandum.

Business Overview

We are a global leader in the supply of integrated gaming systems and services. We design, develop, operate and support customized software and hardware for the gaming industry and provide innovative technology and services to state and state-licensed lottery and gaming organizations worldwide. Since our establishment more than 20 years ago, we have developed innovative technological and operating know-how and experience, which are central to maintaining our existing customer relationships as well as winning new contracts. Our long-standing relationships with our customers gives us valuable insight into their strategic and other business needs. We operate a diversified and stable portfolio of 81 contracts and licenses across 55 jurisdictions in 36 countries worldwide. Our business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for our own or other licensed operations, depending upon the market in which we operate. Our games library includes more than 550 games, including lotteries, sports betting, Video Lottery Terminals (VLTs)/Amusement with Prizes machines (AWPs) and racing.

In the last twelve months ended March 31, 2013, we had revenue of €1,382.6 million and EBITDA of €190.9 million on a fully consolidated basis for entities that we control, although we may have minority ownership in some such subsidiaries. See "Presentation of Financial and Other Information." In the three years ended December 31, 2010, 2011 and 2012, we had revenue of €1,115.7 million, €1,202.4 million and €1,374.0 million, respectively, and EBITDA of €152.7 million, €153.8 million and €177.5 million, respectively. As of March 31, 2013, we had net debt of €384.5 million and a market capitalization of €275.0 million as of July 31, 2013 (source: Athens Exchange S.A.). In addition, as of March 31, 2013, we had 5,507 full-time employees.

Business Activities

We have three business activities: Technology and Support Services Contracts; Management Contracts; and Licensed Operations.

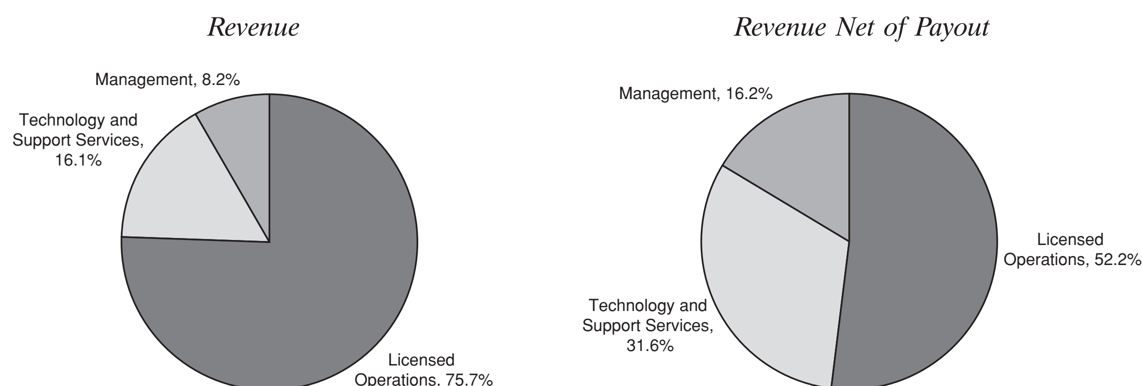
The following table summarizes the principal products and services provided in each of our business activities:

	Technology and Support Services Contracts	Management Contracts	Licensed Operations
Description	Provision of: • Central gaming system • Lottery terminals • Telecommunications system/solutions • Related peripheral equipment and software • Implementation services • Maintenance and support services and/or • Monitoring systems for VLT operations	Management of all the aspects of a gaming operation: • Provision of technology solutions as described under "Technology and Support Services Contracts" • Day-to-day operations • Marketing services • Sales network development and management and/or • Risk management/ odds setting for sports betting games	Ownership of a license to operate games including: • Provision of technology solutions as described under "Technology and Support Services Contracts" and/or • Management of services as described under "Management Contracts"

	Technology and Support Services Contracts	Management Contracts	Licensed Operations
Holder of License	State or state-licensed operator maintains the license	State or state-licensed operator maintains the license	The Intralot Group maintains the license, which is acquired from a competent local/state government authority
Key Geographies	United States, Greece, Australia, New Zealand and Argentina	Turkey, Romania, Morocco and Russia	Jamaica, Australia, Bulgaria, Italy, Peru, Azerbaijan and Malta
Other Geographies . . .	China, Croatia, Czech Republic, Dominican Republic, Germany, Malaysia, Mexico, Netherlands, Philippines, Romania, Suriname, Taiwan and Vietnam	Brazil	Cyprus, Greece, Moldova, Poland, Russia, Slovakia, South Africa and South Korea

Our key geographies set forth in the table above represented approximately 81.7% of our EBITDA in the last twelve months ended March 31, 2013.

The following diagrams set forth our percentage of revenue by business activity and our percentage of revenue net of payout by business activity, respectively, for the last twelve months ended March 31, 2013:



Our revenue net of payout for our technology and support services contracts, management contracts and licensed operations had a compound annual growth rate of 4.6%, 34.5% and 8.9%, respectively, from the year ended December 31, 2010 to the year ended December 31, 2012.

Technology and Support Services Contracts

Our technology and support services activity primarily comprises the supply of technology solutions and support, with the overall operational responsibility remaining with a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with a high level of stable and recurring revenues. These contracts also include the design, development and implementation of software tailored to each jurisdiction and operation. We currently manage 48 individual technology and support services contracts across 39 jurisdictions through 12 subsidiaries. We believe that our technological expertise gives us a competitive advantage worldwide.

Under our technology and support services contracts, we are typically paid a fee by state or state-licensed gaming organizations based on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or (ii) a fixed payment over the duration of the contract in respect of multi-year contracts. In addition, we periodically sell technology equipment and relevant services to other lottery and gaming operators.

Revenues under our technology and support services contracts are not subject to payout costs for player winnings. Our technology and support services contracts represented approximately 16.1% of our revenue and 31.6% of our revenue net of payout in the last twelve months ended March 31, 2013.

Management Contracts

Our management contracts activity primarily comprises the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. We currently operate five management contracts in five jurisdictions through five subsidiaries.

We are paid a fee under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts are not subject to payout costs for player winnings. Our management contracts represented approximately 8.2% of our revenue and 16.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

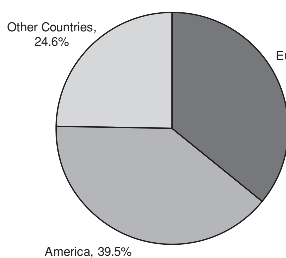
Licensed Operations

Through our licensed operations activity, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. In many cases, our licenses are open-ended since they do not have a fixed term or are automatically renewable as long as the licensed terms are complied with. We currently operate under 28 individual licenses through a combination of wholly- and partially-owned subsidiaries and joint ventures, across 16 jurisdictions. We operate through retail locations and online channels.

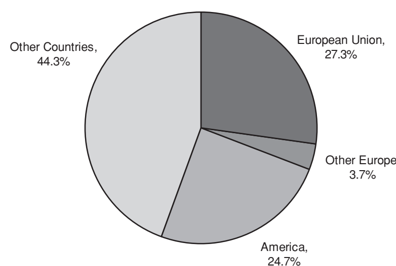
The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings. Our licensed operations represented approximately 75.7% of our revenue and 52.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

The following diagrams set forth our revenue by region and business activity for the last twelve months ended March 31, 2013.

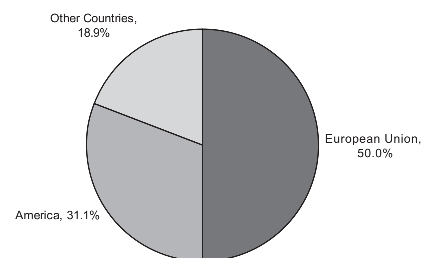
Technology and Support Services Contracts



Management Contracts



Licensed Operations



Game Categories

We offer the following categories of gaming products under each of our three business activities described above:

- ***Lottery games***, which represented 36.4% of our revenue in the last twelve months ended March 31, 2013, include the operation, supply of technology services for numerical and traditional lottery games, instant tickets and fast draw games in more than 80,000 POS with over 290 games across 30 jurisdictions on five continents in each of our three business activities.
- ***Sports betting***, which represented 46.6% of our revenue in the last twelve months ended March 31, 2013, includes the operation, supply of technology, bookmaking and risk management services for 19 sports betting contracts, with up to 5,000 concurrent events. With operations in

18 jurisdictions, we believe we are one of the leading sports betting providers in the state-sponsored gaming sector in the world. In the case of licensed operations, we primarily operate through agents who bear the cost of operation, while we manage the sports book. In certain jurisdictions, such as Italy and Poland, we operate through our own branded shops, which may be franchised or directly owned.

- ***IT products and services***, which represented 11.2% of our revenue in the last twelve months ended March 31, 2013, includes technology and operational services to state and state-licensed organizations in nine jurisdictions. These services are done on a fixed payment basis rather than as a percentage of wagers.
- ***Video Lottery Terminals/Amusement with Prizes machines***, which represented 4.6% of our revenue in the last twelve months ended March 31, 2013, include solutions and services for VLT monitoring, gaming venues and server-based gaming. We operate and/or service over 85,000 gaming machines in over 5,000 POS and gaming halls in ten jurisdictions.
- ***Racing***, which represented 1.2% of our revenue in the last twelve months ended March 31, 2013, includes technology, content and integrated services for pari-mutuel and fixed-odds race betting on horse and dog racing events as well as virtual racing, with contracts in eight jurisdictions.

Competitive Strengths

Broad-based Diversification across Contracts, Geographies and Business Activities

We have a diversified portfolio of 81 contracts and licenses, including: 48 technology and support services contracts, which comprised 31.6% of our revenue net of payout during the last twelve months ended March 31, 2013; five management contracts, which comprised 16.2% of our revenue net of payout during the same period; and 28 licenses, which comprised 52.2% of our revenue net of payout during the same period. Our business is also well-diversified geographically, with operations in 55 jurisdictions on five continents and no single market representing more than 12.1% of our EBITDA during the last twelve months ended March 31, 2013. In addition, Greece, where our business consists primarily of contracts with the Greek Organization of Football Prognostics S.A. ("OPAP"), represented only 5.2% of our revenue for the last twelve months ended March 31, 2013. With our operations split across the three core business activities of technology and support services, management and licensed operations and in various jurisdictions, we believe our EBITDA generation remains well-diversified. We believe we are the most diversified gaming provider among our peers, which allows for enhanced revenue and earnings stability. In addition, we are well positioned in markets with attractive growth prospects such as South America and Asia.

Highly Visible Recurring Revenues

We believe that we have a significant revenue pipeline because of the long-term nature of our contracts and our strong track record of contract renewals. The terms of our 48 technology and support services contracts range from less than one year to 26 years, with an average remaining contract length (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 4.3 years (or 5.4 years taking into account certain of our customers' renewal options). The terms of our five management contracts range from five to nine years, with an average remaining contract length (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 3.3 years (or 4.9 years taking into account certain of our customers' renewal options). During the period from 2006 to 2012, we grew our licensed operations significantly. Many of our licensed operations contracts are open-ended, meaning they do not have a fixed term or are automatically renewable on a periodic basis, as long as we comply with the license terms. We believe this adds to the stability of our revenue streams.

We also have a strong track record of renewing or extending our expiring contracts. Since 2007, we have successfully renewed or extended more than 90% of our contracts which were expiring. Based on our historical experience, we expect to renew the substantial majority of our contracts at their respective expirations, which we believe reflects the strength of our incumbent position.

During the last three months ended March 31, 2013, 83.9% of our revenue was attributable to contracts that (i) do not expire in the next five years, (ii) are periodically renewable provided the licensee conforms with the applicable contractual requirements or (iii) are in liberalized markets where the contracts are extended or renewed through a non-competitive process.

Leading Proprietary Technology with Track Record of Innovation

We believe that we are at the forefront of our industry in terms of innovation and quality, which has given us one of the most technologically-advanced and reliable product offerings in our business. We test an average of 30 gaming concepts across our business activities per year to remain competitive in our offering of the latest games and variations for the players. We believe that our leading research and development ("R&D") capability enables us to compete effectively on the basis of technology, incur lower capital expenditure and upfront costs, as well as to reduce ongoing maintenance spend with lower breakdown costs. As of March 31, 2013, we held approximately 70 patents and designs worldwide and had approximately 70 additional patents at various stages of approval. We spent approximately €19.6 million, €16.6 million and €17.5 million in 2010, 2011 and 2012, respectively, on R&D. In each of those years, we have been included in the EU Industrial Research & Development Investment Scoreboard prepared and published by the European Commission for our significant investments in R&D, which we believe demonstrates our leadership and commitment as a technological provider.

Best-in-Class Risk Management and Corporate Controls

Our primary payout risk comes from our sports betting book. We manage this risk through best-in-class local odds setting as well as a betting center in Greece that controls our global fixed-odds betting activity and payout policy on a real-time basis. Our sports betting portfolio represented approximately 46.6% of our total revenue for the last twelve months ended March 31, 2013, and we have a long track record of successfully managing payout risk. See "Business—Our Products and Services—Services—Risk Management (for Sports Betting Games)." We also enter into risk exchange agreements with major international betting operators when possible to further reduce our exposure to any one potential outcome.

Furthermore, we have rigorous internal controls and compliance procedures that follow listing standards and international best practices for cash management and legal and regulatory compliance. This includes procedures to monitor transactions, maintain key back-up procedures and regular contingency planning as well as internal audits and procedures to detect money laundering. All of these procedures are facilitated in part by our central monitoring and control system that tracks all of our operations through our Lotos Open System ("Lotos"). In September 2011, we became the first international lottery vendor to be certified according to the World Lottery Association Security Control Standard.

Proven and Highly Scalable Operating Model

We believe that we are well-positioned to benefit from global growth opportunities while adhering to strict investment criteria, with the aim to achieve target threshold returns. We seek to take advantage of the recent global trend towards liberalization of gaming regulations by leveraging our proven track record across different geographies and regulatory environments. We have extensive experience working with regulators in the 55 jurisdictions in which we operate, which we are able to apply globally. We have a highly scalable business model supported by our advanced IT platform, which requires minimal customization to be used in new jurisdictions. In addition, our product offering is adaptable, enabling us to provide technology to third-party operators, manage operations on behalf of licensees, or hold and manage licenses directly as the circumstances permit. This is demonstrated by our track record in winning 29 out of 52 relevant international gaming tenders that we have participated in since 2005. In many of our licensed operations, we operate through joint venture arrangements with local partners. We believe these joint venture arrangements provide the best means to penetrate and operate in certain markets, as we are able to benefit from our partner's local relationships and share extensive know-how.

Strong and Experienced Management Team

We have a seasoned and experienced management team, most of whom have been with the Company since its establishment. Our management team has extensive experience in various gaming businesses and has a strong entrepreneurial and strategic perspective on the international gaming industry. This enables us to identify and pursue evolving industry opportunities with significant revenue generation potential before our competitors. For example, our management team identified the potential for growth in sports betting games and has since focused on leveraging our operational advantage in the sports betting markets throughout the world. In Italy, we entered the newly-regulated

betting market in 2007 and became the top foreign sports betting operator by market share (source: Amministrazione Autonoma dei Monopoli di Stato ("AAMS")). In addition, our management team has successfully gained market share in the U.S. lottery market, which was previously dominated by our two key competitors. We entered that market with our first state lottery contract in 2003, and since then our management team has focused on pursuing U.S. opportunities by leveraging our technology advantage in the state-run lottery market. We are still the only non-U.S. company holding contracts with U.S. state lotteries and currently have 12 technology and support services contracts with nine states and the District of Columbia.

Strategy

Exploit Existing Contracts to Optimize Cash Flow

Our strategy is to improve our cash flows by reducing total capital expenditure following our recent expansion phase. We expect to benefit from the ramp-up of our recently-initiated contracts. We also seek to grow organically through the optimization of our gaming portfolio and network. We have already identified and realized cost savings from central service functions across our contracts, such as through our Nefos cloud computing solution which enables the consolidation of dispersed data centers. We believe we can further identify and realize additional cost savings in the future. We also believe we can manage our licensed operations to optimize costs. We are applying best practices for the centralization of costs and purchases from all our markets in order to optimize our cash flow across our global operations.

Proactively Manage Our Contract Portfolio

Our strategy is to improve the average profitability of our contract portfolio by focusing on the renewal of our contracts on profitable terms. Our diversification allows us to exit unprofitable contracts where possible. In addition, we will seek to selectively enter new contracts that match our stringent profitability and cash generation targets. We believe we have a strong track record in contract renewals both as a result of our incumbent position and our key strengths, which include our leading technology solutions as well as our extensive operational experience in diverse and competitive markets, which allow us to tailor product offerings to meet local preferences and establish successful gaming operations. We also continue to evaluate the profitability of our contracts and have selectively terminated less profitable ones, such as our recent closure of operations in Egypt, Guatemala, France and Spain.

Maintain Leadership in Technology and Product Innovation

We seek to develop leading technology in lottery gaming, sports betting, VLTs/AWPs, racing and IT products and services through continuously investing in innovative solutions and adopting proven methodologies and best practices in all of our designs and implementations. Our R&D efforts include partnerships and collaborative initiatives with the wider IT community in Greece and abroad. For instance, we have a partnership with the Athens Information Technology Center for various research projects and recently established a dynamic, technology-oriented Gaming Innovation Cluster in partnership with the Corallia Clusters Initiative in Greece. As of March 31, 2013, we held approximately 70 patents and designs worldwide and had approximately 70 additional patents at various stages of approval. See "Business—Intellectual Property." Our R&D efforts have led to the development of our modular Lotos platform, which we expect to become the universal platform to help us better tailor and continuously improve our product solutions. See "Business—Our Products and Services—Products—Lotos Gaming Platform."

Strong Values and Commitment to Responsible Gaming Operations

We seek to promote responsible gaming operations, which we believe are essential to renewing our existing contracts and winning new ones with lottery and gaming organizations. We strive to adhere to the following objectives across the Intralot Group network:

- comply with the laws and regulations as set out by regulators in host countries;
- ensure that the interests of players and vulnerable groups are protected;
- continually develop appropriate practices and technologies on the basis of market research and information gathered from our global operations;

- promote the implementation of responsible gaming practices in our corporate activities and externally with our customers' activities; and
- educate and provide the public with accurate and balanced information so as to enable players to make informed gaming choices.

In general, regulators require us to provide well-designed games in a secure environment while preventing, to the maximum extent possible, underage, illegal and problem gambling and minimizing any potential harm to society.

Selective Participation in New Opportunities

While we primarily aim to exploit our cash flows from our existing contractual portfolio following the end of our expansion program in 2010, we also aim to selectively look for profitable opportunities pursuant to our stringent investment policies. The best practices we have developed during our expansion allow us to minimize operating risks, which in turn we believe will enable us to optimize our cash flow profile. In addition, we seek to minimize risk by working with partners who can provide local experience and reduce our capital requirements. For example, we participate in a joint venture that recently won a major new scratch card and lottery ticket concession in Greece, which will enable us to introduce a new product with minimal investment. Our participation in the joint venture allows us to provide technology and management services, as well as to participate in any equity upside, with minimal capital demands.

Our History

Our Company, Intralot S.A., was incorporated in Athens, Greece on August 6, 1992, winning its first domestic contract (for scratch tickets) in 1993 and its first international contract (in Romania) in 1994. The Greek scratch ticket contract was renewed in 1998. In 1999, Intralot S.A. was listed on the Athens Exchange S.A. (the "Athens Exchange"). In the same year, we won the OPAP betting contract. By 2003, we expanded beyond Europe to Chile and Peru and, in 2003, entered the U.S. market.

Between 2006 and 2010, we went through a significant expansionary period, growing our footprint from 14 jurisdictions in 2006 to 56 jurisdictions in 2010. During that time we also positioned ourselves in the liberalized Italian betting market, and in 2010 extended our OPAP contract for an additional three years. In the last five years, we have won a number of contracts, such as a ten-year betting contract in Turkey in 2008; a VLT contract in the State of Ohio (United States) in 2010; a ten-year VLT contract in Italy in 2009; a 15-year VLT monitoring (technology) contract in Victoria, Australia in 2011; a ten-year lottery license in Malta in 2012; and a three-year extension of our contract for the provision of central gaming and a statewide retail network system in South Carolina in 2013.

Reorganization of our International Business

As of the date of this Offering Memorandum, we have substantially completed our internal restructuring designed to enhance our credit profile and reflect the international profile of our business operations by transferring substantially all of our non-Greek and non-Cyprus assets into a Dutch holding company structure under Intralot Global Holdings B.V. In connection with our restructuring, Intralot Global Holdings and Intralot Global Securities were incorporated in the Netherlands on January 24, 2013 and March 5, 2013, respectively. Following the Issue Date, we intend to complete the transfer of the remaining non-Greek and non-Cyprus assets under Intralot Global Holdings B.V. as soon as is reasonably practicable.

As a result of the foregoing transactions, our international businesses outside of Greece and Cyprus will be substantially held by our Dutch holding company.

The Issuer

The Issuer was incorporated on May 22, 2013, as a *société anonyme* under the laws of the Grand Duchy of Luxembourg. The Issuer has its registered office at 46A avenue J.F. Kennedy, L-1855 Luxembourg and is registered with the Luxembourg Register of Trade and Companies (*Registre de commerce et des sociétés*) under the number B 177543. The telephone number of the Issuer is +352 42 71 71 1. Intralot Global Securities B.V. directly owns 100.0% of the shares of the Issuer. The Issuer's only significant assets are, following this offering, intercompany proceeds loans made by it to certain members of the Intralot Group using the proceeds of the issuance of the Notes. The Issuer

has conducted no business operations since its incorporation on May 22, 2013, has no business other than the issuance of the Notes and has no source of income except payments received under the Notes following this offering.

The Guarantors

On the Issue Date, the Notes will be guaranteed by Intralot S.A. and certain subsidiaries of Intralot S.A. On the Issue Date, the Subsidiary Guarantors will be Intralot Global Securities B.V., Intralot Global Holdings B.V., Intralot Gaming Services Pty Ltd, Intralot do Brasil Comércio de Equipamentos e Programas de Computador Ltda., OLTP Processamento de Transações Online Ltda, Bilot EOOD, Intralot Czech s.r.o., Intralot Cyprus Global Assets Ltd, Betting Company Cyprus Limited, Intralot Holdings International Limited, Intralot Business Development Limited, Intralot International Limited, Intralot Operations Limited, Intralot Germany GmbH, Intralot Interactive S.A., Betting Organization, Operation and Promotion Company S.A., Intralot Italia S.p.A., Veneta Servizi s.r.l, Intralot Gaming Machines S.p.A., Jackpot S.p.A., Intralot Jamaica Limited, Intralot Nederland B.V., Intralot de Perú S.A.C., Gaming Solutions International S.A.C., Servicios Transdata S.A.C., Pollot Sp. z o.o., Beta Rial Sp. z o.o., Intralot Maroc SA, "Intralot" Co. Ltd., Intralot Iberia S.A., Intralot St Lucia Limited, Lotrom S.A., Slovenské Lotérie a.s., White Eagle Investments Limited, Intralot Finance UK PLC, Intralot Interactive USA, LLC, and Intralot Inc. We will use best efforts to procure a guarantee of the Notes by Maltco Lotteries Limited no later than September 30, 2013. The issue of a Guarantee by Maltco Lotteries Limited is subject to approval by the directors of Maltco Lotteries Limited.

As of and for the last twelve months ended March 31, 2013, the Issuer and the Guarantors together represented 67.6% of our consolidated EBITDA (as defined below) and 67.8% of our consolidated total assets. We will use best efforts to procure a Guarantee of the Notes by Maltco Lotteries Limited no later than September 30, 2013. On a stand-alone basis, Maltco Lotteries Limited represented 5.2% of our consolidated EBITDA and 3.6% of our consolidated assets in the last twelve months ended March 31, 2013. See "Description of the Notes—Certain Covenants—Guarantee by Maltco Lotteries Limited."

Recent Developments

Trading Update

As of the date of this Offering Memorandum, our internal management reports and preliminary financial data regarding our results for the six-month period ended June 30, 2013 indicate that our ongoing financial performance during this period continued to be robust. In particular, we continued to see positive trends in EBITDA growth in the three months ended June 30, 2013 compared to the three months ended June 30, 2012, despite the fact that during the second quarter of 2012 the European National Teams Football Championship took place, which boosted financial results in that quarter. In addition, net debt as at June 30, 2013 was in line with net debt as at March 31, 2013.

For the six months ended June 30, 2013, we expect that our EBITDA was €100.0 million with a maximum variance of between plus and minus €2.0 million. For the last twelve months ended June 30, 2013, we expect that our EBITDA was €196.6 million with a maximum variance of between plus and minus €2.0 million. The foregoing expectations are based upon our current preliminary management estimates.

The preliminary financial estimates included above have been prepared by and are the responsibility of the Company's management. Grant Thornton has not audited, reviewed, compiled or performed any procedures with respect to this preliminary estimated financial data. Accordingly Grant Thornton does not express an opinion or any form of assurance with respect thereto. Some statements in this section contain forward-looking information. Grant Thornton will review our financial results for the six-month period ended June 30, 2013 prior to their publication. See "Forward-Looking Statements."

Technology Contract in Taiwan

On May 31, 2013, our Taiwanese subsidiary LotRich Information Co. Ltd signed a ten-year contract, effective from January 1, 2014, with ChinaTrust Commercial Bank in Taiwan ("CTCB"), which holds the license to operate the Public Welfare Lottery in Taiwan, for the provision to CTCB and its

subsidiary lottery operator Taiwan Lottery Corporation ("TLC") of the LOTOS O/S On-line Gaming System and the LOTOS Horizon content management software and hardware, along with central system gaming software and retail network maintenance and support services for the operation of the Public Welfare Lottery. In addition, we expect to install approximately 6,050 Photon terminals and LOTOS Horizon Multimedia Controllers in retailer locations across Taiwan.

Contract Renewals and Extension in Ohio

On June 19, 2013, we announced a two-year renewal and an additional two-year extension option until 2021 of our contract to provide gaming system services to the Ohio Lottery Commission. We originally won a ten-year contract in 2008 with options to renew every two years.

Additionally, on July 1, 2013, we announced a two-year renewal to provide instant ticket-related support services to the Ohio Lottery Commission. We originally won an eight-year contract in 2009 to provide cooperative services to the Ohio Lottery Commission with renewal options every two years.

New OPAP Contracts

On July 5, 2013, we announced that we have signed a contract with OPAP for the implementation of a new central system, which is a project we expect will take approximately seven months to complete (the "Central System Implementation Contract"). In addition, we announced our signing of a new five-year contract with OPAP to provide services for the support, maintenance and evolution of the new central system (the "Central System Services Contract," and together with the Central System Implementation Contract, the "Central System Contracts"), which is set to expire on July 31, 2018.

Poland Internet Betting License

On July 11, 2013, we announced that the Polish Ministry of Finance has granted a six-year internet betting license to our Polish subsidiary, Totolotek S.A. ("Totolotek"). Under this license, we will offer fixed-odds betting and sports pool games over the internet to players in Poland, with plans to introduce live betting as well. We expect to commence our interactive operations under this new license in the fourth quarter of 2013.

Hellenic State Lotteries License

As from 2013, we are participating in a joint venture for a 12-year concession for the management of the Hellenic State Lotteries in Greece. On July 30, 2013, the joint venture, which is owned by OPAP, Scientific Games and Intralot, signed a 12-year exclusive license contract with the Hellenic Republic Asset Development Fund for the production, operation, circulation, promotion and management of the Hellenic State Lotteries. This concession will cover current passive lottery tickets and future instant lotteries using physical tickets, as well as internet sales of tickets. We expect the Hellenic State Lotteries operations will be launched within six months following the ratification of the contract by the Hellenic Parliament and the receipt of the relevant approvals from the competent regulatory authorities.

On July 26, 2013, we also signed a set of contracts with the joint venture to provide the IT infrastructure, technical services and logistics to operate the Hellenic State Lottery Tickets and also a contract to develop and manage a new sales network for selling the Hellenic State Lottery Tickets. As a result, we have two roles in the joint venture, one as a shareholder and one as a provider of technology and management services.

Transactions

Tender Offer for the 2013 Convertible Bond

On June 17, 2013, our wholly-owned subsidiary, Intralot Luxembourg S.A., announced a tender offer (the "Tender Offer") to purchase any and all of the €140.0 million in aggregate outstanding principal amount of the 2013 Convertible Bond. The expiration date and settlement date of the Tender Offer have been extended at the option of Intralot Luxembourg S.A., further to which the Tender Offer will expire on August 2, 2013. As of July 26, 2013, approximately €111.1 million in aggregate principal amount of the 2013 Convertible Bond had been tendered for purchase pursuant to the Tender Offer, representing approximately 79.3% of the outstanding principal amount of the 2013 Convertible Bond. Pursuant to the terms of the Tender Offer, Intralot Luxembourg S.A. intends to purchase any and all of

the aggregate outstanding principal amount of the 2013 Convertible Bond validly tendered and accepted for purchase pursuant to the Tender Offer, at a repurchase price equal to 114.0% of the aggregate principal amount thereof, plus accrued and unpaid interest up to (but excluding) the settlement date of the Tender Offer. The Tender Offer is expected to settle on or about August 9, 2013. At any time prior to its acceptance of tenders, Intralot Luxembourg S.A. may, at its option and in its sole discretion, amend the Tender Offer in any respect (including, but not limited to, any increase, decrease, extension, re-opening or amendment, as applicable, in relation to its expiration date, settlement date and/or repurchase price).

The acceptance of tenders pursuant to the Tender Offer is conditioned upon the completion of the offering of the Notes. HSBC Bank plc and Société Générale are acting as joint dealer managers for the Tender Offer. This Offering Memorandum does not constitute an offer to purchase the 2013 Convertible Bond. The Tender Offer is being made pursuant to a separate tender offer memorandum dated June 17, 2013 (the "Tender Offer Memorandum"), copies of which are (subject to distribution restrictions) available from Lucid Issuer Services Limited as the tender agent for the Tender Offer, and not pursuant to this Offering Memorandum. The Tender Offer is not being made, and will not be made, directly or indirectly in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facility of a national securities exchange of, the United States or to U.S. persons or by persons located or resident in the United States within the meaning of Rule 800(h) under the U.S. Securities Act, and restrictions also apply in other jurisdictions, including, without limitation, Italy, the United Kingdom, France, Greece and Luxembourg, all as more fully described in the Tender Offer Memorandum. Any purported tender of the 2013 Convertible Bond in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and will not be accepted. Intralot Luxembourg S.A. is under no obligation to accept for purchase any amount of the 2013 Convertible Bond tendered pursuant to the Tender Offer. The acceptance for purchase by it of any such amount is at its sole discretion and tenders may be rejected by it for any reason.

We intend to use the net proceeds from the offering of the Notes (i) to deposit into escrow such funds sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond (including amounts required to settle purchases made pursuant to the Tender Offer), plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond, (ii) to repay certain drawings under the Syndicated Facilities, (iii) to repay certain of our Local Credit Facilities and (iv) to repay certain drawings under the Alpha Bank Facility.

Escrow Arrangements

On the Issue Date, the Issuer will enter into the Escrow Agreement pursuant to which the common depositary will deposit directly with the Escrow Agent an amount of the proceeds of the offering of the Notes sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond, plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond. The amount deposited into the Escrow Account is referred to as the "Escrowed Property." On the Issue Date, the Company expects to use a portion of the Escrowed Property, following the delivery of the Officer's Certificate mentioned below, to pay the purchase price, plus accrued and unpaid interest, of the amount of the 2013 Convertible Bond that will be accepted for payment by Intralot Luxembourg S.A. in the Tender Offer.

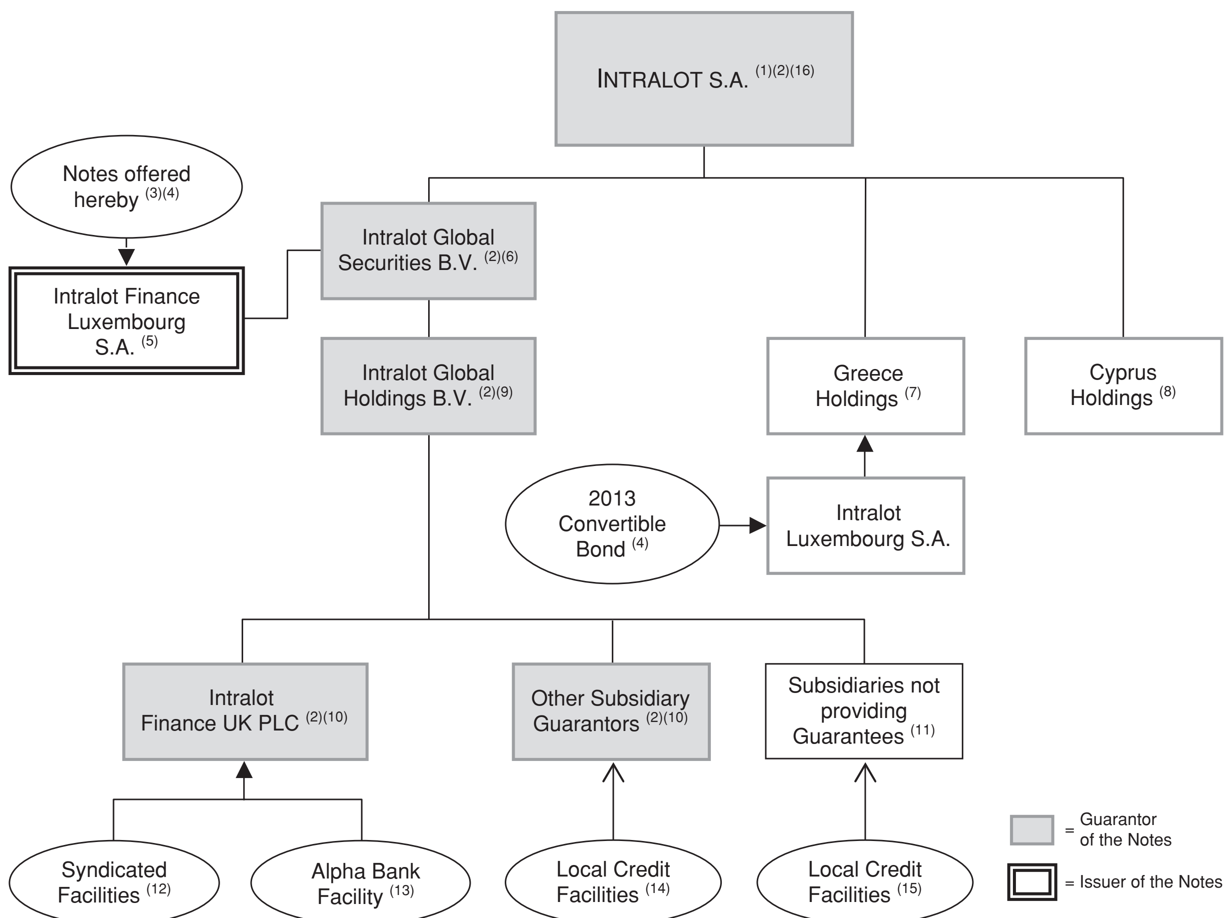
The Escrow Agent may release Escrowed Property to Intralot Luxembourg S.A., the correspondent banks of Euroclear and/or Clearstream or the paying agent in respect of the 2013 Convertible Bond (the "Release") if the Escrow Agent shall have received from the Issuer an Officer's Certificate to the effect that either: (i) the payment is required to settle on-market bond repurchases of the 2013 Convertible Bond, or (ii) the payment is required to settle repurchases of the 2013 Convertible Bond made pursuant to a tender offer; or (iii) the payment is required to settle the outstanding principal amount of the 2013 Convertible Bond and all accrued interest, fees, costs, expenses and prepayment premia and other costs in respect of the 2013 Convertible Bond on its final maturity date, and (iv) as at the date of such Officer's Certificate and concurrently with the settlement date for the repurchase or redemption that is the subject of such Officer's Certificate, there is no (x) insolvency event in respect of the Issuer, the Company or any Material Company or any group of Subsidiaries that would together constitute a Material Company; or (y) failure to pay any interest or principal due under the Notes when due (taking into account any applicable grace periods (each of conditions (x) and (y) being a "Termination Event").

If a Termination Event occurs (the date of the occurrence of any such event being the "Escrow Termination Date"), the Issuer will redeem the Notes (the "Special Mandatory Redemption") at a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date (the "Special Mandatory Redemption Price") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). If the amount required to effect a Special Mandatory Redemption on any Special Mandatory Redemption Date, as defined below, exceeds the amount of the then current balance of the Escrow Account, the Trustee will select the Notes to be purchased on a pro rata basis. We presently expect that the amount of the then current balance of the Escrow Account will not be sufficient to meet the obligations of the Issuer under a Special Mandatory Redemption.

SUMMARY OF OUR CORPORATE AND DEBT STRUCTURE

As of the date of this Offering Memorandum, we have substantially completed our internal restructuring designed to enhance our credit profile and reflect the international profile of our business operations by transferring substantially all of our non-Greek and non-Cyprus assets into a Dutch holding company structure under Intralot Global Holdings B.V. In connection with our restructuring, Intralot Global Holdings and Intralot Global Securities were incorporated in the Netherlands on January 24, 2013 and March 5, 2013, respectively. Following the Issue Date, we intend to complete the transfer of the remaining non-Greek and non-Cyprus assets under Intralot Global Holdings B.V. as soon as is reasonably practicable.

Set forth below is a simplified and summarized corporate and financing structure chart indicating the entities that are the Issuer and the Guarantors of the Notes and our financing arrangements after giving *pro forma* effect to the issuance of the Notes offered hereby and the application of the net proceeds therefrom. See "Use of Proceeds." The chart below does not include all entities in the Intralot Group, nor does it show all of the liabilities in the Intralot Group. The following chart is provided for indicative and illustrative purposes only and should be read in conjunction with the information contained in this Offering Memorandum as a whole. Please see "Use of Proceeds" and "Description of Other Indebtedness."



(1) Intralot S.A. is listed on the Athens Exchange S.A. ("Athens Exchange"). We consolidate certain subsidiaries under IFRS in which we have a minority ownership but nevertheless control, either through certain shareholder agreements or by virtue of our control of a controlling intermediate holding company. With respect to these subsidiaries, we have the ability to require the declaration of dividends, either due to our voting power or through shareholder agreements that enable us to mandate such declaration up to the maximum amount permissible under local laws. We may choose not to require the declaration of a dividend due to tax considerations or because the cash is intended for local investments. See "Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Liquidity and Capital Resources—Cash Management."

(2) As of and for the last twelve months ended March 31, 2013, the Issuer and the Guarantors together represented 67.6% of our consolidated EBITDA and 67.8% of our consolidated total assets. We will use best efforts to procure a guarantee of the Notes by Maltco Lotteries Limited no later than September 30, 2013. On a stand-alone basis, Maltco Lotteries Limited represented 5.2% of our consolidated EBITDA and 3.6% of our consolidated assets as of and for the last twelve months ended March 31, 2013. As of March 31, 2013, on an actual and a *pro forma* basis the non-Guarantor subsidiaries of the

Company (other than the Issuer) had €24.7 million of debt outstanding of which €14.1 million was at Maltco Lotteries Limited. See "Description of the Notes—Certain Covenants—Guarantee by Maltco Lotteries Limited."

(3) The Notes will rank equally in right of payment with any existing and future debt of the Issuer that is not subordinated in right of payment to the Notes, rank senior in right of payment to any existing and future debt of the Issuer that is subordinated in right of payment to the Notes, and be effectively subordinated in right of payment to any existing and future debt of the Issuer that is secured by liens, to the extent of the value of the assets securing such debt.

(4) Intralot Luxembourg S.A. intends to purchase any and all of the aggregate outstanding principal amount of the 2013 Convertible Bond validly tendered and accepted for purchase pursuant to the Tender Offer. We intend to use the net proceeds from the offering of the Notes (i) to deposit into escrow such funds sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond (including amounts required to settle purchases made pursuant to the Tender Offer), plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond, (ii) to repay certain drawings under the Syndicated Facilities, (iii) to repay certain of our Local Credit Facilities and (iv) to repay certain drawings under the Alpha Bank Facility. See "Use of Proceeds."

On the Issue Date, the Issuer will enter into the Escrow Agreement pursuant to which the common depositary will deposit directly with the Escrow Agent an amount of the proceeds of the offering of the Notes sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond, plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond. The amount deposited into the Escrow Account is referred to as the "Escrowed Property." On the Issue Date, the Company expects to use a portion of the Escrowed Property to pay the purchase price, plus accrued and unpaid interest, of the amount of the 2013 Convertible Bond that will be accepted for payment by Intralot Luxembourg S.A. in the Tender Offer. See "Summary—Transactions—Escrow Arrangements."

(5) The Issuer is a wholly-owned subsidiary of Intralot Global Securities B.V. The Issuer has no significant assets other than, following the offering, intercompany loans made by it using the proceeds of the issuance of the Notes. The Issuer has no business other than the issuance of the Notes. The Issuer will also guarantee the liabilities of Intralot Finance UK plc under the Syndicated Facilities.

(6) Intralot Global Securities B.V. is a wholly-owned subsidiary of Intralot S.A. For the twelve months ended March 31, 2013, the combined *pro forma* revenue and EBITDA of Intralot Global Securities B.V. and its direct and indirect subsidiaries represented 88.6% and 87.6% of the Intralot Group.

(7) The direct and indirect subsidiaries of Intralot S.A. that are organized under the laws of Greece and certain dormant subsidiaries under the laws of certain other jurisdictions.

(8) The direct and indirect subsidiaries of Intralot S.A., including Intralot Holdings International Limited, that are organized under the laws of Cyprus, except for Royal Highgate Ltd, Intralot Betting Operations Ltd and Intralot Cyprus Assets Ltd, which are direct and indirect subsidiaries of Intralot Global Holdings B.V.

(9) Intralot Global Holdings B.V. is a wholly-owned subsidiary of Intralot Global Securities B.V.

(10) The Notes will be guaranteed by Intralot S.A. and the Subsidiary Guarantors, which guarantees will be subject to certain limitations. See "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations" and "Description of the Notes—Limitation of Guarantees."

(11) As of March 31, 2013 on an actual and *pro forma* basis, the non-Guarantor subsidiaries of the Company (other than the Issuer) had €24.7 million of debt outstanding. Of this amount, €14.1 million was at Maltco Lotteries Limited. See note 2 above.

(12) The Syndicated Facilities are comprised of a €150.0 million term facility (the "Term Facility") and a €150.0 million revolving facility (the "Revolving Facility" and, together with the Term Facility, the "Syndicated Facilities") due December 21, 2014. The Syndicated Facilities are unsecured. All of the Guarantors of the Notes and the Issuer are guarantors under the Syndicated Facilities Agreement. See "Description of Other Indebtedness." As of March 31, 2013, €263.8 million of the Syndicated Facilities were drawn. *Pro forma* for the offering, as of March 31, 2013, we would have had €80.0 million drawn under the Syndicated Facilities.

(13) On June 7, 2013, Intralot Finance UK PLC entered into a facility agreement, which provides for borrowings in a term facility (the "Alpha Bank Facility") up to an aggregate of €62.5 million on a committed basis. The Alpha Bank Facility is guaranteed by Intralot Global Holdings and Intralot S.A. and will mature on December 31, 2015. *Pro forma* for the offering, as of March 31, 2013, we would have had €42.5 million outstanding under the Alpha Bank Facility.

(14) The Local Credit Facilities incurred by the Guarantors include the following:

- Intralot Inc.'s (USA) bilateral facility agreement (U.S.$12.5 million committed, €5.8 million outstanding as of March 31, 2013);
- Intralot Italia S.p.A.'s (Italy) overdraft facilities (€1.5 million committed, nil outstanding as of March 31, 2013);
- Intralot de Peru SAC's (Peru) revolving credit facility (U.S.$2.3 million committed, €0.2 million outstanding as of March 31, 2013); and
- Gaming Solutions International SAC's (Peru) revolving credit facility (PEN 2.5 million committed, €0.8 million outstanding as of March 31, 2013).

As of March 31, 2013, an aggregate of €6.8 million of the Local Credit Facilities at Guarantor subsidiaries were drawn in addition to €8.7 million of finance leases and other debt.

(15) The Local Credit Facilities incurred by the non-Guarantors include the following:

- Maltco Lotteries Limited's (Malta) bilateral facility agreement (€25.3 million committed, €14.1 million outstanding as of March 31, 2013). Maltco Lotteries Limited's bilateral facility agreement is comprised of a €20.0 million term loan, an overdraft facility of €5.0 million and a €0.3 million general banking facility. This facility is guaranteed by Associated Supplies Limited, Intralot S.A. and The Players Group Limited. See "Description of Other Indebtedness."
- Supreme Ventures Limited's (Jamaica) multifacility credit agreement (JMD 463.2 million committed, €2.6 million outstanding as of March 31, 2013);
- Azerinteltek Qapali Sehmdar Cemmiyeti's (Azerbaijan) cash collateralized loan agreement (U.S.$3.5 million committed, €2.7 million outstanding as of March 31, 2013); and
- Totolotek S.A.'s (Poland) short-term revolving credit agreement (PLN 8.0 million committed, €1.4 million outstanding as of March 31, 2013).

As of March 31, 2013, an aggregate of €20.9 million of the Local Credit Facilities at non-Guarantor subsidiaries were drawn in addition to €3.9 million of finance leases and other debt.

(16) In April 2013, the Group raised an amount of €35.9 million through a sale-and-leaseback contract with a third-party provider in relation to electronic and other equipment used in the business of the Group (the "April Sale-and-Leaseback Transaction").

SUMMARY OF THE OFFERING

The following is a brief summary of certain terms of the offering of the Notes and may not contain all the information that is important to you. For additional information regarding the Notes, see "Description of the Notes."

Issuer . . . . Intralot Finance Luxembourg S.A., a public limited liability company (*société anonyme*) organized and existing under the laws of the Grand Duchy of Luxembourg.

Company . . . . Intralot S.A.—Integrated Lottery Systems and Services, a public limited liability company (*société anonyme*) organized under the laws of the Hellenic Republic.

Notes offered . . . . €325,000,000 in aggregate principal amount of 9.750% senior notes due 2018 (the "Notes").

Issue date . . . . August 8, 2013.

Issue price . . . . 99.027%.

Maturity date . . . . August 15, 2018.

Interest rates and payment dates . . . . The Notes will bear interest at a rate of 9.750% per annum, payable semi-annually in arrear on February 15 and August 15 of each year, beginning on February 15, 2014. Interest on the Notes will accrue from the Issue Date.

Form and denomination . . . . The Notes will be issued in global form in minimum denominations of €100,000 and in integral multiples of €1,000 in excess thereof and will be maintained in book-entry form.

Ranking of the Notes . . . . The Notes:

- will be a general obligation of the Issuer;
- will be effectively subordinated to any existing and future debt of the Issuer that is secured by property or assets that do not secure the Notes, to the extent of the value of property and assets securing such debt;
- will rank *pari passu* in right of payment with all existing and future debt of the Issuer that is not subordinated in right of payment to the Notes; and
- will rank senior in right of payment to all existing and future debt of the Issuer that is subordinated in right of payment to the Notes.

Guarantees . . . . The Notes will have the benefit of a Guarantee of the Company and Guarantees of certain subsidiaries of the Company. As of and for the last twelve months ended March 31, 2013, the Issuer and the Guarantors together represented 67.6% of our consolidated EBITDA and 67.8% of our consolidated total assets. We will use best efforts to procure a Guarantee of the Notes by Maltco Lotteries Limited no later than September 30, 2013. On a stand-alone basis, Maltco Lotteries Limited represented 5.2% of our consolidated EBITDA and 3.6% of our consolidated assets as of and for the last twelve months ended March 31, 2013. As of March 31, 2013, on an actual and a *pro forma* basis the non-Guarantor subsidiaries of the Company (other than the Issuer) had €24.7 million of debt outstanding of which €14.1 million was at Maltco Lotteries Limited. Our non-Guarantor subsidiaries will not provide Guarantees due to, among other factors, limitations under their licenses, local law

and/or materiality. See "Description of the Notes—Certain Covenants—Guarantee by Maltco Lotteries Limited."

Each Guarantee:

- will be a general obligation of the relevant Guarantor;
- will rank *pari passu* in right of payment with any existing and future debt of the relevant Guarantor that is not subordinated in right of payment to such Guarantee, including the Syndicated Facilities;
- will rank senior in right of payment to any existing and future debt of the relevant Guarantor that is subordinated in right of payment to such Guarantee;
- will be effectively subordinated in right of payment to any existing and future debt of the relevant Guarantor that is secured by liens to the extent of the value of the property and assets securing such debt; and
- will be structurally subordinated to all existing and future obligations of the relevant Guarantor's subsidiaries that do not guarantee the Notes.

A Guarantee (including Guarantees in effect on the Issue Date) will be automatically and unconditionally released under certain circumstances. See "Description of the Notes—Brief Description of the Notes and the Guarantees." In addition, the validity and enforceability of the Subsidiary Guarantees will be subject to certain local law limitations. See "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations," "Risk Factors—Risks Related to the Guarantees" and "Description of the Notes—Limitation of Guarantees."

Escrow . . . . On the Issue Date, the Issuer will enter into the Escrow Agreement pursuant to which the common depositary will deposit directly with the Escrow Agent an amount of the proceeds of the offering of the Notes sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond, plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond. The amount deposited into the Escrow Account is referred to as the "Escrowed Property." On the Issue Date, the Company expects to use a portion of the Escrowed Property, following the delivery of the Officer's Certificate mentioned below, to pay the purchase price, plus accrued and unpaid interest, of the amount of the 2013 Convertible Bond that will be accepted for payment by Intralot Luxembourg S.A. in the Tender Offer.

The Escrow Agent may release Escrowed Property to Intralot Luxembourg S.A., the correspondent banks of Euroclear and/or Clearstream or the paying agent in respect of the 2013 Convertible Bond (the "Release") if the Escrow Agent shall have received from the Issuer an Officer's Certificate to the effect that either: (i) the payment is required to settle on-market bond repurchases of the 2013 Convertible Bond, or (ii) the payment is required to settle repurchases of the 2013 Convertible Bond made pursuant to a tender offer; or (iii) the payment is required to settle the outstanding principal amount of the 2013 Convertible Bond and all accrued interest, fees,

costs, expenses and prepayment premia and other costs in respect of the 2013 Convertible Bond on its final maturity date, and (iv) as at the date of such Officer's Certificate and concurrently with the settlement date for the repurchase or redemption that is the subject of such Officer's Certificate, there is no (x) insolvency event in respect of the Issuer, the Company or any Material Company or any group of Subsidiaries that would together constitute a Material Company; or (y) failure to pay any interest or principal due under the Notes when due.

Optional redemption . . . . The Notes will be redeemable at our option, in whole or in part, at any time on or after August 15, 2016, at the redemption prices set forth in this Offering Memorandum, together with any accrued and unpaid interest and additional amounts, if any, to the date of redemption.

At any time prior to August 15, 2016, we may redeem some or all of the Notes at a price equal to 100% of the principal amount plus any accrued and unpaid interest and additional amounts, if any, plus a "make-whole" premium.

In addition, prior to August 15, 2016, we may redeem at our option up to 35% of the aggregate principal amount of the Notes using the proceeds of certain equity offerings at the redemption price set forth herein plus any accrued and unpaid interest and additional amounts, if any.

See "Description of the Notes—Optional Redemption."

Optional redemption for tax reasons . . The Issuer may also redeem the Notes at any time, in whole but not in part, for reasons of taxation, if as a result of any change in, or amendment to, the laws or regulations (including any amendment to, or change in, an official interpretation or application of such laws or regulations) of the relevant taxing jurisdiction in respect of the Issuer or, as applicable, any Guarantor, affecting taxation or the obligation to pay duties of any kind, the Issuer or, as the case may be, any Guarantor, will become obligated to pay additional amounts. See "Description of the Notes—Redemption upon Changes in Withholding Tax."

Original issue discount . . . . The Notes may be issued with original issue discount ("OID") for U.S. federal income tax purposes. For Notes issued with more than *de minimis* OID, in addition to the stated interest on the Notes, U.S. Holders (as defined under "Taxation—U.S. Taxation") will be required to include the amounts representing the OID in gross income (as ordinary income) generally on a constant yield basis in advance of receipt of the cash payments to which such income is attributable, regardless of the U.S. Holder's regular method of accounting for U.S. federal income tax purposes. For a discussion of the material tax consequences of an investment in the Notes, see "Taxation—U.S. Taxation."

Additional amounts . . . . Any payments made by the Issuer or any Guarantor with respect to the Notes or any Guarantees will be made without withholding or deduction for taxes in (1) any jurisdiction in which the Issuer or any Guarantor is then incorporated or organized, engaged in business for tax purposes or otherwise resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction of any Paying Agent or any

	political subdivision thereof or therein (each, a "Tax Jurisdiction") unless required by law. If the Issuer or Guarantor is required by law to withhold or deduct for taxes of the relevant Tax Jurisdiction with respect to a payment to the holders of the Notes or any Guarantees, the Issuer or Guarantor will pay the additional amounts necessary so that the net amount received by the holders of the Notes or any Guarantees after the withholding is not less than the amount that they would have received in the absence of the withholding, subject to certain exceptions. See "Description of the Notes—Additional Amounts."
Change of Control	Upon the occurrence of certain change of control events, the Issuer will be required to offer to repurchase the Notes at a purchase price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest and additional amounts, if any, to the date of such repurchase. See "Description of the Notes—Repurchase at the Option of the Holders—Change of Control."
Certain covenants	The indenture governing the Notes (the "Indenture") will limit the Company and its restricted subsidiaries' ability to, among other things: • incur or guarantee additional debt; • incur debt at Greek entities as long as Greece is rated below Ba2 by Moody's; • make certain restricted payments and investments, including dividends or other distributions with regard to the shares of the Company or its restricted subsidiaries; • create or incur certain liens; • enter into agreements that restrict our restricted subsidiaries' ability to pay dividends; • transfer or sell certain assets; • merge or consolidate with other entities; and • enter into certain transactions with affiliates. Each of the covenants is subject to a number of important exceptions and qualifications. See "Description of the Notes—Certain Covenants."
Selling and transfer restrictions	The Notes and the Guarantees have not been registered under the U.S. Securities Act. The Notes may only be offered or sold in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act. See "Transfer Restrictions."
Use of proceeds	We intend (i) to deposit into escrow such funds sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond (including amounts required to settle purchases made pursuant to the Tender Offer), plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond, (ii) to repay certain drawings under the Syndicated Facilities, (iii) to repay certain of our Local Credit Facilities and (iv) to repay certain drawings under the Alpha Bank Facility. See "Use of Proceeds."

Listing and admission to trading	Application has been made to list the Notes on the Official List of the LxSE and to admit the Notes for trading on the LxSE's Euro MTF Market.
Listing Agent	Deutsche Bank Luxembourg S.A.
Trustee	Deutsche Trustee Company Limited.
Principal Paying Agent	Deutsche Bank AG, London Branch.
Luxembourg Registrar, Transfer Agent and Paying Agent	Deutsche Bank Luxembourg S.A.
Escrow Agent	Citibank, N.A., London Branch.
Governing law for the Notes, the Guarantees and the Indenture	New York.
Risk factors	Investing in the Notes involves substantial risks. You should carefully consider all the information in this Offering Memorandum, and, in particular, you should evaluate the specific risk factors set forth in the "Risk Factors" section in this Offering Memorandum before making a decision whether to invest in the Notes.

SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following tables present the Intralot Group's summary consolidated financial information and should be read in conjunction with the audited consolidated financial statements and unaudited interim consolidated financial statements of Intralot S.A. and the notes thereto contained in this Offering Memorandum and the sections entitled "Use of Proceeds," "Capitalization" and "Management's Discussion and Analysis of Our Financial Condition and Results of Operations."

The summary financial information provided below was extracted from our audited consolidated financial statements as of and for the years ended December 31, 2010, 2011 and 2012 prepared in accordance with IFRS and our unaudited interim consolidated financial statements as of March 31, 2012 and 2013 prepared in accordance with IAS 34, "Interim Financial Reporting." The information below is not necessarily indicative of the results of our future operations.

Unaudited financial information for the last twelve months ended March 31, 2013 is calculated by taking results of operations for the three months ended March 31, 2013 and adding it to the difference between the results of operations for the full year ended December 31, 2012 and the three months ended March 31, 2012.

This Offering Memorandum includes consolidated financial data which has been adjusted to reflect certain effects of the sale of the Notes and the use of proceeds on our financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid as at and for the last twelve months ended March 31, 2013. Our consolidated pro forma financial data has been prepared for illustrative purposes only and does not purport to represent what our actual financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid would have been if the sale of the Notes and the use of proceeds had occurred on March 31, 2013, nor does it purport to project our financial debt, cash and cash equivalents, net financial debt, net interest paid, net financial debt to EBITDA and EBITDA to net interest paid at any future date. The unaudited pro forma adjustments and the unaudited pro forma financial data set forth in this Offering Memorandum are based on available information and certain assumptions and estimates that we believe are reasonable and may differ materially from the actual adjusted amounts. See "Presentation of Financial and Other Information—Non-IFRS Financial Measures."

Income Statement Data

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	**2011**	**2012**	**2012**	**2013**	**2013**
				(unaudited)		(unaudited)
	(€ in millions)					
Income Statement Information:						
Revenue[1]	1,115.7	1,202.4	1,374.0	347.2	355.8	1,382.6
Cost of sales	(910.0)	(990.2)	(1,131.0)	(287.8)	(285.2)	(1,128.4)
Gross profit	**205.7**	**212.2**	**243.0**	**59.4**	**70.6**	**254.2**
Other operating income	26.3	28.5	18.6	4.1	3.9	18.4
Selling expenses	(37.4)	(38.2)	(43.1)	(9.7)	(9.4)	(42.8)
Administrative expenses	(99.7)	(108.3)	(118.3)	(28.1)	(31.9)	(122.1)
Research and development expenses	(8.1)	(9.7)	(10.3)	(2.7)	(1.9)	(9.5)
Other operating expenses	(6.1)	(12.5)	(9.9)	(1.6)	(2.8)	(11.1)
EBIT[2]	**84.5**	**79.8**	**84.7**	**21.6**	**28.8**	**91.9**
EBITDA[2]	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**	**190.9**
Interest and similar charges	(35.2)	(35.9)	(43.3)	(8.4)	(12.9)	(47.8)
Interest and related income	22.5	22.1	22.5	2.8	2.2	21.9
Exchange differences	11.1	(0.6)	(0.8)	(0.7)	3.2	3.1
Profit/(loss) equity method consolidation	1.6	(0.5)	0.1	—	0.1	0.2
Operating profit before tax	**80.7**	**57.0**	**58.4**	**15.2**	**21.2**	**64.4**
Taxes	(25.9)	(21.5)	(25.4)	(2.5)	(7.3)	(30.2)
Net profit from continuing operations	**54.8**	**35.6**	**33.1**	**12.7**	**13.9**	**34.3**
Total comprehensive income/(expense) after tax[3]	1.5	(3.9)	(5.7)	(3.4)	3.7	1.4
Total income after tax	**56.3**	**31.7**	**27.4**	**9.3**	**17.6**	**35.7**

Balance Sheet Data

	As of December 31,			As of March 31,
	2010	2011	2012	2013
				(unaudited)
	(€ in millions)			
Balance Sheet Information:				
Assets				
Non-current assets	**718.6**	**721.5**	**758.9**	**758.2**
of which: Tangible fixed assets	281.2	263.6	240.7	237.8
of which: Intangible assets	263.5	285.4	363.8	363.1
Current assets	**378.9**	**364.7**	**356.0**	**366.3**
of which: Cash and cash equivalents	141.5	142.5	135.0	139.6
Total assets	**1,097.5**	**1,086.2**	**1,114.8**	**1,124.5**
Total liabilities	**736.5**	**710.9**	**731.0**	**733.1**
Total equity and liabilities	**1,097.5**	**1,086.2**	**1,114.8**	**1,124.5**
Total debt(4)	522.4	514.2	521.0	524.0
Net debt(5)	380.9	371.7	386.0	384.5

Cash Flow Statement Data

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions)					
Cash Flow Information:						
Net cash from operating activities	58.9	81.7	113.8	15.3	18.9	117.4
Net cash from investing activities	(87.1)	(64.6)	(101.1)	(2.8)	(10.1)	(108.4)
Net cash from financing activities	(49.5)	(16.1)	(20.2)	(5.6)	(4.2)	(18.8)
Net cash flow(6)	**(77.7)**	**1.0**	**(7.5)**	**6.9**	**4.6**	**(9.8)**
Cash flow available for debt service(7)	24.2	89.4	72.0	22.2	18.5	68.2

Other Financial Data

	As of or for the year ended December 31,			As of or for the three months ended March 31,		As of or for the last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions, except ratios)					
Net financial debt (at end of period)	**380.9**	**371.7**	**386.0**	**362.1**	**384.5**	
EBITDA(2)	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**	**190.9**
Pro forma gross financial debt(8)						499.2
Pro forma cash and cash equivalents(9)						100.5
Pro forma net financial debt(10)						398.7
Pro forma net interest paid(11)						(34.4)
Ratio of *pro forma* net financial debt to EBITDA						2.1x
Ratio of EBITDA to *pro forma* net interest paid						(5.5)x

Trade Working Capital Split

	Year ended December 31,			Three months ended March 31,	
	2010	2011	2012	2012	2013
	(€ in millions)				
Inventories	41.1	47.0	43.5	38.6	43.3
Trade receivables	114.9	88.7	95.5	88.5	104.1
Trade payables	(105.9)	(76.0)	(60.9)	(60.1)	(67.9)
Trade working capital	**50.1**	**59.7**	**78.1**	**67.0**	**79.5**

(1) Reconciliation of revenue to revenue net of payout:

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions)					
Revenue	1,115.7	1,202.4	1,374.0	347.2	355.8	1,382.6
Payout	(545.2)	(586.9)	(677.7)	(171.0)	(172.6)	(679.3)
Revenue net of payout	**570.5**	**615.5**	**696.3**	**176.2**	**183.2**	**703.3**

(2) We define EBIT as operating profit before tax plus profit/(loss) equity method consolidations, exchange differences, interest and related income and interest and similar charges, write-off and impairment losses of assets and investments, and gain/(loss) from asset disposal, all for the same period, and EBITDA as EBIT before depreciation and amortization, all for the same period. We are not presenting EBIT or EBITDA as measures of our results of operations. EBIT and EBITDA have important limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results of operations. Our management believes that the presentation of EBIT and EBITDA is helpful to investors, securities analysts and other parties to measure our operating performance and ability to service debt. Our EBIT and EBITDA may not be comparable to similarly titled measures used by other companies. EBIT, EBITDA, EBITDA margin and leverage and coverage ratios are not measurements of financial performance under IFRS and should not be considered as alternatives to other indicators of our operating performance, cash flows or any other measure of performance derived in accordance with IFRS.

Reconciliation of operating profit before tax to EBIT and EBITDA:

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions)					
Operating profit/loss before tax	**80.7**	**57.0**	**58.4**	**15.2**	**21.2**	**64.4**
Profit/(loss) equity method consolidation	(1.6)	0.5	(0.1)	—	(0.1)	(0.2)
Exchange differences	(11.1)	0.6	0.8	0.7	(3.2)	(3.1)
Interest and related income	(22.5)	(22.1)	(22.5)	(2.8)	(2.2)	(21.9)
Interest and similar charges	35.2	35.9	43.3	8.4	12.9	47.8
Assets gain/(loss) from disposal, write-off & impairment losses (*included in Other Operating Income and Other Operating Expenses*)	3.8	7.9	4.8	0.1	0.2	4.9
EBIT	**84.5**	**79.8**	**84.7**	**21.6**	**28.8**	**91.9**
Depreciation and amortization	68.2	74.0	92.8	20.1	26.3	99.0
EBITDA	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**	**190.9**

(3) Total comprehensive income/(expense) after tax is calculated from net profit from continuing and discontinuing operations adjusted for valuation of available for sale financial instruments, derivatives valuation and exchange differences on translating foreign operations.

(4) Total debt means indebtedness owed to third parties.

(5) Net debt is calculated by deducting cash and cash equivalents from total debt.

(6) Net cash flow is a sum of net cash from operating activities, net cash from investing activities and net cash from financing activities.

(7) Reconciliation of EBITDA to cash available for debt service:

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
	(€ in millions)					
EBITDA	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**	**190.9**
Change in Working Capital[(a)]	(38.4)	(12.6)	(10.4)	(6.8)	(13.4)	(17.0)
Taxes	(23.9)	(22.3)	(23.6)	(8.0)	(15.3)	(30.9)
Maintenance Capital Expenditures[(b)]	(12.9)	(12.7)	(12.1)	(1.9)	(3.0)	(13.2)
License renewals[(c)]	—	—	(39.1)	—	—	(39.1)
Dividends paid[(d)]	(53.3)	(16.8)	(20.3)	(2.7)	(4.9)	(22.5)
Cash Flow Available for Debt Service before discretionary and expansion capex[(e)]	**24.2**	**89.4**	**72.0**	**22.3**	**18.5**	**68.2**

(a) We define changes in working capital as the sum of changes in inventories and receivables, less changes in payables, resulting from the cash flow statement.

(b) Maintenance capital expenditures relate to our existing projects to maintain, replace or upgrade our lottery IT infrastructure, as required, in order to keep our lottery systems in good working order, during each contract's term.

(c) License renewals represent the position of Net cash from investing activities used to renew licenses that we already hold. In 2012, we renewed our license in Malta.

(d) Dividends paid reflects dividends paid to shareholders of the Company €23.8 million, €0.7 million and €0.6 million in the years ended December 31, 2010, 2011 and 2012 respectively, and €0.6 million in the twelve months ended March 31, 2013. Dividends paid to non-controlling shareholders of subsidiaries were €29.5 million, €16.1 million, €19.7 million and €21.9 million in the years ended December 31, 2010, 2011, 2012 and the last twelve months ended March 31, 2013, respectively.

(e) Cash Flow Available for Debt Service before discretionary and expansion capex means EBITDA adjusted for the effects of changes in Working Capital, Taxes, Maintenance Capex, license renewals and Dividends paid.

(8) *Pro forma* gross financial debt represents financial debt as adjusted to give *pro forma* effect to the offering of the Notes and the April Sale-and-Leaseback Transaction as if they occurred on March 31, 2013.

(9) *Pro forma* cash and cash equivalents represents cash and cash equivalents, adjusted to give *pro forma* effect to the offering of the Notes, as described in "Use of Proceeds" and the April Sale-and-Leaseback Transaction.

(10) *Pro forma* net financial debt represents *pro forma* gross financial debt less *pro forma* cash and cash equivalents.

(11) *Pro forma* net interest expense reflects our net interest expense for the twelve months ended March 31, 2013, as adjusted, as if the Notes had been issued and the proceeds therefrom would have been used as set forth in "Use of Proceeds" on April 1, 2012, respectively, based on the actual interest rate for the Notes. It also gives effect to the finance cost attributable to the April Sale-and-Leaseback Transaction. *Pro forma* interest expense does not include any charges related to debt issuance costs in connection with the offering of the Notes.

RISK FACTORS

Before deciding to purchase the Notes, you should carefully review and consider the following risk factors and the other information contained in this Offering Memorandum. The occurrence of one or more of these risks alone or in combination with other circumstances may have a material adverse effect on our business and cash flows, financial condition and results of operations and may affect our ability to fulfill our obligations under the Notes and the Guarantees. The order in which the risks are presented does not necessarily reflect the likelihood of their occurrence or the magnitude or significance of the individual risks. Investing in the Notes could involve additional risks and uncertainties of which we are not currently aware, or which we do not currently consider material on the basis of our regular risk assessments. The risks to which our business is exposed may result in inaccuracies in risk assessments or other forward-looking statements. An investment in the Notes is only suitable for investors experienced in financial matters who are in a position to fully assess the risks relating to such an investment and who have sufficient financial means to absorb any potential loss stemming therefrom.

Risks Related to the Gaming Industry

Our industry is subject to extensive regulations and oversight.

Gaming regulatory requirements vary from jurisdiction to jurisdiction. Because of the broad geographical reach of our operations, we are subject to a wide range of complex gaming laws and regulations in the jurisdictions in which we are licensed or operate. These regulations govern, for example, advertisement, payouts, taxation, cash and anti-money laundering compliance procedures and other specific limitations, such as the number of gaming machines in a given POS and their proximity to each other. Most jurisdictions require that we be licensed. If a license, approval or finding of suitability is required by a regulatory authority and we fail to seek or do not receive the necessary approval, license or finding of suitability, then we may be prohibited from providing our products or services for use in the particular jurisdiction. See "—Risks Related to Our Business Operations—We rely on government licenses to conduct our main business activities and termination of these licenses would have a material adverse effect on our revenue."

The regulatory environment in any particular jurisdiction may change in the future, and any such change could have a material adverse impact on our results of operations, business or prospects. For additional discussion regarding risks associated with the evolving interactive gaming regulatory landscape see "—Risks Related to Our Business Operations—We may not be able to capitalize on market trends (including the expansion of online gambling) and other changes in the gaming industries."

There can be no assurance that law enforcement or gaming regulatory authorities will not seek to restrict our business in their jurisdictions or even institute enforcement proceedings. In addition, there can be no assurance that any investigation or instituted enforcement proceedings will be favorably resolved, or that such proceedings will not have a material adverse impact on our ability to retain and renew existing licenses or to obtain new licenses in other jurisdictions.

Lottery authorities with which we do business may require the removal of any of our employees reasonably believed to be unsuitable and are generally empowered to disqualify us from receiving a lottery contract or operating a lottery system as a result of any such investigation or proceeding. Our failure, or the failure of any of our key personnel, systems or machines, in obtaining or retaining a required license or approval in one jurisdiction could negatively impact our ability (or the ability of any of our key personnel, systems or gaming machines) to obtain or retain required licenses and approvals in other jurisdictions. The failure to obtain or retain a required license or approval in any jurisdiction would decrease the geographic areas where we may operate and generate revenues, decrease our share in the lottery or gaming industry and put us at a disadvantage relative to our competitors and potentially damage our reputation.

If one or more of our licenses are terminated, we may not be compensated adequately and such termination may have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

The gaming industry may be subject to new or increased taxation.

The gaming industry is subject to taxation at the regional and/or national level in most of the jurisdictions in which we operate. Such taxes may be increased and new taxes and regulations may

come into effect. For example, in 2010, Bulgaria increased the gaming tax on amounts wagered from 10% to 15%, which had an effect on our financial results in that market through reduced player participation. Furthermore, our licenses are subject to taxation upon renewal, and we cannot be certain as to what the renewal fee or canon tax surcharge attributable to our licenses will be when and if our licenses are renewed. As gaming taxes represent a significant percentage of our operating costs, increases in gaming taxes may render our affected operations unprofitable and otherwise have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Illegal betting poses risks to the gaming industry.

A significant threat for the entire gaming and betting industry arises from illegal activities such as unlicensed betting and gaming and, more generally, all forms of betting that circumvent public regulation. Such illegal activities may drain significant betting volumes away from the regulated industry. In particular, illegal betting and gaming could take away a portion of our players or our partners' players. The loss of such players could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Gaming companies face certain challenges relating to public perception and efforts of gaming opponents to curtail legalized gambling.

Legalized gaming is subject to opposition in some of the jurisdictions in which we operate or may seek to operate in the future. Such gaming opponents may attempt to curtail or prevent the expansion of online lotteries and other forms of legalized gaming. We can give no assurance that this opposition and/or negative public perception regarding gaming will not result in preventing the legalization of gaming in jurisdictions where these activities are presently prohibited or prohibiting or limiting the expansion of online lotteries and other forms of these activities where currently permitted, in either case to the detriment of our business, financial condition and results of operations.

The success of our business is dependent upon our relationships with government authorities.

We engage with our regulators with regard to gaming rules and regulations and other issues of shared concern, such as problem gambling. However, if we fail to maintain such relationships, or if such relationships were adversely affected for any reason, including any action or omission on our part or negative publicity concerning us or the gaming industry, this could have a material adverse effect on our business, results of operations and financial condition.

Changes in consumer preferences could affect the popularity of the gaming industry.

We compete with various other forms of gaming vendors, venues and opportunities in the markets in which we operate. In addition, we compete with certain international companies as well as numerous local companies. Our future financial success will depend on the appeal of our gaming offerings to our customers and players. If we are not able to anticipate and react to changes in consumer preferences, our competitive and financial position may be adversely affected. In addition, our future success will also depend on the success of the gaming industry as a whole in attracting and retaining players in the face of increased competition for players' entertainment dollars. Gaming may lose popularity as new leisure activities arise or as other leisure activities become more popular. Alternatively, changes in social mores and demographics could result in reduced acceptance of gaming as a leisure activity. If the popularity of gaming declines for any reason, our business, financial condition and results of operations may be adversely affected, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Risks Related to Our Business Operations

We operate in highly competitive industries and our success depends on our ability to effectively compete with numerous domestic and foreign companies.

We face competition from a number of domestic and foreign companies. In addition, our business faces competition from other vendors as well as illegal operators, and changes in law and regulation can affect our future profitability. We expect to face significant competition as we seek to offer products and services for the evolving internet lottery and gaming industries, not only from our

traditional competitors in the lottery business but also from a number of other domestic and foreign providers (or the operators themselves), some of which have substantially greater financial resources and/or experience in this area than we do. Further, potential privatizations (including partial privatizations through private management agreements or otherwise) of some lotteries may also change the manner in which, for example, lottery system and instant ticket contracts are awarded and the profitability of those contracts.

Competition could cause us to lose customers, contracts and players and could have a material adverse effect on our results of operations, business, financial condition or prospects, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Slow growth or declines in sales of lottery and gaming could lead to lower revenue and cash flows for us.

In most of our licenses and contracts, our revenue directly correlates to gaming proceeds. Our future success will depend, in part, on the success of the gaming industry as a whole, in attracting and retaining players while facing increased competition in the entertainment and gaming markets as well as on our ability to develop innovative services, products and systems. In addition, in recent years, the lottery and gaming industries have matured in certain markets, and, as a result, the rate of lottery sales growth in these markets may moderate and certain of our customers may from time to time experience a downward trend in sales. There can be no assurance that liberalization or privatizations in certain gambling markets will take place or that retail sales in existing markets will not decline.

In addition, in certain cases we depend on our agents and partners to market and provide visibility to lottery and gaming products. There can be no assurance that such products will be marketed or placed effectively, which could materially adversely affect our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We rely on government licenses in order to conduct our main business activities and termination of these licenses would have a material adverse effect on our revenue.

We are required to obtain and maintain licenses in order to conduct our main business activities. Our licenses span across a broad range of products including sports betting, numerical games, VLTs and racing. Upon expiration of our licenses, there can be no assurance that the relevant issuing authorities will award an extension of such licenses on acceptable terms, or at all. In addition, our licenses may be terminated upon the occurrence of certain events of default relating to the Company or its subsidiaries, if their continuation is determined under applicable principles of law to be against the public interest or if, for example, the lottery sales targets specified in the license agreement are not met. The non-renewal or termination of any of our licenses could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline. For further information about our licenses, see "Regulatory Framework."

We are exposed to significant risks in relation to compliance with anti-corruption laws and regulations and economic sanction programs.

Doing business on a worldwide basis requires us to comply with the laws and regulations of various jurisdictions (including, without limitation, the United States, Greece, Italy, Jamaica, Turkey and others where we conduct operations). In particular, our international operations are subject to anti-corruption laws and regulations, such as the U.S. Foreign Corrupt Practices Act of 1977 ("FCPA"), the United Kingdom Bribery Act of 2010 (the "Bribery Act") and economic sanctions programs, including those administered by the UN, EU and OFAC and regulations set forth under the Comprehensive Iran Accountability Divestment Act. The FCPA prohibits providing anything of value to foreign officials for the purposes of obtaining or retaining business or securing any improper business advantage. As part of our business, we may deal with both governments and state-owned business enterprises, the employees of which are considered foreign officials for purposes of the FCPA. The provisions of the Bribery Act extend beyond bribery of foreign public officials and are more onerous than the FCPA in a number of other respects, including jurisdiction, non-exemption of facilitation payments and penalties. Economic sanctions programs restrict our business dealings with certain sanctioned countries.

As a result of doing business in foreign countries, we are exposed to a risk of violating anti-corruption laws and sanctions regulations applicable in those countries where we, our partners or agents operate. Some of the international locations in which we operate lack a developed legal system and have high levels of corruption. Our continued expansion and worldwide operations, including in developing countries, our development of joint venture relationships worldwide and the employment by us of local agents in the countries in which we operate increase the risk of violations of anti-corruption laws, OFAC or similar laws. Violations of anti-corruption laws and sanctions regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) and revocations or restrictions of licenses, as well as criminal fines and imprisonment. In addition, any major violations could have a significant impact on our reputation and consequently on our ability to win future business.

We have policies and procedures designed to assist our compliance with applicable laws and regulations and have trained our employees to comply with such laws and regulations. While we believe that we have a strong culture of compliance and that we have adequate systems of control, we seek to continuously improve our systems of internal controls, to remedy any weaknesses we identify through appropriate corrective action depending on the circumstances, including additional training, improvement of internal controls and oversight, and deployment of additional resources, and to take appropriate action in case of any breach of our rules and procedures which might include disciplinary measures, suspensions of employees and ultimately termination of such employees. There can be no assurance, however, that our policies and procedures will be followed at all times or effectively detect and prevent violations of the applicable laws by one or more of our employees, consultants, agents or partners and, as a result, we could be subject to penalties and material adverse consequences on our business, financial condition or results of operations if we failed to prevent any such violations.

We may not be able to capitalize on market trends (including the expansion of online gambling) and other changes in the gaming industries.

Our future success depends on our ability to recognize market trends and opportunities and develop appropriate strategies in response. Should we fail to develop appropriate strategies in response to market trends and opportunities, we could lose our competitive position, and as a result our revenue could be adversely impacted.

We have started to expand our business into online gaming (which includes gaming via the internet, telephone and television) in order to take advantage of the introduction of online gaming regulation in certain jurisdictions. This strategy involves several risks and uncertainties, including legal, business and financial risks.

In general, our ability to successfully pursue our interactive gaming strategy depends on the law and regulations relating to internet gaming and through interactive channels. Laws relating to internet gaming are evolving in both Europe and the United States in particular. Although we are working together with local and international compliance experts to set up the necessary systems, controls and procedures to ensure that we are, or will be, in compliance with applicable rules and regulations in jurisdictions in which we decide to enter the online gaming industry, the systems, controls and procedures adopted by us may not be entirely sufficient. Furthermore, there can be no assurance that we will be able to successfully block users resident in countries or U.S. states which restrict or prohibit online gaming. Failure to do so could result in civil, criminal or administrative proceedings, injunctions, fines and penalties and substantial litigation expenses that could strain our management resources and materially adversely affect our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

In jurisdictions that authorize internet gaming, there can be no assurance that we will be successful in selling our technology, content and services to internet gaming operators as we expect to face competition. In general, our ability to compete effectively in the internet gaming space will depend on the acceptance by our customers of the products and services we offer. There can be no assurance that we will be able to successfully develop and market internet gaming solutions, which could in turn adversely have a material adverse effect on our business, financial condition and results of operations.

We may not succeed in realizing the anticipated benefits of our joint ventures or other strategic investments.

Subject to our investment policies, in the future, we may selectively invest in new opportunities and/or enter into strategic alliances and partnerships as a means to gain access to new and important geographies, business opportunities and technical expertise, while potentially reducing capital requirements. See "Business—Investment Policies." Our success will depend on, among other things, our ability to identify and assess potential partners, investments and acquisitions, successfully finance, close and integrate such investments, acquisitions and relevant technologies, control costs and maintain sufficient operational and financial controls, which may distract and/or place significant demands on our management and other resources.

Our current joint ventures pose risks arising from our reliance on our partners and our lack of sole decision-making authority, which may give rise to disputes between us and our partners. Our partners may have economic or business interests or goals that are inconsistent with our interests and goals, take actions contrary to our objectives or policies, undergo a change of control, experience financial or other difficulties or be unable or unwilling to fulfill their obligations under our arrangements. Moreover, we cannot rule out that the benefits that we expect to derive from our existing or future joint ventures may be negatively affected by disagreements among the relevant joint venture partners in relation to strategy, exercise of control, governance and other matters, and we cannot guarantee that these disagreements will be resolved in our favor or at all.

The failure to avoid or mitigate the risks described above or other risks associated with such arrangements could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

The behavior of our joint venture partners, agents or other collaborators may affect our reputation.

The reputation and integrity of the parties with whom we engage in business activities, in particular the joint venture partners and collaborators with whom we deal, are important to our own reputation and ability to continue to operate in compliance with our licenses and applicable regulations. While we endeavor, through contractual protections and otherwise, to ensure that our collaborators comply with high standards of probity and integrity, such as through proper implementation of our compliance and monitoring systems, we cannot assure that our collaborators will always maintain these high standards. In addition, if we enter into a business relationship with a collaborator whose probity was in doubt, this may be considered by regulators on our own probity.

We may not be able to respond to technological changes or satisfy future technology demands of our customers, in which case we could fall behind our competitors.

The gaming industry is characterized by rapidly changing technology and evolving industry standards. Many of our software and hardware products are based on proprietary technologies. Our competitiveness in the future will depend on our ability to respond to technological changes and satisfy future technology demands by developing or licensing innovative and appealing products in a timely and cost-effective manner. However, there can be no assurance that we will achieve the necessary technological advances or have the financial resources needed to introduce or license new products or services or that we will otherwise have the ability to compete effectively in the gaming industries we serve. Furthermore, if we devote resources to the pursuit of new technologies and products that fail to be commercially viable, all or part of these R&D expenses may be lost and our business may suffer.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We are heavily dependent on our ability to renew our long-term contracts with our customers and we could lose substantial revenue and profits if we are unable to renew such contracts.

Renewing contracts with a large cash flow impact is one of our key strategies. See "Business—Strategy—Exploit Existing Contracts to Optimize Cash Flow." Generally, our contracts contain initial multi-year terms, with optional renewal periods held by the customer. Upon the expiration of a contract, the contract may be renewed, or a new contract may be awarded to a party other than us through a competitive tender process. There can be no assurance that our current contracts will be extended or that we will be awarded new contracts as a result of competitive tender processes or

otherwise in the future. Moreover, we cannot rule out that certain of our counterparties may try to achieve better terms on existing contracts. While, as a legal matter, we cannot generally be forced to accept changes to existing contracts, it is generally possible that a counterparty (motivated either by changes in market conditions, through a new management team or otherwise) may try to re-open agreed terms, which may have an adverse impact on our relationship with them and/or on our business.

In addition, certain of our long-term contracts may be terminated due to the commencement of insolvency proceedings, our non-performance under a contract or certain force majeure events. The termination, expiration or failure to renew one or more of our contracts could cause us to lose substantial revenue and profits, which could have an adverse effect on our ability to win or renew other contracts.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We may experience significant losses with respect to individual events or betting outcomes.

Our fixed-odds betting products involve betting where winnings are paid on the basis of the stake placed and the odds quoted, rather than derived from a pool of stake money received from all customers. A bookmaker's odds are determined so as to provide an average return to the bookmaker over a larger number of events and therefore, over the medium term, we have met our payout targets. However, there may be a degree of variation in revenues net of payout percentage on a quarterly basis.

We have systems and controls in place which seek to reduce the risk of daily losses occurring on a revenues net of payout basis but there can be no assurance that these will be effective in reducing our exposure to this risk. As a result, in the short term, there is less certainty of generating positive revenues net of payout and we may experience (and have from time to time experienced) losses with respect to individual events or betting outcomes, particularly on a "single bet" basis. Any significant losses on a revenues net of payout basis could have an adverse effect on our cash flows, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Any failure to determine accurately the odds at which we will accept bets in relation to any particular event and/or any failure of our risk management processes could have a material adverse effect on our business.

We employ a team of experienced odds compilers (who determine the odds at which we will accept bets in relation to any particular event) and risk managers who seek to control liabilities in relation to our gaming businesses. However, there can be no assurance that errors of judgment or other mistakes will not be made in relation to the compilation of odds or that the systems we have in place to limit risk will be consistently successful. Any significant misjudgments or mistakes made by us in relation to odds compilation or the failure of our risk management systems could result in us incurring significant losses on a revenues net of payout basis, which could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our revenue fluctuates due to sports schedules and other factors and, therefore, our periodic operating results are not guarantees of future performance.

Our revenue can fluctuate due to seasonality in some components of our business. In particular, the majority of our sports betting revenue is generated from bets placed on European football, which has an offseason in the European summer that typically causes a corresponding periodic decrease in our revenue. In addition, our revenue from lotteries can be somewhat dependent on the size of jackpots of lottery games during the relevant period.

Our revenue may also be affected by the scheduling of major football events that do not occur annually, notably the FIFA World Cup and UEFA European Championships, and by the performance of certain teams within specific tournaments, particularly where the national football teams in the markets where we earn the majority of our revenue fail to qualify for the World Cup. Furthermore, the cancellation or curtailment of significant sporting events, for example due to adverse weather, traffic or transport disruption or civil disturbances, may also affect our revenue.

The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

There is a risk that our customers will no longer contract us to provide management services because they decide to provide such services in-house.

We are a vendor of gaming support services to our customers through our technology and support services contracts and management contracts. There can be no assurance that our customers will continue to rely on us to provide these services, and instead they may begin to provide these services in-house. If our customers do not continue to rely on us to provide management services, our revenue may decline, which could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our failure to successfully maintain and enhance our brands could adversely affect our business.

The success of our business is dependent in part on the ongoing strength of our key brands. As the gaming industry becomes increasingly competitive, we expect that our success will be dependent in part on maintaining and enhancing our brand strength, which may become increasingly difficult and more costly. If we are unable to maintain and enhance the strength of our brands, then our ability to retain and expand our customer base and our attractiveness to existing and potential partners may be impaired, and our business, financial condition and results of operations will be adversely affected. In addition, maintaining and enhancing our brands, may require us to make increased investment in our gaming and business activities, which may not deliver requisite returns. If we do not maintain and enhance each of our brands successfully, or if we incur excessive cost in this effort, our business, financial condition and results of operations may be adversely affected, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We are exposed to risks associated with the performance of the global economy, the Eurozone debt crisis and the prevailing economic conditions in the markets in which we operate, including Greece and Cyprus.

We are exposed to risks associated with the performance of the global economy and the markets in which we operate. Our income and results of operations have been influenced, and will continue to be influenced, to a certain degree, by the general state and the performance of the global economy. The recent volatility of the financial markets shows that there can be no assurance that any recovery is sustainable or that there will be no recurrence of the global financial and economic crisis or similar adverse market conditions.

Our business is particularly sensitive to reductions in discretionary consumer spending in the markets where we operate, which may be affected by general economic conditions in these markets. Economic contraction, economic uncertainty and the perception by our customers of weak or weakening economic conditions may cause a decline in demand for entertainment in the forms of the gaming services that we offer. In addition, changes in discretionary consumer spending or consumer preferences could be driven by factors such as an unstable job market, perceived or actual disposable consumer income and wealth, or fears of war and future acts of terrorism.

In particular, the lack of resolution of the sovereign debt crisis of several countries of the Eurozone, including Greece, Italy, Cyprus, Ireland, Spain and Portugal, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Concerns that the Eurozone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the euro. The departure or risk of departure from the euro by one or more Eurozone countries and/or the abandonment of the euro as a currency could have major negative effects on both existing contractual relations and the fulfillment of obligations by us and/or our customers, which would have a material adverse effect on our business, financial condition and results of operations. In particular, approximately 5.2% of our revenue in the twelve months ended March 31, 2013 derived from our operations in Greece, and, as a result, our operating results are dependent on prevailing economic conditions in Greece. The Greek economy has faced and continues to face unprecedented

macroeconomic difficulties originating from considerable fiscal imbalances (including very high levels of outstanding debt) and compounded by other structural vulnerabilities.

Any material future deterioration in global economic conditions or conditions in the markets in which we operate could materially and adversely affect our liquidity, financial position and results of operations, which could, in turn (in particular in the event of a significant and sudden decline of our revenue), adversely affect our ability to meet our financial covenants and other obligations under our debt structure and syndicated facilities and to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our efforts to expand in certain markets are subject to a variety of business, economic, legal and political risks.

We operate and offer our products in many countries and we market and sell our products worldwide. We are actively operating in rapidly growing and emerging markets, including Morocco and Turkey. Potential social, political, legal and economic instability in these markets may pose significant risks to our ability to conduct our business and expand our activities. We are now focused on cash flow generation from our existing assets. See "Business—Strategy—Exploit Existing Contracts to Optimize Cash Flow." In the future, however, we may strategically invest in new opportunities that we may identify. See "Business—Investment Policies" and "Business—Strategy—Selective Participation in New Opportunities." Inherent in our international operations is the risk that any number of circumstances could affect our operations, including difficulties in integrating foreign operations, risks associated with entering jurisdictions in which we may have little experience and entering into business relationships with locally based partners, which can involve additional risks including but not limited to reliance on the knowledge of local partners in respect of compliance with local regulations.

Any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We are dependent on our suppliers and contract manufacturers, and any failure of these parties to meet our performance and quality standards or requirements could cause us to incur additional costs or lose customers.

The manufacturing of our VLTs, terminals and other hardware is mostly performed by third parties. We partially manufacture our own terminals while completely depending on third-party manufacturers for our VLTs. The assembly of our terminals, in particular, depends upon a continuous supply of raw materials, supplies, power and natural resources. Our operating results could be adversely affected by an interruption or cessation in the supply of these items or a serious quality assurance lapse, including as a result of the insolvency of any of our key suppliers. In addition, we have a number of significant contracts and our performance depends upon our third-party suppliers delivering equipment on schedule in order to meet our contract commitments.

Failure of third-party suppliers to meet their delivery commitments could result in us being in breach of, and subsequently losing, certain contracts, which loss could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We are subject to risks from legal, administrative and arbitration proceedings.

Due to the nature of our business, we are involved in a number of legal, administrative and arbitration proceedings and could become involved in additional legal, administrative and arbitration proceedings or investigations by government authorities in the future. Such proceedings or investigations could involve the United States and, based on a judgment or a settlement agreement, we could be obligated to pay substantial damages and litigation costs. Furthermore, a contract or license that we are initially awarded through a tender process may be challenged by one of our competitors or a third party in court, in which case we may lose the benefit of such contract or license and our business, financial condition and results of operations may be materially adversely affected. See "Business—Litigation and Administrative Proceedings".

We are subject to substantial penalties for failure to perform under our lottery licenses and contracts.

We are subject to contract penalties for failure to perform under our lottery licenses and contracts. Furthermore, we are required by certain of our lottery customers to provide surety or performance bonds. As of December 31, 2012, subsidiaries of the Company had outstanding performance bonds and letters of credit in an aggregate amount totaling €157.7 million (not including guarantees counter-guaranteed by the Company). As of the same date, the Company had outstanding performance bonds and letters of credit on behalf of its subsidiaries in an aggregate amount of approximately €350 million. These instruments present an ongoing potential for substantial expense and diversion of resources from productive uses. Claims on performance bonds, drawings on letters of credit and payment of liquidated damages could each have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our business depends on our ability to attract and retain qualified personnel.

Our success depends, among other things, on our ability to attract and retain qualified executive board members and other qualified executives and employees in key functions. Due to competition for qualified personnel within the gaming industry, there is a risk of losing qualified employees to competitors and being unable to attract sufficient qualified new employees to operate our business. The occurrence of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We may be adversely impacted by labor disputes or matters.

As of March 31, 2013, we had 5,507 employees across our 55 jurisdictions. While we strive to maintain good relationships with our employees, there can be no assurance that such relationships will continue to be amicable or that we will not be affected by strikes, unionization efforts or other types of conflict with employees, any of which could impair our ability to manufacture and distribute our products or provide our services. Accordingly, any such labor dispute or matter could result in a substantial loss of sales and in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

If we are unable to protect our intellectual property rights or prevent their use by third parties, our ability to compete in the market may be harmed.

We rely on our ability to develop and protect our proprietary technology and intellectual property rights to ensure that our competitors do not obtain technology from us that could allow them to compete more effectively with us. We believe that the success of our business strategy depends on our continued ability to protect and use our intellectual property rights in the countries in which we operate.

We have applied for and obtained intellectual property rights, such as patents, that are important to our business. However, the process of applying for patent protection can be time-consuming and expensive. There can also be no assurance that our current or future applications for patent protection will result in an issued patent. Even if a patent is issued, it may afford differing or limited protection in different jurisdictions. In addition, the granting of a patent does not necessarily imply that it is effective or that possible patent claims can be enforced to the degree necessary or desired. Consequently, there is a risk that third parties, in particular our competitors, will copy our products, design around our patented products or otherwise gain access to our proprietary information and technology, which may allow our competitors to impinge on our market share and customer base.

In addition, a major part of our technical knowledge and trade secrets is not patented and cannot be protected through intellectual property rights. For example, software is not subject to registration in Greece and most other countries, making the protection of our software rights more difficult. We may not be able to prevent unauthorized disclosure or use of our technical knowledge and trade secrets.

We have entered into a number of license, cross-license, cooperation and development agreements with our customers, competitors and other third parties under which we are granted access to intellectual property or technical knowledge of such third parties. If such third parties do not properly maintain or enforce the intellectual property rights underlying such licenses, or if such licenses are

terminated under circumstances such as a licensing partner's insolvency or bankruptcy or in the event of a change of control, or if such licenses expire without being renewed, we could lose the right to use the licensed intellectual property.

We intend to enforce our intellectual property rights and from time to time may initiate claims against third parties that we believe are infringing our intellectual property rights if we are unable to resolve matters satisfactorily through negotiation. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could fail to obtain the results sought and could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

There is a risk that our products will infringe upon the intellectual property rights of third parties, or that other parties will assert infringement claims against us.

We cannot provide assurance that our products and methods in all cases do not infringe the patent or other intellectual property rights of third parties because it is not always possible to determine with certainty whether there are effective and enforceable third-party intellectual property rights to certain processes, methods or applications. In particular, this relates to software and the general non-harmonization of intellectual property rights protection across the jurisdictions in which we operate. Infringement and other intellectual property claims brought against us, whether successful or not, are time-consuming, costly and distracting to management and harm our reputation. In addition, intellectual property litigation or claims could require us to do one or more of the following: (i) cease manufacturing, using or marketing the relevant technologies or products in certain countries; (ii) make changes to manufacturing processes or products, which may not be possible and, if possible, could be costly and time-consuming; (iii) pay substantial damages; or (iv) purchase licenses to make use of technology from third parties, which license may not be available on commercially-reasonable terms, if at all.

The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our systems are subject to network interruption risks which could have a negative impact on the quality of the services offered by us and, as a result, on demand from consumers and consequently volume of revenue.

Our ability to provide goods (such as software and lottery terminals) and services to our customers and to effectively operate lotteries and other games and services depends to a great extent on the reliability and security of the information technology systems and third-party networks we use. Information technology systems and the networks used by us are potentially subject to damage and interruption caused by human error, problems relating to the telecommunications network, natural disasters, sabotage, viruses and similar events. Interruptions in the system could have a negative impact on the quality of the services offered and, as a result, on demand from consumers and consequently on the volume of revenue. In addition, interruptions in the system could result in the termination of certain of our licenses or contracts or the imposition of substantial penalties.

A security breach in our technical or information infrastructure could result in significant harm to our performance or harm our revenue.

We rely on sophisticated technical and information technology infrastructure. The security of this infrastructure could be compromised by human error, malfunction, employee or third-party misconduct, sabotage, hacking or computer viruses. Such a breach of security could impair our ability to adequately provide products and services, reduce performance by one or more of our businesses. Additionally, any security breach or intrusion upon our information technology infrastructure could compromise the security of information stored in or transmitted through our systems, or compromise the integrity of our technical systems more broadly. Any such event could have a material adverse effect on our business, financial condition and results of operations.

While we seek to protect our computer systems and network infrastructure from physical intrusion as well as security breaches and other disruptions that could affect our telecommunication and information infrastructure, the risk posed by the possibility of security breaches is likely to persist. In particular, to provide our various services, we must allow clients and customers to access certain

elements of our data and telecommunications infrastructure. Our technical or information infrastructure could be attacked or compromised by means of such broadly accessible networks. While we take measures to maintain the security of these externally-facing networks, it is impossible to eliminate the risk created by the need for such accessible information infrastructure. There can be no assurance that our security measures will be adequate or successful, and the costs of maintaining adequate security measures may increase substantially. Any such occurrence may have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We may be vulnerable to player fraud.

The gaming industry may be vulnerable to attack by customers through collusion and fraud. We take steps to minimize the opportunities for fraudulent play, but we are aware of the need to monitor and develop such protections. If we fail to detect instances of collusion and other fraud either between players or between players and our employees or agent, in addition to our own losses, customers would lose as a consequence and thereby become dissatisfied with our products, which would have a material adverse effect on our reputation and financial condition, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We could be adversely affected by property loss and unforeseen business interruption.

Damage and loss caused by fire, accidents, natural disasters, terrorism, supply shortage, severe weather or other disruptions of our production process at our facilities or within our supply chain, with respect to customers and with suppliers, can be severe. Though we are insured against business interruption and loss of production arising from such risks at levels considered economically reasonable by us, our insurance coverage could prove insufficient in individual cases. The occurrence of any of the foregoing risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

We may be liable for product defects or other claims relating to our products.

Our products or the products we receive from our suppliers could be defective, fail to perform as designed or otherwise cause harm to our customers, their equipment or their products. If any of our products are defective, we may be required to recall the products and/or repair or replace them, which could result in substantial expenses and affect our profitability. Any problems with the performance of our products, such as defective terminals, or our suppliers' products, such as instant ticket misprints, could, indirectly or directly, harm our reputation, which could result in a loss of sales to customers and/or potential customers. In addition, if our customers believe that they have suffered harm caused by our products, they could bring claims against us that could result in significant liability. Any claims brought against us by customers may result in diversion of management's time and attention, expenditure of large amounts of cash on legal fees, expenses and payment of damages, decreased demand for our products or services, or injury to our reputation. Our insurance may not sufficiently cover a large judgment against us or a large settlement payment, and is subject to customary deductibles, limits and exclusions.

The realization of any of these risks could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Our contracts and licenses require capital that will not otherwise be available for our operations and repayment of borrowings.

Our contracts generally require significant upfront capital expenditures. For example, in many cases, we need to make large upfront payments for licensing fees when we renew an existing license or acquire a new one. Our contracts also require significant annual capital expenditures for technology renewal. Furthermore, our R&D efforts to develop innovative products requires capital investment. During each of the financial years ended December 31, 2010, 2011 and 2012 and the twelve month period ended March 31, 2013, our research and development expenses accounted for approximately

0.7%, 0.8%, 0.8% and 0.7% of total revenue and our capital expenditure accounted for 9.6%, 6.6%, 8.7% and 8.8% of our revenue, respectively.

Historically, we have funded our capital needs through cash flows generated from operations, available cash on hand, bank borrowings and an exchangeable bond. Our ability to generate revenue and to continue to procure new contracts, develop innovative products and grow our business will depend on, among other things, our then present liquidity levels or our ability to obtain additional financing on commercially-reasonable terms.

In the future, we intend to fund our cash needs through bank borrowings and the local and international debt capital markets. However, we may not have access to the amount of capital that we require on favorable terms, or at all. If we do not have adequate liquidity or are unable to obtain financing on favorable terms, or at all, we may not be able to bid on certain contracts, which could restrict our ability to grow or renew existing contracts and have a material adverse effect on our results of operations. Moreover, we may not realize the return on investment that we anticipate on new or renewed contracts due to a variety of factors, including lower than anticipated retail sales, higher than anticipated capital or operating expenses and unanticipated regulatory developments or litigation. We may not have adequate liquidity to pursue our strategy, including selectively entering new markets.

If we are unable to generate sufficient cash flow from operations in the future to meet our capital requirements, we will be required to adopt one or more alternatives, such as refinancing or restructuring our indebtedness, selling material assets or operations or seeking to raise additional debt or equity capital. We cannot assure you that any of these actions could be completed on a timely basis or on satisfactory terms, or at all, or that these actions would enable us to continue to satisfy our capital requirements. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

Fluctuations in currency exchange rates and related risks may adversely affect our results of operations, and hedging carries certain costs and risks.

Currency translation effects occur when the financial statements of our consolidated subsidiaries are recorded in their respective local currency and converted into euro, whereby translation effects can diminish the impact of positive results or increase the impact of negative results recorded by such consolidated subsidiaries. In particular, we may observe a negative impact caused by translation effects when the euro is strong in comparison to the U.S. dollar, Turkish lira, Romanian new leu or Brazilian real. In addition, an unfavorable movement in exchange rates can give us a competitive disadvantage with respect to our competitors from other currency regions and can lead to declines in orders. We hedge certain of our foreign currency exchange rate exposure through derivative instruments, depending on market conditions and based on Group Treasury Policy. We do not, however, seek to hedge all our foreign currency exchange rate exposure. There can be no assurance that our hedging activities will be successful in mitigating the impact of exchange rate fluctuations. In addition, significant volatility in exchange rates may increase our hedging costs, limit our ability to hedge our exchange rate exposure, particularly against unfavorable movements in the exchange rates of certain emerging market currencies, and could have an adverse impact on our results of operations, particularly our profitability. Any of the factors above may have a material adverse effect on our business, financial condition and results of operations, which could in turn adversely affect our ability to fulfill our obligations under the Notes and the Guarantees or cause the market price of the Notes to decline.

A substantial amount of our indebtedness is exposed to risks related to changes in interest rates, and hedging carries certain costs and risks.

Our long- and short-term borrowings are exposed to interest expense at prevailing interest rates. As of March 31, 2013, approximately 46.6% of our net indebtedness and 2.9% of our net indebtedness on a *pro forma* basis after giving effect to the issuance of the Notes and the application of the proceeds therefrom, was exposed to interest rate fluctuations. We hedge a certain portion of our interest rate exposure through derivative instruments, depending on market conditions and based on Group Treasury Policy. We do not, however, seek to hedge all interest rate exposure. There can be no assurance that hedging will continue to be available on commercially-reasonable terms. Hedging itself carries certain risks, including that we may need to pay a significant amount (including costs) to terminate any

hedging arrangements. Any of the factors above may have a material effect on our results of operations, business and financial condition.

Compliance with regulatory investigations and approval requirements may impose substantial costs on our business and disrupt our operations.

The gaming authorities in some jurisdictions may investigate companies or individuals who have a material relationship with us or our equity holders to determine whether the selected individual or stockholder is acceptable to the gaming authorities. While any such investigated company, individual or stockholder is obligated to pay the costs of the investigation, such an investigation will be time-consuming and may be disruptive to our operations. Failure of companies, individuals or stockholders to cooperate with any such investigation could negatively impact our ability to obtain or maintain our licenses, which would have a material adverse effect upon our business, results of operations and financial condition.

Risks Related to the Notes, Our Indebtedness and the Structure

The Issuer is a special purpose vehicle with limited resources. The Issuer's ability to service the Notes will depend upon the payments received from certain members of the Intralot Group under the intercompany proceeds loans.

The Issuer is a special purpose vehicle formed under the laws of the Grand Duchy of Luxembourg with limited liability. The Issuer has no business operations or subsidiaries and, upon completion of this offering of Notes, its only assets will be the intercompany proceeds loans made to certain members of the Intralot Group. Therefore, the Issuer will be wholly dependent upon the payments from the Company and Intralot Finance UK PLC under the intercompany proceeds loans to make payments due on the Notes. If the Issuer does not have sufficient funds to make payments under the Notes, holders will be required to rely on the Guarantees given by the Guarantors in respect of the Notes. In the event of bankruptcy, liquidation, winding-up or insolvency of any of the Company's non-Guarantor subsidiaries, creditors of such non-Guarantor subsidiary will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are available for distribution to their shareholders, including the Issuer.

The Company is in turn partially dependent upon payments by its subsidiaries to service its indebtedness, including payments of amounts owed and its guarantee of the Notes. Applicable law imposes certain restrictions upon our ability to access cash of our subsidiaries.

The Company is in turn partially dependent upon payments by its subsidiaries to service its indebtedness, including payments of amounts owed and its guarantee of the Notes. The ability of the Company's subsidiaries to make payments to the Company may be restricted by, among other things, applicable corporate and other laws and regulations and by the terms of covenants and restrictions contained in financing agreements to which such subsidiaries are or will be a party. In addition to any limitations on payment to the Company contained in such agreements, any failure to comply with the covenants and restrictions contained in such agreements could trigger defaults under those agreements which could delay or preclude the distribution of dividend payments or any other similar payments to the Company. The inability to transfer cash among our group may mean that, even though we, in aggregate, may have sufficient resources to meet our obligations, we may not be permitted to make the necessary transfers from one entity in the group to another entity in the group in order to make payments to the Issuer for the purposes of meeting the Issuer's obligations under the Notes.

Our high leverage and debt service obligations could have a material adverse effect on our business and may make it difficult for us to service our debt, including the Notes, and operate our business.

As of March 31, 2013, on a *pro forma* basis after giving effect to the offering of the Notes and the use of the proceeds therefrom, we would have had financial debt of approximately €499.2 million on a consolidated basis. Our level of indebtedness could have important consequences for investors in the Notes. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness;
- increase our vulnerability to adverse economic and industry conditions;

- require us to dedicate a substantial portion of cash flow from operations to payments on our indebtedness, which could reduce the availability of cash flow to fund working capital needs, capital expenditures according to cash flow, future acquisitions and other general corporate needs;
- limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;
- place us at a competitive disadvantage compared to our competitors with less debt; and
- limit our ability to borrow additional funds.

Any of these or other consequences or events could have a material adverse effect on our ability to satisfy our obligations, including the Notes. See also "—Despite our level of indebtedness, we and our subsidiaries will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness."

Despite our level of indebtedness, we and our subsidiaries will still be able to incur significant additional amounts of debt, which could further exacerbate the risks associated with our substantial indebtedness.

We and our subsidiaries may be able to incur substantial additional debt in the future. Although the Indenture and the Syndicated Facilities contain restrictions on the incurrence of additional debt, these restrictions are subject to a number of significant qualifications and exceptions, and, under certain circumstances, the amount of debt that could be incurred in compliance with these restrictions could be substantial. Under the Indenture, in addition to specified permitted debt, we will be able to incur additional debt so long as on a *pro forma* basis our consolidated fixed charge coverage ratio is at least 2.25 to 1.0, and we will be able to incur additional senior debt so long as on a *pro forma* basis our consolidated total leverage ratio is not more than 3.25 to 1.0. In addition, the Indenture and the Syndicated Facilities will not prevent us from incurring obligations that do not constitute indebtedness under those agreements. If new debt is added to our and our subsidiaries' existing debt levels, the risks associated with our substantial indebtedness described above, including our possible inability to service our debt, will increase.

We require a significant amount of cash to service our debt, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

After giving *pro forma* effect to the offering of the Notes, we would require a significant amount of cash to service our debt obligations, including payments relating to any swap arrangements we may have in the future. Our ability to make scheduled payments on and to refinance our debt and to fund future operations and capital expenditures will depend on our future operating performance and ability to generate sufficient cash. This depends, to some extent, on general economic, financial, competitive, market, legislative, regulatory and other factors, many of which are beyond our control, as well as the other factors discussed in this "Risk Factors" section and elsewhere in this Offering Memorandum.

We cannot assure you that our business will generate sufficient cash flows from operations, that currently anticipated cost savings, revenue growth and operating improvements will be realized or that future debt and equity financing will be available to us in an amount sufficient to enable us to pay the principal, premium, if any, and interest on our indebtedness, including the Notes, or that future borrowings or amounts available for borrowing under our Syndicated Facilities will be available to us in an amount sufficient to enable us to service and repay the Notes and our other indebtedness or to fund our other liquidity needs. Moreover, regulations in certain jurisdictions in which we have our operating subsidiaries may restrict the ability of such operating subsidiaries to pay dividends to us.

If our future cash flows from operations and other capital resources (including borrowings under the Syndicated Facilities or any other additional indebtedness permitted under the Indenture) are insufficient to pay our obligations as they mature, or to fund our liquidity needs, we may be forced to:

- reduce or delay our business activities and capital expenditures;
- sell assets;
- obtain additional debt or equity capital; or
- restructure or refinance all or a portion of our debt, including the Notes, on or before maturity.

We cannot assure you that we would be able to accomplish any of these alternatives on a timely basis or on satisfactory terms, if at all. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of the credit rating of the Notes, which could also harm our ability to incur additional indebtedness. In addition, any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. There can be no assurances that any assets which we could be required to dispose of can be sold or that, if sold, the timing of such sale and the amount of proceeds realized from such sale will be acceptable.

We are subject to significant restrictive debt covenants, which limit our operating flexibility, our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities.

The Indenture will, and any future debt instrument we may enter into may, contain covenants that significantly restrict our ability to, among other things:

- incur or guarantee additional indebtedness or issue certain preferred shares;
- pay dividends or make other distributions, repurchase or redeem our shares or repay or redeem subordinated debt;
- make certain investments or other restricted payments;
- dispose of certain assets, including subsidiary shares;
- create or incur liens;
- enter into certain transactions with affiliates;
- create encumbrances or restrictions that restrict certain of our subsidiaries' ability to pay dividends or other distribution loans or advances; and
- consolidate, merge or sell all or substantially all of our assets.

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue acquisitions and other business activities that may be in our interest.

Our Syndicated Facilities require, and any future working capital facility or other debt instrument may also require, us to maintain specified financial ratios. Our ability to meet these financial ratios may be affected by events beyond our control and, as a result, we cannot assure you that we will be able to meet these ratios and tests. In the event of a default under these facilities or certain other defaults under other agreements, the lenders could terminate their commitments and declare all amounts owed to them to be due and payable. Borrowings under other debt instruments that contain cross default or cross acceleration provisions, including the Indenture, may, as a result, also be accelerated and become due and payable. In addition, a default under the Indenture could result in a cross default or cross acceleration under our Syndicated Facilities. Our assets and cash flow may not be sufficient to fully repay these debts in such circumstances.

The Notes will be structurally subordinated to indebtedness of non-Guarantor subsidiaries and, to the extent of the limitations on enforceability of Subsidiary Guarantees, also to indebtedness of Subsidiary Guarantors that is not subject to such limitations.

Some, but not all, of the subsidiaries of the Company will guarantee the Notes. In the event of a liquidation, winding-up or dissolution or a bankruptcy, administration, reorganization, insolvency, receivership or similar proceeding of any subsidiary that does not provide a guarantee in favor of the Notes, such non-Guarantor subsidiaries will pay the holders of their own debt (including holders of third-party debt which such subsidiaries have guaranteed), their trade creditors and any preferred shareholders before they would be able to distribute any of their assets to the Company, the Issuer or the Subsidiary Guarantors. As a result of the foregoing, the Issuer and the Guarantors may not have sufficient assets to make payments on the Notes or the Guarantees, respectively.

As of March 31, 2013, on a *pro forma* basis after giving effect to the issuance of the Notes and the application of the proceeds therefrom, the non-Guarantor subsidiaries of the Company (other than the Issuer) would have had €24.7 million in financial indebtedness on a combined basis.

As described under "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations", Description of the Notes—Limitation of Guarantees" and "—Risks

Related to the Guarantees," the enforcement of the Subsidiary Guarantees will be subject to certain limitations and restrictions that are typical for guarantees. To the extent that any debt or other payment obligation of a Subsidiary Guarantor is not also subject to such limitations and restrictions, such debt and other obligations would also be structurally senior to the Notes as described above.

If Luxembourg is determined not to be the Issuer's "centre of main interests," then insolvency proceedings applicable to the Issuer could be commenced in a jurisdiction other than Luxembourg (and governed by laws other than Luxembourg law) which might not be as favorable to you.

Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "EU Insolvency Regulation") provides that insolvency proceedings encompassing all of a debtor's assets on a European-wide basis can be commenced in the EU member state in which the debtor has its "centre of main interests," as described in the EU Insolvency Regulation. See "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations—European Union." Under Article 3(1) of the EU Insolvency Regulations there is a rebuttable presumption that a company has its centre of main interests in the jurisdiction in which its registered office is located. In the case of the Issuer, this would be Luxembourg, and accordingly, Luxembourg insolvency law would apply to the Issuer subject to certain exceptions set out in the EU Insolvency Regulation where, in general terms, the applicable law of the contracts may apply instead. However, in the event that a court determines that the Issuer's centre of main interests is in an EU member state other than Luxembourg (including Greece), then insolvency proceedings applicable to the Issuer could be commenced in that other member state and would, *prima facie*, be governed by the laws of such jurisdiction, which might be less favorable to you than Luxembourg insolvency laws. See also "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations" and "Certain Luxembourg Insolvency Law Considerations with respect to the Issuer."

Holders may be unable to enforce their rights in civil proceedings for U.S. securities laws violations.

The Issuer is organized under the laws of the Grand Duchy of Luxembourg, the Company is organized under the laws of the Hellenic Republic and most of the Subsidiary Guarantors are also organized in jurisdictions outside the United States. Most of their respective officers and directors are non-residents of the United States and most of their assets are located outside the United States. As a result, it may not be possible for holders of the Notes to effect service of process within the United States upon the Issuer, the Company and most Subsidiary Guarantors to enforce against them judgments obtained in U.S. courts predicated upon civil liability provisions of the federal securities laws of the United States.

The United States and Luxembourg, and the United States and Greece, do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters (other than arbitration awards). Therefore, a final judgment for payment of money rendered by a federal or state court in the United States based on civil liability, whether predicated solely upon U.S. federal securities laws, may not be enforceable, either in whole or in part, in Luxembourg or Greece. See "Service of Process and Enforcement of Civil Liabilities." Furthermore, certain jurisdictions in which Subsidiary Guarantors are incorporated may also not have a treaty for the mutual enforcement of court judgments with the United States, which may make it difficult or impossible to effect service of process upon such Guarantor.

We may not have the ability to raise the funds necessary to finance the change of control offer required by the Indenture.

If certain specified change of control events occur, we will be required to offer to repurchase all outstanding Notes at 101% of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to the date of repurchase. We expect that we would require third-party financing to make an offer to repurchase the Notes upon occurrence of a change of control event. We cannot assure you that we would be able to obtain such financing. If a change of control occurs at a time when we are prohibited from purchasing the Notes under our other debt agreements, including the Syndicated Facilities Agreement, we could seek the consent of our lenders and the holders of the 2013 Convertible Bond to purchase the Notes or could attempt to refinance the borrowings that prohibit our repurchase of the Notes. If we do not obtain that consent or repay those borrowings, we would remain prohibited from purchasing the Notes. In that case, our failure to purchase any of the tendered Notes would constitute an event of default under the Indenture governing the Notes, which

would likely cause a default under other debt obligations. See "Description of the Notes—Repurchase at the Option of Holders of the Notes—Change of Control."

The definition of "Change of Control" in the Indenture will include a disposition of all or substantially all of our properties or assets and our subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all" there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of our assets and our subsidiaries taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether we are required to make an offer to repurchase the Notes. In addition, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a change of control under the Indenture.

The interests of our principal shareholders may be inconsistent with your interests.

As of December 31, 2012, Socrates Kokkalis, founder of Intralot S.A. and chairman of its board of directors, owns 20.0% of Intralot S.A.'s stock. In addition, Konstantinos Dimitriadis owns 8.2% and Nakula Management LTD owns 5.3% of Intralot S.A.'s stock. See "Principal Shareholders—Intralot S.A." As a result, these shareholders can strongly influence, directly or indirectly, among other things, our legal and capital structure and our day-to-day operations, as well as changes to our management and any other changes to our operations. The interests of these shareholders could, in certain circumstances, conflict with your interests, particularly if we encounter financial difficulties or are unable to pay our debts when due. The shareholders could also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to investors in the Notes.

There is no active public trading market for the Notes and an active trading market for the Notes may not develop.

Although application has been made to list the Notes on the Official List of the LxSE and admit the Notes to trading on the LxSE's Euro MTF Market, there can be no assurance regarding the future development of a market for the Notes or the ability of holders to sell their Notes or the price at which holders may be able to sell their Notes. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, our operating results, the market for similar securities and other factors, including general economic conditions, performance and prospects, as well as recommendations of securities analysts. The liquidity of, and the trading market for, the Notes may also be adversely affected by a decline in the market for high yield securities generally. Such a decline may affect the liquidity and trading of the Notes independently of our financial performance and prospects.

The transfer of the Notes will be restricted, which may adversely affect the value of the Notes.

The Notes and the Guarantees have not been registered under the U.S. Securities Act or any U.S. state securities laws. Consequently the Notes may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws, and noteholders may be required to bear the cost of their investment in the Notes until their maturity. It is the noteholders' obligation to ensure that their offers and sales or resales of the Notes within the United States and other countries comply with applicable securities laws. See "Important Information" and "Transfer Restrictions."

The Notes may be issued with original issue discount for U.S. federal income tax purposes.

The Notes may be considered to be issued with original issue discount for U.S. federal income tax purposes. U.S. Holders (as defined below under "Taxation—U.S Taxation") therefore may be required to include original issue discount in their gross income as it accrues even though they have not received related cash payments. See "Taxation—U.S. Taxation."

Credit ratings may not reflect all risks, are not recommendations to buy or hold securities and may be subject to revision, suspension or withdrawal at any time.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant (including, inter alia, if our guarantor coverage falls below certain thresholds or if our leverage ratio increases above certain thresholds). A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of the Notes.

The Notes may not be a suitable investment for all investors.

As a potential investor in the Notes, you must determine the suitability of that investment in light of your own circumstances. In particular, you should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of your particular financial situation, an investment in the Notes and the impact the Notes will have on your overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from your currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect your investment and your ability to bear the applicable risks.

You should not invest in Notes which are complex financial instruments unless you have the expertise (either alone or with a financial advisor) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes will be held in book-entry form and therefore you must rely on the procedures of the relevant clearing system to exercise any rights and remedies.

The Notes will be issued in fully registered global form. The Regulation S Global Notes (as defined below) and the Rule 144A Global Notes (as defined below) will be deposited, on the closing date, with, or on behalf of, a common depositary for the accounts of Euroclear and Clearstream and registered in the name of the nominee of the common depositary.

Ownership of beneficial interests in the Global Notes (as defined below) (the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants. Owners of beneficial interests in the Global Notes will not be entitled to receive definitive Notes in registered form, except under the limited circumstances described in "Book-Entry, Delivery and Form—Definitive Registered Notes." So long as the Notes are held in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Global Notes. The common depositary for Euroclear and/or Clearstream will be considered the sole holder of Global Notes.

Payments of any amounts owing in respect of the Global Notes (including principal, premium, interest and additional amounts, if any) will be made by the Issuer to the Paying Agents. The Paying Agents will, in turn, make such payments to the common depositary or its nominee for Euroclear and/or Clearstream, which will, in turn distribute such payments to participants in accordance with its procedures. After payment to the common depositary for Euroclear and/or Clearstream, we will have no responsibility or liability for the payment of interest, principal or other amounts to the holders of Book-Entry Interests. Accordingly, if you hold a Book-Entry Interest, you must rely on the procedures of Euroclear or Clearstream, as applicable, on the procedures of the participant through which you hold your interest, to exercise any rights and obligations of a holder of Notes under the Indenture governing the Notes.

Unlike the holders of the Notes themselves, holders of Book-Entry Interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you hold a Book-Entry Interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear or Clearstream, as applicable. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture governing the Notes, unless and until definitive registered Notes are issued in respect of all Book-Entry Interests, if you hold a Book-Entry Interest, you will be restricted to acting through Euroclear or Clearstream. The procedures to be implemented through Euroclear or Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

Ownership in respect of the Notes in registered form could be challenged under Luxembourg law.

The Issuer will, in respect of the Notes, cause a register (the "Register") to be kept at the specified office of the Registrar in which will be entered the names and addresses of the holders of the Notes and particulars of the Notes held by them and all transfers and redemptions of the Notes.

According to Luxembourg company law, the Issuer is obliged to maintain a register of the Notes at its registered office (the "Issuer Register"). Ownership in respect of the Notes (which are in registered form) is, according to Luxembourg company law, established by the relevant registration (*inscription*) in the Issuer Register. The Registrar has undertaken pursuant to the Indenture to notify the Issuer forthwith of any changes made to the Register to enable it to update the Issuer Register. Accordingly, the registrations in the Register should, in principle, match the recordings in the Issuer Register. However, there may be a delay in updating the Issuer Register and discrepancies in recordings cannot be excluded.

The terms and conditions of the Notes provide that, in the case of discrepancies between the Issuer Register and the Register, the Issuer Register shall prevail. It is generally held that the registrations made in the Issuer Register constitute a means to prove ownership in respect of the Notes. However, Luxembourg case law seems to admit that such registrations in the Issuer Register are not an irrebuttable presumption (*présomption irréfragable*) of title to the Notes and other registrations (such as the registrations made in the Register) could also serve as a means to prove ownership. It can hence not be excluded that, in the case of discrepancies between the Register and the Issuer Register, a Luxembourg court would rule that the Register prevails over the Issuer Register. Certificates representing the Notes in registered form may be issued but they do not confer title to the Notes. Such certificates would also, in principle, not be conclusive evidence to prove ownership in respect of the Notes.

You may face foreign exchange risks by investing in the Notes.

The Notes will be denominated and payable in euro. If you measure your investment returns by reference to a currency other than the euro, an investment in the Notes entails foreign exchange related risks due to, among other factors, possible significant changes in the value of the euro relative to the currency by reference to which you measure your investment returns because of economic, political and other factors over which we have no control. Depreciation of the euro against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the Notes below their stated coupon rates and could result in a loss to you when the return on the Notes is translated into the currency by reference to which you measure your investment

returns. There may be tax consequences for you as a result of any foreign exchange gains or losses from any investment in the Notes. Please see "Taxation—U.S. Taxation."

Risks Related to the Guarantees

Enforcement of the Notes and the Guarantees across multiple jurisdictions may prove difficult.

On the Issue Date, the Notes will be issued by Intralot Finance Luxembourg S.A., which is organized under the laws of Luxembourg, and guaranteed by the Guarantors, which are organized under the respective laws of Greece, Italy, Bulgaria, Australia, Peru, Morocco, the Netherlands, the Czech Republic, Poland, Russia, Jamaica, St. Lucia, Germany, England, Spain, Brazil, Romania, Slovakia, State of Delaware (United States), State of Georgia (United States) and Cyprus, as the case may be. We will use best efforts to procure a Guarantee of the Notes by a Guarantor organized under the laws of Malta no later than September 30, 2013. Your rights under the Notes and the Guarantees will be subject to the insolvency and administrative laws of several jurisdictions, and there can be no assurance that you will be able to effectively enforce your rights in such complex, multiple bankruptcy, insolvency or similar proceedings. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in any of these jurisdictions. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights.

In addition, the bankruptcy, insolvency, administrative and other laws of the Issuer's and the Guarantors' jurisdictions of organization may be materially different from, or in conflict with, each other, including in the areas of rights of creditors, priority of government and other creditors, ability to obtain post-petition interest and duration of the proceedings. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's law should apply, adversely affect your ability to enforce your rights under the Notes and the Guarantees in these jurisdictions, or limit any amounts that you may receive. See "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations," "Description of the Notes—Limitation of Guarantees" and "Certain Luxembourg Insolvency Law Considerations with respect to the Issuer."

Furthermore, payments under the Guarantees in certain jurisdictions may be subject to foreign exchange controls or other administrative approvals, which may result in further uncertainty regarding the enforcement of your rights under such Guarantee and could result in you not receiving any amounts under such Guarantee.

Fraudulent conveyance laws and other limitations on the enforceability and the amount of the Guarantees may adversely affect their validity and enforceability.

Enforcement of each Subsidiary Guarantee will be limited to the extent of the amount which can be guaranteed by a particular guarantor without rendering the guarantee voidable or otherwise ineffective under, or contrary to, applicable law. Enforcement of any of the Subsidiary Guarantees against any Guarantor will also be subject to certain defenses available to guarantors. These laws and defenses include, primarily with respect to Subsidiary Guarantors, those that relate to fraudulent conveyance or transfer, insolvency, voidable preference, financial assistance, corporate purpose or benefit, preservation of share capital, thin capitalization and defenses affecting the rights of creditors generally.

Although laws differ among various jurisdictions, in general, under fraudulent conveyance and similar laws, a court could subordinate or void any guarantee provided by such guarantor if it found that:

- the guarantee was incurred with actual intent to hinder, delay or defraud creditors or shareholders of the respective guarantor; or
- the relevant guarantor did not receive fair consideration or reasonably equivalent value for the guarantee granted, and the relevant guarantor:
  - was insolvent or was rendered insolvent because of the guarantee granted;
  - was undercapitalized or became undercapitalized because of the guarantee granted;
  - intended to incur, or believed that it would incur, debt beyond its ability to pay at maturity; or

- the guarantee granted was not in the best interests or for the benefit of the relevant guarantor.

The measure of insolvency for purposes of fraudulent conveyance and similar laws varies depending on the law applied. Generally, however, a guarantor would be considered insolvent if it could not pay its debts as they became due. In such circumstances, if a court voided such Guarantee, or held it unenforceable, holders of the Notes would cease to have any claim in respect of the relevant Guarantor, and would be creditors solely of the Issuer, the Company and any remaining Subsidiary Guarantors. The holders of the Notes may also be required to repay any amounts received with respect to such Guarantee.

Furthermore, the Subsidiary Guarantees may be subject to claims that they should be limited or subordinated under Luxembourg, United States or other applicable law. The enforcement of the Subsidiary Guarantees will be limited to the extent that the granting of such Subsidiary Guarantees is not in the corporate interest of the relevant guarantor, would be in breach of capital maintenance or thin capitalization rules or any other general statutory laws or that the burden of such Subsidiary Guarantee and the Guarantees exceed the benefit to the relevant guarantor.

A summary description of certain limitations on the validity and enforceability of the Guarantees in respect of the laws of certain jurisdictions where the Guarantors are organized is set out in "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations."

The Guarantees might be challenged or voidable in insolvency proceedings.

The Guarantees may be voidable by the relevant Guarantors or by an insolvency trustee, liquidator, receiver or administrator or by other creditors, or may be otherwise set aside by a court, if certain events or circumstances exist or occur, including, among others, if the grantor is deemed to be insolvent at the time of the grant, or if the grant permits the secured parties to receive a greater recovery than if the grant had not been given and an insolvency proceeding in respect of the grantor is commenced within a legally specified "clawback" period following the grant. At each time, if the Guarantee granted, perfected or recreated were to be enforced before the end of the respective clawback period applicable in such jurisdiction, it may be declared void. To the extent that the issuance of any Guarantee is voided, holders of the Notes would lose the benefit of such Guarantee and would be creditors solely of the Issuer and any remaining Guarantors. The holders of the Notes may also be required to repay any amounts received with respect to such Guarantee.

In case the Issuer issues additional Notes with the same securities identification numbers as the initial Notes issued on the Issue Date, an insolvency administrator may seek to challenge the enforceability of Guarantees securing both the additional Notes and the initial Notes issued on the Issue Date even if the hardening period with respect to the Guarantees securing the initial Notes has expired, based on the fact that the initial Notes and the Additional Notes are fungible and not distinguishable. Any such successful challenge would further reduce the proceeds available to holders of the Notes.

A summary description of certain aspects of the insolvency laws of Luxembourg and certain jurisdictions where the Guarantors are organized and have their center of main interests are set out in "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Law Considerations," "Description of the Notes—Limitation of Guarantees" and "Certain Luxembourg Insolvency Law Considerations with respect to the Issuer."

Any Subsidiary Guarantee may be released or impaired without consent of the holders of the Notes, and under certain circumstances the Notes lose the benefit of all Subsidiary Guarantees.

The Indenture provides that in certain circumstances any Subsidiary Guarantee may be released without any consent of the noteholders. Subject to certain exceptions and conditions, a Subsidiary Guarantee will be released upon the release of all other guarantees given by the relevant Subsidiary Guarantor with respect to indebtedness of the Issuer or any Guarantor. See "Description of the Notes—The Subsidiary Guarantees (including the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee)." After any such release, the holders of the Notes will no longer benefit from the relevant Subsidiary Guarantee.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of the Notes will amount to approximately €311.1 million, after payment of the estimated commissions and other expenses related to the offering of the Notes.

We intend to use the net proceeds from the offering of the Notes (i) to deposit into escrow such funds sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond (including amounts required to settle purchases made pursuant to the Tender Offer), plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond, (ii) to repay certain drawings under the Syndicated Facilities, (iii) to repay certain of our Local Credit Facilities and (iv) to repay certain drawings under the Alpha Bank Facility. See "Summary—Transactions."

The following table sets forth our expected sources and uses of funds (*pro forma*) in connection with the offering of the Notes (all amounts shown are principal amounts unless otherwise indicated).

Sources of Funds	€ in millions	Uses of Funds	€ in millions
Notes offered hereby[1]	321.8	Repayment of the Revolving Facility[2]	113.8
Cash on balance sheet	75.0	Repayment of the Term Facility[3]	70.0
		Repayment of the Alpha Bank Facility[4]	20.0
		Repayment of Local Credit Facilities[5]	21.2
		Repayment of the 2013 Convertible Bond[6]	161.1
		Fees and expenses[7]	10.7
Total Sources	**396.8**	**Total Uses**	**396.8**

(1) The amount reflects the gross proceeds from the issuance of the Notes.

(2) This amount reflects the repayment (but not cancellation) of the full amount outstanding under the Revolving Facility. Following the completion of the offering of the Notes, the use of part of the proceeds therefrom and the application of other revenues, €150.0 million will be available for further drawings under the Revolving Facility.

(3) This amount reflects the partial repayment (and corresponding cancellation) of the Term Facility. Following the completion of the offering of the Notes, and the use of proceeds therefrom, €80.0 million will remain outstanding under the Term Facility.

(4) This amount reflects the partial repayment (and corresponding cancellation) of the Alpha Bank Facility. Following the completion of the offering of the Notes and the use of proceeds therefrom, €42.5 million will remain outstanding under the Alpha Bank Facility.

(5) This amount reflects repayment of certain of our Local Credit Facilities.

(6) The amount of €161.1 million reflects the repayment of the €140.0 million of the 2013 Convertible Bond that is outstanding as follows (assuming that half of that amount would be repurchased from holders tendering the 2013 Convertible Bond in the Tender Offer and the remainder at the final maturity date thereof): (i) an amount of €79.8 million to pay the purchase price of the 2013 Convertible Bond tendered in the Tender Offer assuming a total principal amount of €70.0 million tendered at a purchase price of 114.0% of such principal amount of thereof, (ii) an amount of €81.3 million, representing (a) €80.5 million to be paid on final maturity of the 2013 Convertible Bond, which is equal to €70.0 million principal amount repaid at a premium of 115.04% and (b) accrued interest of €0.8 million accruing in respect of the €70.0 million amount to be repaid on maturity at a rate per annum of 2.25% between June 21, 2013 and the final maturity date. See "Summary—Transactions—Tender Offer for the 2013 Convertible Bond."

(7) Represents our estimate of fees and expenses in connection with or otherwise related to the Tender Offer and the offering of the Notes, including underwriting fees, commissions, other financing fees, professional and legal fees, financial advisory and other transaction costs. Actual fees and expenses may differ.

CAPITALIZATION

The following table provides an overview of our unaudited consolidated capitalization as of March 31, 2013 (a) on an actual basis and (b) as adjusted to give effect to the completion of the offering of the Notes.

The information set out below should be read in conjunction with our consolidated financial statements included elsewhere in this Offering Memorandum. All values shown are book values (except where otherwise stated).

	As of March 31, 2013		
	Actual	**Adjustments**	**As adjusted**
		(unaudited) (€ in millions)	
Cash and cash equivalents	**139.6**	**(39.1)**[(1)]	**100.5**
Revolving Facility[(2)]	113.8	(113.8)[(3)]	0.0
Term Facility[(2)]	150.0	(70.0)	80.0
Notes offered hereby	—	321.8	321.8
Alpha Bank Facility[(4)]	62.5	(20.0)	42.5
Local Credit Facilities[(5)]	27.7	(21.2)	6.5
Finance Lease Obligations	6.7	35.9[(1)]	42.6
Minority shareholders' loan[(6)]	2.2	—	2.2
Suppliers' long term credit	3.6	—	3.6
2013 Convertible Bond	157.5	(157.5)[(7)]	—
Total debt	**524.0**	**(24.8)**	**499.2**
Total shareholder's equity	391.4	—	391.4
Total equity	**391.4**	**—**	**391.4**
Total capitalization	**915.4**	**(24.8)**	**890.6**

(1) During the second quarter of 2013, we raised an amount of €35.9 million through a sale-and-leaseback contract with a third-party provider in relation to electronic and other equipment used in the business of the Intralot Group. The adjustment to cash and cash equivalents further includes an amount reflecting the use of €75.0 million in cash on balance sheet as reflected in "Use of Proceeds."

(2) The Syndicated Facilities are comprised of a €150 million term facility (the "Term Facility") and a €150 million revolving facility (the "Revolving Facility" and, together with the Term Facility, the "Syndicated Facilities") due December 21, 2014. On the date of this Offering Memorandum, the Syndicated Facilities are unsecured. From the Issue Date, all Guarantors of the Notes will also accede as guarantors under the Syndicated Facilities Agreement.

(3) We intend to repay the full amount currently drawn under the Revolving Facility in part using proceeds from the issue of the Notes after the Issue Date and in part from other revenues of the Group as soon as reasonably practicable, and in any case no later than September 30, 2013.

(4) As of March 31, 2013, we had €62.5 million outstanding under a term facility with Emporiki Bank of Greece S.A. On June 7, 2013, Intralot Finance UK PLC as borrower and Intralot Global Holdings and Intralot S.A. as guarantors, entered into a new term loan facility with Alpha Bank A.E. as arranger and Alpha Bank A.E., London Branch as agent (the "Alpha Bank Facility"). The proceeds of the loan drawn under this facility are to be used to refinance the facility previously made available by Emporiki Bank of Greece S.A. The Alpha Bank Facility will mature on December 31, 2015.

(5) The Local Credit Facilities include the following (amounts in parentheses are outstanding amounts as of March 31, 2013): Maltco Lotteries Limited's (Malta) bilateral facility agreement (€14.1 million), Intralot Inc.'s (USA) bilateral facility agreement (€5.8 million), Azerinteltek Qapali Sehmdar Cemmiyeti's (Azerbaijan) cash collateralized loan agreement (€2.7 million), Supreme Ventures Limited's (Jamaica) multifacility credit agreement (€2.6 million), Totolotek S.A.'s (Poland) short-term revolving credit agreement (€1.4 million), Gaming Solutions International SAC's (Peru) revolving credit facility (€0.8 million) and Intralot de Peru SAC's (Peru) revolving credit facility (€0.2 million).

(6) Minority shareholders' loans to certain of our subsidiaries.

(7) The amount of €157.5 million equals the principal amount of €140.0 million outstanding as of March 31, 2013 plus applicable premium as if the principal amount had been repaid on that date. For an illustration of the amounts to be paid with the proceeds from the offering of the Notes, please see "Use of Proceeds."

For further information relating to the debt instruments described above, see "Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Liquidity and Capital Resources" and "Description of Other Indebtedness."

SELECTED FINANCIAL INFORMATION

The following tables present the Intralot Group's summary consolidated financial information and should be read in conjunction with the audited consolidated financial statements and unaudited interim consolidated financial statements of Intralot S.A. and the notes thereto contained in this Offering Memorandum and the sections entitled "Use of Proceeds," "Capitalization" and "Management's Discussion and Analysis of Our Financial Condition and Results of Operations."

The summary financial information provided below was extracted from our audited consolidated financial statements as of and for the years ended and December 31, 2010, 2011 and 2012 prepared in accordance with IFRS and our unaudited interim consolidated financial statements as of March 31, 2012 and 2013 prepared in accordance with IAS 34, "Interim Financial Reporting." The information below is not necessarily indicative of the results of the future operations.

Unaudited financial information for the last twelve months ended March 31, 2013 is calculated by taking results of operations for the three months ended March 31, 2013 and adding it to the difference between the results of operations for the full year ended December 31, 2012 and the three months ended March 31, 2012.

Selected Income Statement Data

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions)					
Income Statement Information:						
Revenue	1,115.7	1,202.4	1,374.0	347.2	355.8	1,382.6
Less: Cost of sales	(910.0)	(990.2)	(1,131.0)	(287.8)	(285.2)	(1,128.4)
Gross profit/(loss)	**205.7**	**212.2**	**243.0**	**59.4**	**70.6**	**254.2**
Other operating income	26.3	28.5	18.6	4.1	3.9	18.4
Selling expenses	(37.4)	(38.2)	(43.1)	(9.7)	(9.4)	(42.8)
Administrative expenses	(99.7)	(108.3)	(118.3)	(28.1)	(31.9)	(122.1)
Research and development expenses	(8.1)	(9.7)	(10.3)	(2.7)	(1.9)	(9.5)
Other operating expenses	(6.1)	(12.5)	(9.9)	(1.6)	(2.8)	(11.1)
EBIT	**84.5**	**79.8**	**84.7**	**21.6**	**28.8**	**91.9**
EBITDA	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**	**190.9**
Interest and similar charges	(35.2)	(35.9)	(43.3)	(8.4)	(12.9)	(47.8)
Interest and related income	22.5	22.1	22.5	2.8	2.2	21.9
Exchange differences	11.1	(0.6)	(0.8)	(0.7)	3.2	3.1
Profit/(loss) equity method consolidation	1.6	(0.5)	0.1	—	0.1	0.2
Operating profit/loss before tax	**80.7**	**57.0**	**58.4**	**15.2**	**21.2**	**64.4**
Less taxes:	(25.9)	(21.5)	(25.4)	(2.5)	(7.3)	(30.2)
Net profit/loss from continuing operations	**54.8**	**35.6**	**33.1**	**12.7**	**13.9**	**34.3**
Other comprehensive income after tax						
Valuation of available for sale financial instruments	4.1	0.3	(2.7)	(0.7)	2.6	0.6
Derivatives valuation	(2.8)	0.2	2.0	0.0	0.8	2.8
Exchange differences on translating foreign operations	0.2	(4.4)	(5.0)	(2.7)	0.3	(2.0)
Total comprehensive income/(expense) after tax	**1.5**	**(3.9)**	**(5.7)**	**(3.4)**	**3.7**	**1.4**
Total income after tax	**56.3**	**31.7**	**27.4**	**9.3**	**17.6**	**35.7**

Selected Balance Sheet Data

	As of December 31,			As of March 31,
	2010	2011	2012	2013
				(unaudited)
	(€ in millions)			
Balance Sheet Information:				
Assets				
Non-current assets				
Tangible fixed assets	281.2	263.6	240.7	237.8
Intangible assets	263.5	285.4	363.8	363.1
Investment in subsidiaries and associates	20.5	27.0	40.2	39.8
Other financial assets	29.1	34.2	4.9	7.6
Deferred tax assets	13.8	12.4	21.3	22.0
Other long term receivables	110.5	98.9	88.0	87.9
	718.6	**721.5**	**758.9**	**758.2**
Current assets				
Inventories	41.2	47.1	43.5	43.3
Trade and other short-term receivables	187.6	175.1	172.7	179.4
Other financial assets	8.6	—	4.7	4.0
Cash and cash equivalents	141.5	142.5	135.0	139.6
	378.9	**364.7**	**355.9**	**366.3**
Total assets	**1,097.5**	**1,086.2**	**1,114.8**	**1,124.5**
Equity and liabilities				
Share capital	47.7	47.7	47.7	47.7
Other reserves	84.0	92.7	61.2	66.6
Foreign currency translation	(29.0)	(29.9)	(32.4)	(31.9)
Retained earnings	181.4	188.9	226.7	232.0
	284.1	**299.4**	**303.2**	**314.4**
Minority interest	76.9	75.9	80.6	77.0
Total equity	**361.0**	**375.3**	**383.8**	**391.4**
Non-current liabilities				
Long-term debt	477.5	228.0	329.7	335.6
Staff retirement indemnities	4.8	5.6	6.6	6.8
Other long-term provisions	16.6	16.7	14.5	14.4
Deferred tax liabilities	5.0	3.7	5.7	5.0
Other long-term liabilities	18.8	20.1	21.8	21.2
Finance lease obligation	16.0	7.2	5.4	3.6
	538.7	**281.3**	**383.7**	**386.6**
Current liabilities				
Trade and other short-term liabilities	148.1	130.7	136.9	141.3
Short-term debt and current portion of long-term debt	28.9	279.0	185.9	184.8
Current income taxes payable	16.4	14.1	19.6	16.6
Short-term provision	4.4	5.8	4.9	3.8
	197.8	**429.6**	**347.3**	**346.5**
Total liabilities	**736.5**	**710.9**	**731.0**	**733.1**
Total equity and liabilities	**1,097.5**	**1,086.2**	**1,114.8**	**1,124.5**

Selected Cash Flow Statement Data

	Year ended December 31,			Three months ended March 31,		Last twelve months ended March 31,
	2010	2011	2012	2012	2013	2013
				(unaudited)		(unaudited)
	(€ in millions)					
Cash Flow Information:						
Net cash from operating activities	58.9	81.7	113.8	15.3	18.9	117.4
Net cash from investing activities	(87.1)	(64.6)	(101.1)	(2.8)	(10.1)	(108.4)
Net cash from financing activities	(49.5)	(16.1)	(20.2)	(5.6)	(4.2)	(18.8)
Net increase/(decrease) in cash and cash equivalents for the year	**(77.7)**	**1.0**	**(7.5)**	**6.9**	**4.6**	**(9.8)**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Intralot Group's financial condition and results of operation are based on the audited consolidated financial statements of Intralot S.A. as of and for the years ended December 31, 2010, 2011 and 2012, and the unaudited interim consolidated financials for the three month periods ended March 31, 2012 and 2013 and notes thereto, which are reproduced elsewhere in this Offering Memorandum and should be consulted when reading the information presented below. The audited consolidated financial statements were prepared in accordance with IFRS as adopted by the EU, were audited by S.O.L. and were issued with an unqualified audit opinion. The unaudited interim consolidated financial statements were prepared in accordance with IAS 34.

Some of the statements contained below relate to future revenue, costs, capital expenditures, acquisitions and financial condition and include forward-looking statements. Because such statements involve inherent uncertainties, actual results may differ materially from the results expressed in or implied by such forward-looking statements. A discussion of such uncertainties can be found in "Important Information about this Offering Memorandum—Forward-looking Statements." In addition, investing in the Notes involves risks. Such risks are discussed in "Risk Factors."

Overview

We are a global leader in the supply of integrated gaming systems and services. We design, develop, operate and support customized software and hardware for the gaming industry and provide innovative technology and services to state and state-licensed lottery and gaming organizations worldwide. Since our establishment more than 20 years ago, we have developed innovative technological and operating know-how and experience, which are central to maintaining our existing customer relationships as well as winning new contracts. Our long-standing relationships with our customers gives us valuable insight into their strategic and other business needs. We operate a diversified and stable portfolio of 81 contracts and licenses across 55 jurisdictions in 36 countries worldwide. Our business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for our own or other licensed operations, depending upon the market in which we operate. Our games library includes more than 550 games, including lotteries, sports betting, Video Lottery Terminals (VLTs)/Amusement with Prizes machines (AWPs) and racing.

In the last twelve months ended March 31, 2013, we had revenue of €1,382.6 million and EBITDA of €190.9 million on a fully consolidated basis for entities that we control, although we may have minority ownership in some such subsidiaries. See "Presentation of Financial and Other Information." In the three years ended December 31, 2010, 2011 and 2012, we had revenue of €1,115.7 million, €1,202.4 million and €1,374.0 million, respectively, and EBITDA of €152.7 million, €153.8 million and €177.5 million, respectively. As of March 31, 2013, we had net debt of €384.5 million and a market capitalization of €275.0 million as of July 31, 2013 (source: Athens Exchange S.A.). In addition, as of March 31, 2013, we had 5,507 full-time employees.

Business Activities

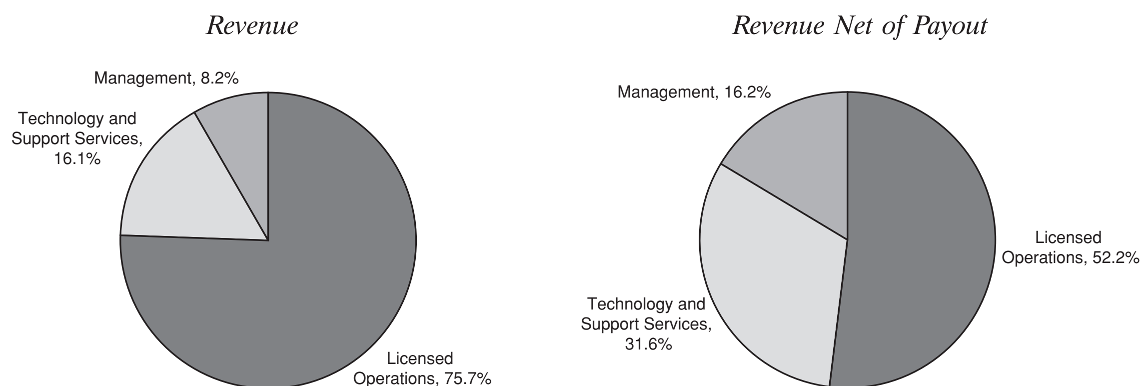
We have three business activities: Technology and Support Services Contracts; Management Contracts; and Licensed Operations.

The following table summarizes the principal products and services provided in each of our business activities:

	Technology and Support Services Contracts	Management Contracts	Licensed Operations
Description	Provision of: • Central gaming system • Lottery terminals • Telecommunications system/solutions • Related peripheral equipment and software • Implementation services • Maintenance and support services and/or • Monitoring systems for VLT operations	Management of all the aspects of a gaming operation: • Provision of technology solutions as described under "Technology and Support Services Contracts" • Day-to-day operations • Marketing services • Sales network development and management and/or • Risk management/ odds setting for sports betting games	Ownership of a license to operate games including: • Management of services as described under "Management Contracts" and/or • Provision of technology solutions as described under "Technology and Support Services Contracts"
Holder of License	State or state-licensed operator maintains the license	State or state-licensed operator maintains the license	We or our associates maintain the license, which is acquired from a competent local/state government authority
Key Geographies	United States, Greece, Australia, New Zealand and Argentina	Turkey, Romania, Morocco and Russia	Jamaica, Australia, Bulgaria, Italy, Peru, Azerbaijan and Malta
Other Geographies	China, Croatia, Czech Republic, Dominican Republic, Germany, Malaysia, Mexico, Netherlands, Philippines, Romania, Suriname, Taiwan and Vietnam	Brazil	Cyprus, Greece, Moldova, Poland, Russia, Slovakia, South Africa and South Korea

Our key geographies set forth in the table above represented approximately 81.7% of our EBITDA in the last twelve months ended March 31, 2013.

The following diagrams set forth our percentage of revenue by business activity and our percentage of revenue net of payout by business activity, respectively, for the last twelve months ended March 31, 2013:



Our revenue net of payout for our technology and support services contracts, management contracts and licensed operations had a compound annual growth rate of 4.6%, 34.5% and 8.9%, respectively, from the year ended December 31, 2010 to the year ended December 31, 2012.

Technology and Support Services Contracts

Our technology and support activity primarily comprises the supply of technology solutions and support, with the overall operational responsibility remaining with a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with a high level of stable and recurring revenues. These contracts also include the design, development and implementation of software tailored to each jurisdiction and operation. We currently manage 48 individual technology and support services contracts across 39 jurisdictions through 12 subsidiaries. We believe that our technological expertise gives us a competitive advantage worldwide.

Under our technology and support services contracts, we are typically paid a fee by state or state-licensed gaming organizations based on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or (ii) a fixed payment over the duration of the contract in respect of multi-year contracts. In addition, we periodically sell technology equipment and relevant services to other lottery and gaming operators.

Revenues under our technology and support services contracts are not subject to payout costs for player winnings. Our technology and support services contracts represented approximately 16.1% of our revenue and 31.6% of our revenue net of payout in the last twelve months ended March 31, 2013.

Management Contracts

Our management contracts activity primarily comprises the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. We currently operate five management contracts in five jurisdictions through five subsidiaries.

We are paid a fee under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts are not subject to payout costs for player winnings. Our management contracts represented approximately 8.2% of our revenue and 16.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

Licensed Operations

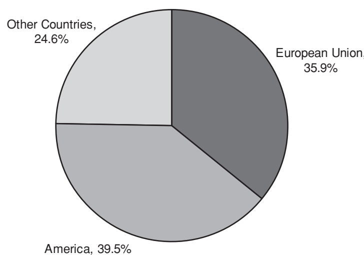
Through our licensed operations activity, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management

of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. In many cases, our licenses are open-ended since they do not have a fixed term or are automatically renewable as long as the licensed terms are complied with. We currently operate under 28 individual licenses through a combination of wholly- and partially-owned subsidiaries and joint ventures, across 16 jurisdictions. We operate through retail locations and online channels.

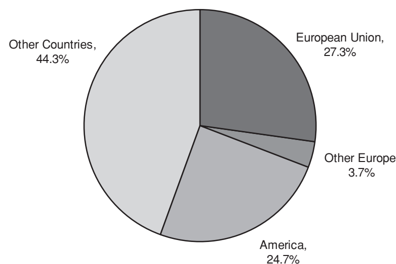
The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings. Our licensed operations represented approximately 75.7% of our revenue and 52.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

The following diagrams set forth our revenue by region and business activity for the last twelve months ended March 31, 2013.

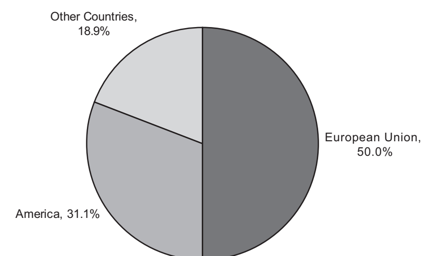
Technology and Support Services Contracts



Management Contracts



Licensed Operations



In the twelve months ended March 31, 2013, our revenue from Turkey, Greece, Rest of Europe, the Americas and the rest of the world represented 2.7%, 5.2%, 42.8%, 32.0% and 17.3%, respectively.

Game Categories

We offer the following categories of gaming products under each of our three business activities described above:

- ***Lottery games***, which represented 36.4% of our revenue in the last twelve months ended March 31, 2013, include the operation, supply of technology services for numerical and traditional lottery games, instant tickets and fast draw games in more than 80,000 POS with over 290 games across 30 jurisdictions on five continents in each of our three business activities.
- ***Sports betting***, which represented 46.6% of our revenue in the last twelve months ended March 31, 2013, includes the operation, supply of technology, bookmaking and risk management services for 19 sports betting contracts, with up to 5,000 concurrent events. With operations in 18 jurisdictions, we believe we are one of the leading sports betting providers in the state-sponsored gaming sector in the world. In the case of licensed operations, we primarily operate through agents who bear the cost of operation, while we manage the sports book. In certain jurisdictions, such as Italy and Poland, we operate through our own branded shops, which may be franchised or directly owned.
- ***IT products and services***, which represented 11.2% of our revenue in the last twelve months ended March 31, 2013, includes technology and operational services to state and state-licensed organizations in nine jurisdictions. These services are done on a fixed payment basis rather than as a percentage of wagers.
- ***Video Lottery Terminals/Amusement with Prizes machines***, which represented 4.6% of our revenue in the last twelve months ended March 31, 2013, include solutions and services for VLT monitoring, gaming venues and server-based gaming. We operate and/or service over 85,000 gaming machines in over 5,000 POS and gaming halls in ten jurisdictions.
- ***Racing***, which represented 1.2% of our revenue in the last twelve months ended March 31, 2013, includes technology, content and integrated services for pari-mutuel and fixed odds race betting on horse and dog racing events as well as virtual racing, with contracts in eight jurisdictions.

Key Factors Affecting Our Results of Operations

Our results of operations, financial condition and liquidity have been influenced in the periods discussed in this Offering Memorandum by the following events, facts, developments and market characteristics. We believe that these factors have influenced and are likely to continue to influence our operations in the future.

Key Revenue Drivers

Our revenue is typically driven by a combination of wagers received by us (in respect of our licensed operations business) and a percentage of total wagers received by our customers (in our technology and support services and management contracts businesses).

In our technology and support services and management contracts businesses, our revenues are fees that are usually a percentage of the total wagers, or in some cases a fixed amount per year. In our licensed operations business, our revenues equal the total lottery sales (wagers), except in the case of VLT games where our revenues are the "net drop" (wagers minus the winnings of the players), which in turn is driven by our ability to offer attractive odds to customers while also controlling our payout risk. See "—Payout Management."

Our revenues are primarily linked to sports betting, lottery and VLT sales, and, accordingly, our results of operations can be affected by the following factors:

- the introduction, product life cycle and popularity of particular gaming offerings;
- macroeconomic conditions;
- optimization of location and size of network;
- payout (especially in respect of sports betting games);
- game taxation (which can affect payout and in turn wagers);
- the size of the regulated gaming market;
- sporting event timing; and
- competition.

Competition for New Contracts and Renewals

We compete for new contracts, and seek to retain existing contracts when up for renewal, on the basis of our technological leadership and experience. We believe that the most important factor in our ability to win new, and retain existing, contracts, is our ability to meet the needs of our customers across a range of business activities and operating environments, which we achieve through our advanced operating technologies.

Since 2007, we have won approximately 41 new contracts, which has helped us to expand significantly the number of geographies in which we operate, as well as the total population of the markets that we address. This has helped us to grow our revenue base during the period from €835.5 million in the year ended December 31, 2007 to €1,382.6 million in the last twelve months ending March 31, 2013.

In addition, during the same period we have successfully renewed or extended more than 90% of our contracts that were expiring. Nevertheless, we continue to face competition for contracts in connection with bids, re-bids, extensions and renewals, which could lead to the loss of contracts or rate reductions and/or additional service requirements in contracts that we win or retain.

Our strategy to compete effectively includes launching new products and services by leveraging our strong R&D expertise to develop novel solutions, implement innovative technologies and marketing tools and, where permissible, expand retail distribution.

Payout Management

We are exposed to payout risk in our licensed operations business, and payout is the largest component of our cost of sales on a consolidated basis. During the years ended December 31, 2010, 2011, 2012 and the three month periods ended March 31, 2012 and 2013, payout was 59.9%, 59.3%,

59.9%, 59.4% and 60.6% of our cost of sales. We can experience short-term variations from time to time in specific jurisdictions, tend to revert to our targeted payout ratio in the longer term. Our primary payout risk relates to payouts that are not predetermined but derived from the outcomes of specific events and the distribution of wagers placed on the provided fixtures/odds.

We have significant controls in place to minimize our payout risk and manage odds setting and payout exposure in real time. We operate a betting center in Greece and have traders in each jurisdiction in which we operate to coordinate and monitor our global betting activity on a real-time basis. We can instantly adjust odds or block bet acceptances across our online retail network, and we enter into risk exchange agreements with major international betting operators when possible. We believe our payout risk is naturally hedged due to the size of our sports books, our global reach, and different betting preferences across the globe. Even with our controls and hedges in place, excess payouts may occur in the short term, although in the medium-term, payouts converge to the target we have set.

Regulation and Taxation

Our licensed operations are highly regulated and many of the factors that affect our results of operations are prescribed by applicable regulation. These factors include minimum payout ratios, such as in the case of gaming machines in many of the markets where we are present, gaming taxes, maximum wagers, minimum average gaming times, and the number of gaming machines that we may install in bars, restaurants and other locations. See “Regulation.”

In several countries, changes to gaming regulation have both liberalized the market to permit or increase private sector involvement, and broadened the scope of regulation to increase the size of the regulated market and to reduce the impact of illegal gambling.

Changes in taxation on winnings can impact player participation, which can affect our licensed operations directly, and our other business activities indirectly. With respect to licensed operations in particular, substantial changes in taxation on both winnings and wagers in the jurisdictions where we operate can have an effect on player activity and in turn on our financial results in that market. For example, taxes on winnings directly discourage player participation and reduce their funds available to recycle into new wagers. Taxes on wagers increase our costs, which we in turn pass on to players in the form of reduced odds, which indirectly reduces player participation. On the other hand, our technology and support services and management business are less exposed to gaming tax risk since our counterparties for these contracts are generally governments who would not gain from taxation on their own profits.

Historically, governments have been cautious in changing gaming tax rates because increased rates can lead to reduced player participation, which would have an adverse impact on the financial results of operators such as ourselves and ultimately their gross tax receipts from such operators. Although governments do make changes to gaming tax rates from time to time (including, for example, Italy, Poland and most recently Jamaica), the only instance in which such a change has had a material adverse impact upon our results of operations was in Bulgaria in January 2010, where tax on amounts wagered was increased from 10% to 15% and led, in our estimate, to an approximately one-third reduction in wagers. See “Risk Factors—Risks Related to the Markets in Which We Operate—The gaming industry may be subject to new or increased taxation.”

Macroeconomic Factors and Demographics

Gaming is a form of entertainment and, as such, competes with other forms of entertainment for the discretionary spending of the local population. In general, countries and regions with higher gross domestic products (“GDPs”) will tend to have higher levels of discretionary spending that can be directed to gaming and other forms of entertainment. Similarly, although we believe gaming tends to be more resilient than other forms of entertainment, when a country or region experiences a decline in GDP or a rise in inflation, spending on gaming may also decline.

Demographic changes may also affect our results of operations, since, for example, population increases or changes to socio-economic mixes can lead to a change in the player base. In addition, changing social habits in the countries in which we operate, such as longer working hours that result in a decrease in time spent on entertainment, may adversely affect our results of operations.

Effects of Our Expansion and Diversification Program

Between 2006 and 2010, we carried out a significant expansionary phase, during which time we focused on diversification of risk, entry into contracts in new jurisdictions and expansion into licensed operations to increase the stability of our revenue. This initially caused a reduction in margins largely due to the growth of our licensed operations business (where we account for all wagers as revenue) and certain start-up costs, but has also resulted in greater diversification across business jurisdictions and geographies. Consequently, we believe that adverse changes in one jurisdiction are now unlikely to have a material impact on the group as a whole; no single market represented more than 12.1% of EBITDA during the last twelve months ended March 31, 2013. The diversification and expansion program enabled us to deliver stable EBITDA in the years ended December 31, 2010 and 2011, and positioned us for growth in the year ended December 31, 2012 and the three months ended March 31, 2013.

Since the completion of our expansion program in 2010, we have increased our focus on margin improvement and predictable revenue generation as the vast majority of the new licenses are not subject to rebid risk, which has led to declines in start-up costs, net working capital and sustainable cash flow generation. We have improved our cash flow in part by implementing an investment plan to more narrowly focus our new investments on certain key strategically selected opportunities. See "Business—Investment Policies" and "Business—Strategy—Selective Participation in New Opportunities."

As a result of the completion of our expansion strategy in 2010, our EBITDA grew from €152.7 million during the year ended December 31, 2010 to €190.9 million in the last twelve months ended March 31, 2013. In addition, our net working capital improved by €25.1 million between December 31, 2010 and March 31, 2013. See "—Liquidity and Capital Resources—Working Capital."

Exchange Rate Fluctuations

We report our consolidated financial statements in euro. As a result, we must translate the assets, liabilities, revenues and expenses of all our operations with a functional currency other than the euro at the then-applicable exchange rates. Consequently, increases or decreases in the value of the euro may affect the value of these items with respect to our non-euro businesses in our consolidated financial statements, even if their value has not changed in their original currency. These translations could significantly affect our results between financial periods and/or could result in significant changes to the carrying value of our assets, liabilities and stockholders' equity. We record the effects of these translations in our consolidated income statement as exchange differences on retranslation of foreign operations. During the last twelve months ended March 31, 2013, 64.0% of our revenue was derived from subsidiaries whose functional currency was other than the euro, particularly the Jamaican dollar, Azerbaijani manat, Peruvian new sol, Australian dollar, U.S. dollar and Turkish lira. For the last twelve months ended March 31, 2013, revenue in Jamaican dollars, Azerbaijani manat, Peruvian new sol, Australian dollars, U.S. dollars and Turkish lira represented approximately 18.0%, 10.2%, 5.5%, 5.7%, 4.4% and 2.7% of our revenue, respectively.

Since wagers in our licensed operations transactions are both placed and settled in the same currency, we do not experience material transaction risks other than when transferring cash from our subsidiaries to Intralot S.A. See "Risk Factors—Risks Related to Our Business Operations—Fluctuations in currency exchange rates and related risks may adversely affect our results of operations, and hedging carries certain costs and risks."

The following table sets forth the average exchange rates for the euro against the Jamaican dollar, Azerbaijani manat, Peruvian new sol, Australian dollar, U.S. dollar and Turkish lira for the periods indicated:

	Year ended December 31,			Three months ended March 31,	
	2010	2011	2012	2012	2013
Average rates					
EUR/JMD	115.9359	119.8093	113.9422	113.7866	125.0609
EUR/AZN	1.0654	1.0999	1.0097	1.031	1.0353
EUR/PEN	3.7472	3.8351	3.3919	3.5194	3.3983
EUR/AUD	1.4428	1.3483	1.2418	1.2429	1.2705
EUR/USD	1.3266	1.3296	1.2860	1.3119	1.3200
EUR/TRY	1.9976	2.3385	2.3148	2.3561	2.3563

Source: Bloomberg

Sporting Event Timing

Our sports betting revenue is affected by the timing of sporting events, which drive seasonal increases in revenue, transactions, registrations and activations. This effect is particularly pronounced in even-numbered calendar years with major international football tournaments, most notably the FIFA World Cup and the UEFA European Championships. As a result, our revenue in such years tends to be more positive than in years without a major football tournament, with a positive impact on betting-related revenue in such years.

Staff Costs and Research & Development

Staff costs are the single largest component of our total cost base after payout and gaming taxes at €98.3 million, €105.0 million, €113.4 million and €110.7 million during the years ended December 31, 2010, 2011 and 2012, and the last twelve months ended March 31, 2013, respectively. Staff costs are accounted for as a portion of cost of sales, administration expenses, research and development expenses and selling and distribution expenses, depending on function. While we consider our staff costs to be effectively fixed, we are typically able to adjust our cost base in response to new contracts starting or old contracts finishing.

The following table sets forth our staff costs included in cost of sales, administrative expenses, selling expenses and research and development expenses for the periods indicated:

	Year ended December 31,			Last twelve months ended March 31,
	2010	2011	2012	2013
				(unaudited)
	(€ millions, except percentages)			
Cost of sales	47.7	48.2	52.2	49.2
Administrative expenses	35.8	39.2	41.1	41.8
Selling expenses	12.5	13.3	14.2	14.6
Research and development expenses	2.3	4.3	5.9	5.1
Total staff costs	**98.3**	**105.0**	**113.4**	**110.7**
Total staff costs as a percentage of revenue	**8.8%**	**8.7%**	**8.3%**	**8.0%**

During the period under review, staff costs declined as a percentage of revenue, from 8.8% in the year ended December 31, 2010 to 8.0% in the last twelve months ended March 31, 2013 due in part to the closing of our operations in Spain in September 2012.

At the same time, our research and development expenses (including costs of staff, equipment and licenses attributable to research and development) have generally increased in line with the growth in technology sales, remaining stable as a percentage of revenue. Research and development expenses were €8.1 million, €9.7 million, €10.3 million and €9.5 million during the years ended December 31, 2010, 2011 and 2012 and the last twelve months ended March 31, 2013, respectively. In addition, a

portion of our research and development expenses (not included in the above) are capitalized according to our accounting policy. See "Management's Discussion and Analysis of Our Financial Condition and Results of Operations—Critical Accounting Principles—Research and Development Expenses."

The following table sets forth our research and development expenses and research and development expenses as a percentage of revenue for the periods indicated:

	Year ended December 31,			Last twelve months ended March 31,
	2010	2011	2012	2013
				(unaudited)
	(€ millions, except percentages)			
Research and development expenses	8.1	9.7	10.3	9.5
Research and development expenses as a percentage of revenue	0.7%	0.8%	0.8%	0.7%

Explanation of Key Line Items

Revenue

Our revenue principally comprise revenue from our technology and support services contracts, management contracts and licensed operations business activities. We recognize revenue on an accrual basis, that is, when delivery of the related goods and services occurs, regardless of when the resulting monetary or financial flow occurs. We employ revenue recognition methodologies according to IFRS criteria.

Technology and Facilities Management

We record revenues from our technology and facilities management and management contracts based on a fixed percentage of wagers or on a fixed fee contract.

- *Percentage of sales:* We are reimbursed by state gaming organizations based on a pre-determined percentage of sales (amounts wagered by the players).
- *Outright sale:* Payments are received over a pre-agreed period of time, usually several months. Outright sales constitute a small portion of our revenues.

Management Contracts

- *Percentage of sales:* We are reimbursed by the license-holder based on a pre-determined percentage of sales (amounts wagered by the players).

Licensed Operations

- *Wagers before payout:* We record revenues from our licensed operations based on amounts wagered before any payout to players. Although we hold the license for operating games, we rely almost entirely on our agent network for our revenue collection mechanism.

Operating Costs

Our operating costs comprise:

- *Cost of Sales.* Our cost of sales includes payout amounts, gaming taxes and the cost of any merchandise sold.
- *Staff Costs.* Our staff costs include wages, salaries and social security costs, and are principally attributable to cost of sales and administrative costs.
- *Depreciation and Amortization.* Tangible fixed assets are depreciated on a straight-line basis over the estimated useful lives of each component of the assets. Intangible assets are amortized in the same way. The elements are depreciated from the date they are available for use. Land is not depreciated.

- *Other Operating Expenses.* Other operating expenses comprise gaming and other taxes, machine and other leases, payment for independent professional services, such as legal and auditing services, travel and advertising expenses, repair and maintenance, insurance premiums, provisions and write-offs among others.
- *Research and Development Expenses.* Research and development expenses primarily include salaries to specialized hardware and software developers.
- *Impairment.* Impairment includes the amount by which asset values have been reduced at each reporting period end, as disclosed in the notes to our audited consolidated financial statements.
- *Gains or Losses on Asset Disposals or Acquisitions.* Gains or losses on asset disposals include the profits or losses obtained from disposals completed during the period.

In the twelve months ended March 31, 2013, variable costs made up 85.7% of our total operating costs, including 56.2% for payout amounts, 10.2% for game tax and license fees, 6.5% for commissions paid to agents, 5.2% for direct costs of sales, and 7.6% for other variable costs. Variable costs amounted to 73.9% as a percentage of revenues.

With regard to fixed costs, staff costs represented 9.3%, and other fixed costs accounted for 5.0%, of total operating costs in the twelve months ended March 31, 2013.

Operating Profit

Operating profit represents the excess of gross profit over operating costs.

Other Operating Income

Other operating income includes income from activities that are outside the main scope of our service offerings. This comprises connectivity fees from third-party VLT operators mainly in Italy, income from cooperative marketing and distribution services of instant tickets in the United States and subleasing certain of our properties.

Selling Expenses

Selling expenses are variable and include agent commissions paid in connection with our licensed operations as well as costs relating to marketing, advertising and promotional materials and the costs of merchandising.

Administrative Expenses

Administrative expenses include employee salaries, rents and utilities.

Financial Items

- *Interest and similar charges.* Interest and similar charges principally comprise interest paid on our outstanding indebtedness and variation in provisions for decline in the value of financial investments.
- *Interest and Related Income.* Interest and related income principally comprises interest on cash balances, interest income from loans to associates, dividends from unconsolidated subsidiaries and associates, and gains on marketable securities.
- *Exchange Differences.* Exchange differences principally comprise gains and losses recorded upon translation of non-euro assets and liabilities into euro.

Income tax

Income tax includes all current and deferred taxes, as calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As a result of our history of acquisitions and disposals and internal corporate reorganizations, our significant international operations and our financing structure, our tax position is complex. VAT taxes are generally not deductible for gaming companies and, accordingly, are recorded as an operating expense.

Results of Operations of the Intralot Group

Comparison of the Three Months Ended March 31, 2012 with the Three Months Ended March 31, 2013

Overview

The following table sets forth our operating results for the three month periods ended March 31, 2012 and 2013.

	Three months ended March 31, 2012	Three months ended March 31, 2013	% change
	(unaudited) (€ in millions)		
Income Statement Information:			
Revenue	347.2	355.8	2.5%
Less: Cost of sales	(287.8)	(285.2)	(0.9)%
Gross profit	**59.4**	**70.6**	**18.9%**
Other operating income	4.1	3.9	(4.9)%
Selling expenses	(9.7)	(9.4)	(3.1)%
Administrative expenses	(28.1)	(31.9)	13.5%
Research and development expenses	(2.7)	(1.9)	(29.6)%
Other operating expenses	(1.6)	(2.8)	75.0%
EBIT	**21.6**	**28.8**	**33.3%**
EBITDA	**41.7**	**55.1**	**32.1%**
Interest and similar charges	(8.4)	(12.9)	53.6%
Interest and related income	2.8	2.2	(21.4)%
Exchange differences	(0.7)	3.2	n.m.
Profit/(loss) equity method consolidation	—	0.1	—
Operating profit/loss before tax	**15.2**	**21.2**	**39.5%**
Less taxes:	(2.5)	(7.3)	192.0%
Net profit/loss from continuing operations	**12.7**	**13.9**	**9.4%**
Other comprehensive income after tax			
Valuation of available for sale financial instruments	(0.7)	2.6	n.m.
Derivatives valuation	0.0	0.8	—
Exchange differences on translating foreign operations	(2.7)	0.3	n.m.
Total comprehensive income/(expense) after tax	**(3.4)**	**3.7**	**n.m.**
Total income after tax	**9.3**	**17.6**	**89.2%**

The following table sets forth our reconciliation of EBITDA to operating profit before tax for the periods indicated:

	Three months ended March 31, 2012	Three months ended March 31, 2013
	(unaudited) (€ in millions)	
Operating profit/loss before tax	**15.2**	**21.2**
Profit/(loss) equity method consolidation	—	(0.1)
Exchange differences	0.7	(3.2)
Interest and related income	(2.8)	(2.2)
Interest and similar charges	8.4	12.9
Assets gain/(loss) from disposal, write-off & impairment losses (*included in Other Operating Income and Other Operating Expenses*)	0.1	0.2
EBIT	**21.6**	**28.8**
Depreciation and amortization	20.1	26.3
EBITDA	**41.7**	**55.1**

See “Summary—Summary Consolidated Financial Information—Other Financial Data.”

Sales Overview

Total revenue increased by €8.6 million, from €347.2 million in the three months ended March 31, 2012 to €355.8 million in the three months ended March 31, 2013. This increase was driven by growth across all three of our business activities.

Revenue by Business Activity

The following table sets forth our revenue for each business activity for the three month periods ended March 31, 2012 and 2013.

	Three months ended March 31,		
	2012	2013	% change
	(unaudited) (€ in millions)		
Technology and support services	53.1	55.2	4.0%
Management contracts	26.9	30.0	11.5%
Licensed operations	267.2	270.6	1.3%
Total	**347.2**	**355.8**	**2.5%**

Revenue in our technology and support services line increased by €2.1 million, or 4.0%, from €53.1 million in the three months ended March 31, 2012 to €55.2 million in the three months ended March 31, 2013. This increase was primarily due to:

- a revenue increase of €7.8 million in Australia, due primarily to our contract to connect up to 27,500 VLTs to our central monitoring system in the State of Victoria which was not in place during the three months ended March 31, 2012. As of March 31, 2013, the roll out of our network in Victoria was substantially completed;
- a revenue increase of €4.2 million in other technology revenue, due primarily to certain one-off technology sales to a number of third-party lottery operators;
- a revenue increase of €1.0 million in Germany, due primarily to a new project for the management of sports betting that we commenced in late 2012 on behalf of Oddset (“Oddset”), the German national organization for sports betting, which we expect will bid for one of 20 new sports betting licenses in the country;
- partially offset by a revenue decline of €10.0 million at Intralot S.A., due primarily to a sale of terminals to a European lottery operator in the three months ended March 31, 2012 that was not repeated in 2013;
- a revenue decline of €0.9 million in the U.S., due primarily to exceptionally high jackpot activity as a result of an usually high number of rollovers and correspondingly higher player participation in the three months ended March 31, 2012; and
- a revenue decline of €1.0 million in the Netherlands, due primarily to a one-off order of bespoke software updates and services from the national lotteries in 2012 that was not repeated in the three months ended March 31, 2013.

In addition, our revenues increased by €1.1 million due to minor increases in revenue in South Korea, Argentina and New Zealand in the three months ended March 31, 2013 compared to March 31, 2012, and minor decreases in revenue from our contract with the Hellenic Horse-race Betting Organization (“ODIE”) in Greece in the three months ended March 31, 2013 compared to March 31, 2012.

Revenue in our management contracts activity increased by €3.1 million, or 11.5%, from €26.9 million in the three months ended March 31, 2012 to €30.0 million in the three months ended March 31, 2013. This increase was primarily due to:

- a revenue increase of €3.3 million in Brazil, due primarily to the increase of our sales network from 722 POS as of March 31, 2012 to 1,341 as of March 31, 2013 in connection with our contract for the management of KENO and other numerical lottery games in the Brazilian state

of Minas Gerais, which commenced in September 2010. In addition, our number of POS increased from 1,253 as of December 31, 2012 to 1,341 as of March 31, 2013; and

- a revenue increase of €1.3 million in Turkey, due primarily to increased player participation in sports betting through traditional means and the internet. This increase was driven by an increase in the legalized gaming market supported by government efforts to limit illegal betting, coupled with favorable macroeconomic conditions.

In addition, we had minor increases in revenue in Russia in the three months ended March 31, 2013 compared to the corresponding period in 2012, offset by a minor decrease of €0.9 million due to minor decreases in revenue in relation to the management of OPAP's monitor games and in Romania during the three months ended March 31, 2013, when compared to the corresponding period in 2012.

Revenue in our licensed operations activity increased by €3.4 million, or 1.3%, from €267.2 million in the three months ended March 31, 2012 to €270.6 million in the three months ended March 31, 2013. This increase was primarily due to:

- a revenue increase of €23.7 million in Azerbaijan, due primarily to the ongoing roll out of our contract that commenced in 2011 to organize, operate, manage, and develop fixed-odds and pari-mutuel sports betting games, including the provision of related services. During the three months ended March 31, 2013, our total number of POS in Azerbaijan increased from 448 to 529, a percentage increase of 18.1%;

- a revenue increase of €1.4 million in Russia, due primarily to the full period effect of our acquisition of Favorit, a sports betting operator in the country in February 2012;

- a revenue increase of €1.1 million in Bulgaria, due primarily to increased player activity as a result of stable macroeconomic conditions;

- partially offset by a revenue decrease of €12.6 million in Jamaica, due primarily to lower player participation in lottery and VLTs, which led to a decline in revenues of approximately 11% and 39% respectively, when compared to the same period in 2012. The decline in VLT revenues was a direct result of the closure of the Coral Cliff gaming lounge in Montego Bay for refurbishment purposes. The facility was closed from December 2012, rebranded and reopened as Acropolis Montego Bay in March 2013;

- a revenue decrease of €3.0 million in Italy, due primarily to the lower market payouts in the first quarter of 2013 that led to lower player participation;

- a revenue decrease of €2.1 million in Australian lottery operations, due primarily to lower player participation as a result of a slowdown in the local economy;

- a revenue decrease of €2.0 million in Poland, due primarily to decreased player participation in sports betting relative to the comparable period in 2012, during a ramp-up period following a temporary suspension of our sports betting license in the country between September and December 2012. See "Business—Litigation and Administrative Proceedings;"

- a revenue decrease of €1.4 million in Spain, due to the closure of our Iberian operations during 2012; and

- a revenue decrease of €1.6 million in Cyprus, due primarily to the lower market payouts in the first quarter of 2013 that led to lower player participation.

In addition, our revenues increased by €0.7 million due to minor increases in revenue in Peru, South Korea and Slovakia in the three months ended March 31, 2013 compared to March 31, 2012, offset by a decrease of €1.0 million due to minor decreases in revenue in Malta and Moldova in the three months ended March 31, 2013 compared to March 31, 2012.

Cost of Sales

Cost of sales decreased by €2.6 million, or 0.9%, from €287.8 million in the three months ended March 31, 2012 to €285.2 million in the three months ended March 31, 2013. This decrease was primarily due to a shift in the profitability mix of our contract portfolio, due to growth in higher margin contracts, a reduction in cost of sales from the one-off terminal sale described above as well as a below-average payout ratio in the fixed odds lottery game in Jamaica, our leading game in the

country, which largely offset the reduction in revenue in the country in the three months ended March 31, 2013. See "—Sales Overview—Revenue by Business Line."

Gross Profit

Gross profit increased by €11.2 million, or 18.9%, from €59.4 million in the three months ended March 31, 2012 to €70.6 million in the three months ended March 31, 2013. This increase was primarily due to the combination of increased revenue and a reduction in cost of sales as described above. See "—Sales Overview—Revenue by Business Activity" and "—Cost of Sales." Gross profit margin increased from 17.1% in the three months ended March 31, 2012 to 19.8% in the three months ended March 31, 2013.

Other Operating Income

Other operating income decreased by €0.2 million, or 4.9%, from €4.1 million in the three months ended March 31, 2012 to €3.9 million in the three months ended March 31, 2013. This decrease was primarily due to a decrease in fees from our Australian lottery licensed operations.

Selling Expenses

Selling expenses decreased by €0.3 million, or 3.1%, from €9.7 million in the three months ended March 31, 2012 to €9.4 million in the three months ended March 31, 2013. This decrease was primarily due to certain one-off advertising expenses in Peru in the three months ended March 31, 2012 in connection with the launch of certain new sports games in the country not recurring during the three month period ended March 31, 2013, which was partially offset by generally higher agent commission rates in connection with higher licensed operations revenues during the period, particularly in Bulgaria, Azerbaijan and Brazil.

Administrative Expenses

Administrative expenses increased by €3.8 million, or 13.5%, from €28.1 million in the three months ended March 31, 2012 to €31.9 million in the three months ended March 31, 2013. This increase was primarily driven by amortization charges on hardware and software related to our new VLT monitoring project in Australia. See "—Critical Accounting Principles—Tangible Assets."

Research and Development Costs

Research and development expenses decreased by €0.8 million, or 29.6%, from €2.7 million in the three months ended March 31, 2012 to €1.9 million in the three months ended March 31, 2013. This decrease was primarily due to lower costs in relation to our central system software.

Other Operating Expenses

Other operating expenses increased by €1.2 million, or 75.0%, from €1.6 million in the three months ended March 31, 2012 to €2.8 million in the three months ended March 31, 2013. This increase was primarily due to provisions for potential impairments and write-offs.

EBITDA

EBITDA increased by €13.4 million, or 32.1%, from €41.7 million in the three months ended March 31, 2012 to €55.1 million in the three months ended March 31, 2013. This increase was a result of our increased revenue across our three business activities as described above as well as the reduction in our cost of sales, partially offset by an increase in our operating expenses.

From the perspective of our projects, the increase in EBITDA was primarily due to our new VLT monitoring project in Australia, our betting operations in Azerbaijan, our sports betting operations in Bulgaria and increased revenue and profitability in Argentina. EBITDA margin increased from 12.0% in the three months ended March 31, 2012 to 15.5% in the three months ended March 31, 2013.

Interest and Similar Charges

Interest and similar charges increased by €4.5 million, or 53.6%, from €8.4 million in the three months ended March 31, 2012 to €12.9 million in the three months ended March 31, 2013. This

increase was primarily due to an increase in margin as a result of repricing of our Syndicated Facilities in exchange for a two-year extension.

Interest and Related Income

Interest and related income decreased by €0.6 million, or 21.4%, from €2.8 million in the three months ended March 31, 2012 to €2.2 million in the three months ended March 31, 2013.

Operating Profit Before Tax

For the reasons described above, operating profit before tax increased by €6.0 million, or 39.5%, from €15.2 million in the three months ended March 31, 2012 to €21.2 million in the three months ended March 31, 2013. This increase was primarily due to higher EBITDA, offset by higher depreciation and net interest charges.

Taxes

Taxes increased by €4.8 million, or 192.0%, from €2.5 million in the three months ended March 31, 2012 to €7.3 million in the three months ended March 31, 2013. This increase was primarily due to recognition of tax benefits in 2012 as a result of a merger of subsidiaries, compared to relatively higher taxable income reported by entities subject to higher income tax rates in the three months ended March 31, 2013.

Net Profit/Loss (Continuing and Discontinuing Operations)

For the reasons described above, net profit/loss increased by €1.2 million, or 9.4%, from €12.7 million in the three months ended March 31, 2012 to €13.9 million in the three months ended March 31, 2013. This increase was due to higher operating profit before tax, partially offset by increased taxes.

Net Income Attributable to Owners of the Parent

Net income attributable to owners of the parent increased by €0.7 million, or 17.1%, from €4.1 million in the three months ended March 31, 2012 to €4.8 million in the three months ended March 31, 2013 a result of the factors identified above.

Comparison of the Year Ended December 31, 2011 with the Year Ended December 31, 2012

Overview

The following table sets forth our operating results for the years ended December 31, 2011 and 2012.

	Year ended December 31,		
	2011	2012	% change
	(€ in millions)		
Income Statement Information:			
Revenue	1,202.4	1,374.0	14.3%
Less: Cost of sales	(990.2)	(1,131.0)	14.2%
Gross profit	**212.2**	**243.0**	**14.5%**
Other operating income	28.5	18.6	(34.7)%
Selling expenses	(38.2)	(43.1)	12.8%
Administrative expenses	(108.3)	(118.3)	9.2%
Research and development expenses	(9.7)	(10.3)	6.2%
Other operating expenses	(12.5)	(9.9)	(20.8)%
EBIT	**79.8**	**84.7**	**6.1%**
EBITDA	**153.8**	**177.5**	**15.4%**
Interest and similar charges	(35.9)	(43.3)	20.6%
Interest and related income	22.1	22.5	1.8%
Exchange differences	(0.6)	(0.8)	33.3%
Profit/(loss) equity method consolidation	(0.5)	0.1	n.m.
Operating profit/loss before tax	**57.0**	**58.4**	**2.5%**
Less taxes:	(21.5)	(25.4)	18.1%
Net profit/loss from continuing operations	**35.6**	**33.1**	**(7.0)%**
Other comprehensive income after tax			
Valuation of available for sale financial instruments	0.3	(2.7)	n.m.
Derivatives valuation	0.2	2.0	n.m.
Exchange differences on translating foreign operations	(4.4)	(5.0)	13.6%
Total comprehensive income/(expense) after tax	**(3.9)**	**(5.7)**	**46.2%**
Total income after tax	**31.7**	**27.4**	**(13.6)%**

The following table sets forth our reconciliation of EBITDA to operating profit for the periods indicated:

	Year ended	
	2011	2012
	(unaudited) (€ in millions)	
Operating profit/loss before tax	**57.0**	**58.4**
Profit/(loss) equity method consolidation	0.5	(0.1)
Exchange differences	0.6	0.8
Interest and related income	(22.1)	(22.5)
Interest and similar charges	35.9	43.3
Assets gain/(loss) from disposal, write-off & impairment losses (*included in Other Operating Income and Other Operating Expenses*)	7.9	4.8
EBIT	**79.8**	**84.7**
Depreciation and amortization	74.0	92.8
EBITDA	**153.8**	**177.5**

See "Summary—Summary Consolidated Financial Information."

Sales Overview

Total revenue increased by €171.6 million, or 14.3%, from €1,202.4 million in the year ended December 31, 2011 to €1,374.0 million in the year ended December 31, 2012. This increase was driven primarily by growth in our licensed operations business activity, as well as growth in our other businesses.

Revenue by Business Activity

The following table shows our revenue for each business activity for the years ended December 31, 2011 and 2012 and period-to-period changes.

	Year ended December 31,		
	2011	**2012**	**% change**
	(€ in millions)		
Technology and support services	173.6	219.9	26.7%
Management contracts	92.9	111.0	19.5%
Licensed operations	935.9	1,043.2	11.5%
Total	**1,202.4**	**1,374.0**	**14.3%**

Revenue in our technology and support services activity increased by €46.3 million, or 26.7%, from €173.6 million in the year ended December 31, 2011 to €219.9 million in the year ended December 31, 2012. This increase was primarily due to:

- €20.3 million of additional revenues in Australia, due to the roll out of our 15-year contract to connect for VLTs to our central monitoring system in the state of Victoria that began to generate revenue in the third quarter of 2012. Approximately 90% of the roll out was completed as of December 31, 2012;
- €10.6 million of additional revenues in the U.S. due to increased player participation resulting from the combination of the two major multi-jurisdictional lotteries (Powerball and Mega Millions) and exceptionally high jackpot activity as a result of a high number of rollovers in 2012;
- €4.2 million of additional revenues in Germany, due to a new project for the management of sports betting on behalf of Oddset which we expect will bid for one of 20 new sports betting licenses in the country;
- €4.0 million of additional revenues in Taiwan, due to a performance fee received as a result of increased national lottery sales beyond a contractually agreed threshold level;
- €3.2 million of additional revenues in the Netherlands, due to a one-off order of bespoke software updates and services from the national lotteries;
- €3.1 million of additional revenues in Argentina, due to increased lottery player activity in the Argentine provinces where we provide IT infrastructure to lottery providers;
- €2.5 million of additional revenues due to the sale of lottery terminals to a European operator as part of an existing relationship; and
- partially offset by a €3.5 million decrease in other technology sales of terminals to other European lottery operators in 2012.

In addition, our revenues increased by €1.8 million due to minor increases in revenue in New Zealand, South Africa and ODIE in Greece in the year ended December 31, 2012 compared to the year ended December 31, 2011, offset by minor decreases in revenue in South Korea, Romania and OPAP in Greece in the year ended December 31, 2012 compared to the year ended December 31, 2011.

Revenue in our management contracts activity increased by €18.1 million, or 19.5%, from €92.9 million in the year ended December 31, 2011 to €111.0 million in the year ended December 31, 2012. This increase was primarily due to:

- €15.4 million of additional revenues in connection with our contract for the management of KENO and other numerical lottery games in the Brazilian state of Minas Gerais. During the year the number of POS connected to our central network increased by 125.0% from 557 to 1,253;
- €8.2 million of additional revenue in Turkey primarily due to increased player participation in sports betting through traditional means and the internet. This increase was driven by an increase in the legalized gaming market supported by government efforts to limit illegal betting, coupled with favorable macroeconomic conditions;
- €2.6 million of additional revenue in Morocco due to our replacement of under-performing agents during the year;
- €1.0 million of additional revenue in Russia due to lottery growth from a small base and a consequent increase in popularity;
- partially offset by a €4.6 million decrease in management fees from OPAP's monitor games due to lower player activity in Greece; and
- a €4.5 million decrease in revenues from Romania due to lower player participation.

Revenue in our licensed operations activity increased by €107.3 million, or 11.5%, from €935.9 million in the year ended December 31, 2011 to €1,043.2 million in the year ended December 31, 2012. This increase was primarily due to:

- €75.6 million of additional revenues due to organic growth as well as the full-year effect of a greenfield contract in Azerbaijan that commenced in 2011 to organize, operate, manage, and develop fixed-odds and pari-mutuel sports betting games, including the provision of related services. During 2012, our total number of POS in Azerbaijan increased from 245 to 448, a percentage increase of 82.9%;
- €25.8 million of additional revenues in Jamaica, due to an increase in gaming activity as a result of the introduction of the new Pick 4 lottery game in January 2012 and currency appreciation of the Jamaican dollar against the euro during the year;
- €18.1 million of additional revenues in Peru, due primarily to the introduction of sports betting during the year, as well as to ongoing successful operations and marketing efforts in connection with our existing lottery services and VLTs;
- €5.3 million of additional revenues in Italy, driven by the sports betting game in connection with the UEFA European Championships during the year;
- €3.8 million additional revenues in Australia as a result of our strategic efforts to improve our market share, particularly in the scratch tickets gaming segment;
- €3.3 million of additional revenues in Malta, driven by sports betting and KENO as well as the securing of a new license to operate the National Lottery;
- offset by decreased revenues of €22.6 million in Poland, due to the interruption of Totolotek's sports betting operations from September to December 2012 due to temporary suspension of its sports betting license. See "Business—Litigation and Administrative Proceedings." Totolotek has since been granted a new six-year sports betting license;
- a €3.1 million decrease in revenues from Spain due to the closure of our operations in the country in September 2012; and
- a €2.6 million decrease in revenues from Bulgaria due to decreased participation in sports betting as a result of illegal competition from online gaming operators.

In addition, our revenues increased by €3.7 million due to minor increases in revenue in Russia, Cyprus and Slovakia in the year ended December 31, 2012 compared to the year ended December 31, 2011, and a minor decrease in revenue in Moldova in the year ended December 31, 2012 compared to the year ended December 31, 2011.

Cost of Sales

Cost of sales increased by €140.8 million, or 14.2%, from €990.2 million in the year ended December 31, 2011 to €1,131.0 million in the year ended December 31, 2012. This increase was primarily due to €90.8 million in increased payout costs, €12.5 million in increased depreciation charges included in cost of sales, €5.1 million in increased gaming taxes and duties and €7.0 million in increased agent commissions, caused by the increase in revenues in our licensed operations business in the year ended December 31, 2012. Cost of sales as a percentage of revenue remained constant at 82.3%.

Gross Profit

Gross profit increased by €30.8 million, or 14.5%, from €212.2 million in the year ended December 31, 2011 to €243.0 million in the year ended December 31, 2012. This increase was primarily due to improved revenue in key jurisdictions, partially offset by higher costs of sales over the period. Gross profit margin increased from 17.6% in the year ended December 31, 2011 to 17.7% in the year ended December 31, 2012.

Other Operating Income

Other operating income, decreased by €9.9 million, or 34.7%, from €28.5 million in the year ended December 31, 2011 to €18.6 million in the year ended December 31, 2012. This decrease was primarily due to the non-recurrence of a capital gain from a sale of intangible assets in 2011, which was not repeated in 2012.

Selling Expenses

Selling expenses increased by €4.9 million, or 12.8%, from €38.2 million in the year ended December 31, 2011 to €43.1 million in the year ended December 31, 2012, due to the ongoing growth of our licensed operations business. Selling expenses as a percentage of revenue decreased slightly from 3.2% to 3.1%.

Administrative Expenses

Administrative expenses increased by €10.0 million, or 9.2%, from €108.3 million in the year ended December 31, 2011 to €118.3 million in the year ended December 31, 2012. This increase was primarily driven by amortization charges on hardware and software related to our new VLT monitoring project in Australia. See “Critical Accounting Principles—Intangible Assets.”

Research and Development Expenses

Research and development expenses increased by €0.6 million, or 6.2%, from €9.7 million in the year ended December 31, 2011 to €10.3 million in the year ended December 31, 2012. This increase was primarily due to increased salaries and some additional hiring during the year in connection with our continued R&D investment in Lotos, our core platform. Research and development expenses as a percentage of revenue in the year ended December 31, 2012 was 0.7%, a slight decrease from 0.8% in the year ended December 31, 2011.

Other Operating Expenses

Other operating expenses decreased by €2.6 million, or 20.8%, from €12.5 million in the year ended December 31, 2011 to €9.9 million in the year ended December 31, 2012. This decrease was primarily due to lower impairment losses than in 2011, when we charged a provision for closed shops in respect of Iberia Sau and wrote off machinery in respect of Supreme Ventures Limited (“SVL”) as part of our annual valuation exercise. Other operating expenses as a percentage of revenue in the year ended December 31, 2012 remained at roughly the same level as in the year ended December 31, 2011.

EBITDA

EBITDA increased by €23.7 million, or 15.4%, from €153.8 million in the year ended December 31, 2011 to €177.5 million in the year ended December 31, 2012. The increase was a result of our increased revenue in our licensed operations business activity, as well as growth in our other businesses as described above, partially offset by an increase in our costs of sales, administrative expenses and a reduction in other operating income.

From the perspective of our projects, the increase in EBITDA was primarily due to the introduction of new contracts and gaming opportunities in Azerbaijan, Australia, the U.S., Jamaica and Turkey, which was partially offset by higher payouts in the Italian market industry-wide during the year.

Interest and Similar Charges

Interest and similar charges increased by €7.4 million, or 20.6%, from €35.9 million in the year ended December 31, 2011 to €43.3 million in the year ended December 31, 2012. This increase was primarily due to an increase in the average weighted cost of funding in connection with the refinancing of the syndicated facility during the year as well as slightly higher borrowings. For the year ended December 31, 2012, our weighted average cost of debt for our long term debt was 4.8% in euro and from 4% to 12% in other currencies.

Interest and Related Income

Interest and related income increased by €0.4 million, or 1.8%, from €22.1 million in the year ended December 31, 2011 to €22.5 million in the year ended December 31, 2012. This increase was primarily due to improved cash management.

Operating Profit/Loss Before Tax

Operating profit/loss before tax increased by €1.4 million, or 2.5%, from €57.0 million in the year ended December 31, 2011 to €58.4 million in the year ended December 31, 2012. This increase was primarily due to higher EBITDA partially offset by higher interest charges during the year.

Taxes

Taxes increased by €3.9 million, or 18.1%, from €21.5 million in the year ended December 31, 2011 to €25.4 million in the year ended December 31, 2012. This increase was primarily due to a one-off €6.0 million tax payment on royalties of IP rights held by us in Cyprus, which was partially offset by net tax decreases of €2.1 million in other jurisdictions.

Net Profit/Loss (Continuing and Discontinuing Operations)

Net profit decreased by €2.5 million, or 7.0%, from €35.6 million in the year ended December 31, 2011 to €33.1 million in the year ended December 31, 2012. This decrease was primarily due to increased taxes in 2012 as described above.

Net Income Attributable to Owners of the Parent

Net income attributable to owners of the parent decreased by €11.6 million, or 65.5%, from €17.7 million in the year ended December 31, 2011 to €6.1 million in the year ended December 31, 2012 a result of the factors identified above.

Comparison of the Year Ended December 31, 2010 with the Year Ended December 31, 2011

Overview

The following table sets forth our operating results for the years ended December 31, 2010 and 2011.

	Year ended December 31,		
	2010	2011	% change
	(€ in millions)		
Income Statement Information:			
Revenue	1,115.7	1,202.4	7.8%
Less: Cost of sales	(910.0)	(990.2)	8.8%
Gross profit	**205.7**	**212.2**	**3.2%**
Other operating income	26.3	28.5	8.4%
Selling expenses	(37.4)	(38.2)	2.1%
Administrative expenses	(99.7)	(108.3)	8.6%
Research and development expenses	(8.1)	(9.7)	19.8%
Other operating expenses	(6.1)	(12.5)	104.9%
EBIT	**84.5**	**79.8**	**(5.6)%**
EBITDA	**152.7**	**153.8**	**0.7%**
Interest and similar charges	(35.2)	(35.9)	2.0%
Interest and related income	22.5	22.1	(1.8)%
Exchange differences	11.1	(0.6)	n.m.
Profit/(loss) equity method consolidation	1.6	(0.5)	n.m.
Operating profit/loss before tax	**80.7**	**57.0**	**(29.4)%**
Less taxes:	(25.9)	(21.5)	(17.0)%
Net profit/loss from continuing operations	**54.8**	**35.6**	**(35.0)%**
Other comprehensive income after tax			
Valuation of available for sale financial instruments	4.1	0.3	(92.7)%
Derivatives valuation	(2.8)	0.2	n.m.
Exchange differences on translating foreign operations	0.2	(4.4)	n.m.
Total comprehensive income/(expense) after tax	**1.5**	**(3.9)**	**n.m.**
Total income after tax	**56.3**	**31.7**	**(43.7)%**

The following table sets forth our reconciliation of EBITDA to operating profit for the periods indicated:

	Year ended	
	2010	2011
	(unaudited) (€ in millions)	
Operating profit/loss before tax	**80.7**	**57.0**
Profit/(loss) equity method consolidation	(1.6)	0.5
Exchange differences	(11.1)	0.6
Interest and related income	(22.5)	(22.1)
Interest and similar charges	35.2	35.9
Assets gain/(loss) from disposal, write-off & impairment losses (*included in Other Operating Income and Other Operating Expenses*)	3.8	7.9
EBIT	**84.5**	**79.8**
Depreciation and amortization	68.2	74.0
EBITDA	**152.7**	**153.8**

See "Summary—Summary Consolidated Financial Information."

Sales Overview

Total revenue increased from €1,115.7 million in the year ended December 31, 2010 by €86.7 million, or 7.8%, to €1,202.4 million in the year ended December 31, 2011. This increase was

driven by growth in our management contracts and licensed operations businesses, partially offset by a reduction in sales in technology and support services.

Revenue by Business Activity

The following table shows our revenue for each business activity for the years ended December 31, 2010 and 2011 and period-to-period changes.

	Year ended December 31,		
	2010	2011	% change
	(€ in millions)		
Technology and support services	200.8	173.6	(13.5)%
Management contracts	61.4	92.9	51.3%
Licensed operations	853.5	935.9	9.7%
Total	**1,115.7**	**1,202.4**	**7.8%**

Revenue in our technology and support services activity decreased from €200.8 million in the year ended December 31, 2010 by €27.2 million, or 13.5%, to €173.6 million in the year ended December 31, 2011. This decrease was primarily attributable to:

- a €22.0 million decrease in revenues in the Netherlands due to the non-recurrence of a one-off sale and leaseback transaction in 2010, partially offset by a €2.9 million increase in relation to an increase in fees as a result of higher lottery revenues for both national lotteries;
- a €11.5 million decrease in revenues in Greece due to the full-year effect of a new contract with OPAP that provided for fewer services;
- a €4.1 million decrease in revenues from the sale of terminals to a European lottery operator in the year ended December 31, 2010 that was not repeated in 2011;
- a €3.8 million decrease in revenues from the sale of technology to South Africa due to lower sales of terminals and other technology as a result of decreased demand compared to the previous year;
- partially offset by a €4.4 million increase in U.S. operations due to the full-year effect of four new contracts in Louisiana, New Hampshire, Vermont and Washington, D.C., which was partially offset by a reduction due to the loss of our contract in Nebraska in June 2011;
- a €3.7 million increase in Argentina mainly due to an increase in lottery sales in the country driven in part by a 13.4% increase in our POS from 4,014 to 4,551; and
- a €3.0 million increase in Taiwan due to a performance fee received as a result of increased national lottery sales beyond a contractually agreed threshold level.

In addition, our revenues decreased by €2.3 million due to minor decreases in revenue in Malaysia, South Korea and Romania in the year ended December 31, 2011 compared to the year ended December 31, 2010, and minor increases in revenue in New Zealand and other technology in the year ended December 31, 2011 compared to the year ended December 31, 2010.

Revenue in our management contracts activity increased from €61.4 million in the year ended December 31, 2010 by €31.5 million, or 51.3%, to €92.9 million in the year ended December 31, 2011. This increase was primarily due to:

- a €12.4 million increase in management fees from OPAP's monitor games that were introduced in April 2011;
- a €7.4 million increase in Brazil primarily in connection with our contract for the management of KENO and other numerical lottery games in the Brazilian state of Minas Gerais. During the year the number of POS connected to our central network increased by 39.3% from 400 to 557;
- a €7.1 million increase attributable to the full-year effect of operations in Morocco, which commenced in August 2010 providing numerical games, sports betting and scratch tickets with 1,240 POS as of December 31, 2011; and
- a €4.8 million increase in Turkey primarily attributable to increased player participation as a result of our increasing of the sales network during the year. The number of POS during the

year increased by approximately 22.6% from 4,650 as of December 31, 2010 to 5,702 as of December 31, 2011.

In addition, we had a minor increase in revenue in Russia, in the year ended December 31, 2011 compared to the year ended December 31, 2010, and a minor decrease in revenue in Romania in the year ended December 31, 2011 compared to the year ended December 31, 2010.

Revenue in our licensed operations activity increased from €853.5 million in the year ended December 31, 2010 by €82.4 million, or 9.7%, to €935.9 million in the year ended December 31, 2011. This increase was primarily due to:

- the €71.3 million full-year effect of a new contract in Jamaica, where we started to fully consolidate our subsidiary Supreme Ventures Limited beginning in the second quarter of 2010 due to the popularity of the Cash Pot game;
- the €41.3 million first-year effect of a new contract in Azerbaijan, where we commenced sports betting operations in January 2011. During 2011, our total number of POS in Azerbaijan increased from nil to 244;
- a €10.9 million increase in Peru due to the introduction of sports betting into the market during the year, which provided for additional gaming opportunities in our existing distribution network;
- a €8.5 million increase in Australian lottery operations as a result of our strategic efforts to improve our market share, particularly in the scratch tickets gaming segment;
- partially offset by a €14.9 million decrease in Bulgaria due to decreased participation in sports betting as a result of a combination of the January 2010 gaming tax change, illegal competition from online gaming operators, exceptionally high revenue in 2010 generated by the football World Cup and weak economic conditions;
- a €14.9 million decrease in Italy due to lower revenue from our sports betting operations as a result of the effect of exceptionally high revenue in 2010 generated by the football World Cup;
- a €9.6 million revenue decrease in Slovakia due to the non-recurrence of one-off VLT sales to the local gaming market that took place in 2010;
- a €3.5 million decrease in Cyprus due to lower revenue from our sports betting operations as a result of the effect of exceptionally high revenue in 2010 generated by the football World Cup; and
- a €2.8 million decrease in Malta mainly due to lower revenue from our sports betting operations as a result of the effect of exceptionally high revenue in 2010 generated by the football World Cup.

In addition, our revenues decreased by €3.9 million due to minor decreases in revenue in Moldova, Spain and Poland in the year ended December 31, 2011 compared to the year ended December 31, 2010.

Cost of Sales

Cost of sales increased by €80.2 million, or 8.8%, from €910.0 million in the year ended December 31, 2010 to €990.2 million in the year ended December 31, 2011. This increase was primarily due to increased payout relating to the operation of our new licensed operations contracts in Jamaica, Morocco and Azerbaijan. Cost of sales as a percentage of revenue increased slightly in the year ended December 31, 2011 to 82.3% from 81.6% in 2010.

Gross Profit

Gross profit increased by €6.5 million, or 3.2%, from €205.7 million in the year ended December 31, 2010 to €212.2 million in the year ended December 31, 2011. This increase was primarily due to the realization of gross profit of our new licensed operations contracts in Jamaica, Morocco and Azerbaijan. Gross profit margin declined slightly from 18.4% in the year ended December 31, 2010 compared to 17.6% in the year ended December 31, 2011 due to higher cost of sales from increased payout as discussed above.

Other Operating Income

Other operating income increased by €2.2 million, or 8.4%, from €26.3 million in the year ended December 31, 2010 to €28.5 million in the year ended December 31, 2011. This increase was primarily due to our new contract in Jamaica as well as a one-off sale of equipment in connection with the closing of our operations in Egypt and Chile during the year.

Selling Expenses

Selling expenses increased by €0.8 million, or 2.1%, to from €37.4 million in the year ended December 31, 2010 to €38.2 million in the year ended December 31, 2011. This increase was primarily due to increased agent commissions in connection with our new contracts in Jamaica, Morocco and Azerbaijan. Selling expenses as a percentage of revenue decreased slightly during the year ended December 31, 2011 to 3.2% from 3.4% in 2010.

Administrative Expenses

Administrative expenses increased by €8.6 million, or 8.6%, from €99.7 million in the year ended December 31, 2010 to €108.3 million in the year ended December 31, 2011. This increase was primarily due to increased headcount and personnel expenses in connection with newly consolidated projects during the year and third-party fees related to our new contracts in Jamaica, Morocco and Azerbaijan. Administrative expenses as a percentage of revenue increased during the year ended December 31, 2011 to 9.0% from 8.9% in 2010.

Research and Development Expenses

Research and development expenses increased by €1.6 million, or 19.8%, from €8.1 million in the year ended December 31, 2010 to €9.7 million in the year ended December 31, 2011. This increase was primarily due to new software development and increased R&D investment in Lotos. Research and development expenses as a percentage of revenue increased in the year ended December 31, 2011 to 0.8% from 0.7% in 2010.

Other Operating Expenses

Other operating expenses increased by €6.4 million, or 104.9%, from €6.1 million in the year ended December 31, 2010 to €12.5 million in the year ended December 31, 2011. This increase was primarily due to impairment losses relating to our betting operations in Italy, where we wrote down the value of our licenses.

EBITDA

EBITDA increased by €1.1 million, or 0.7%, from €152.7 million in the year ended December 31, 2010 to €153.8 million in the year ended December 31, 2011. The increase was a result of increased revenue in our management contracts and licensed operations business activities, partially offset by a reduction in revenue in technology and support services and an increase in our cost of sales.

From the perspective of our projects, the increase in EBITDA was primarily due to the introduction of new contracts and gaming opportunities in Jamaica, Azerbaijan and Australia, which was partially offset by decreases in revenue in Bulgaria and Italy as described above.

Interest and Similar Charges

Interest and similar charges increased by €0.7 million, or 2.0%, from €35.2 million in the year ended December 31, 2010 to €35.9 million in the year ended December 31, 2011. This increase was primarily due to the increase in the three months Euro Interbank Offered Rate (“EURIBOR”) which is the reference rate for the Intralot Group debt.

Interest and Related Income

Interest and related income decreased by €0.4 million, or 1.8%, from €22.5 million in the year ended December 31, 2010 to €22.1 million in the year ended December 31, 2011. This decrease was primarily due to a lower average cash balance during the year.

Exchange Differences

Exchange differences decreased from a gain of €11.1 million in the year ended December 31, 2010, by €11.7 million to a loss of €0.6 million in the year ended December 31, 2011. The gain in 2010 was primarily due to favorable movements between the euro and local currencies of the Intralot Group subsidiaries, such as the Peruvian new sol, Russian ruble and Australian dollar, which reversed in 2011.

Operating Profit/Loss Before Tax

Operating profit/loss before tax decreased by €23.7 million, or 29.4%, from €80.7 million in the year ended December 31, 2010 to €57.0 million in the year ended December 31, 2011. This decrease was primarily due to impairment losses in 2011, as described above, and the foreign exchange movements.

Taxes

Taxes decreased by €4.4 million, or 17.0%, from €25.9 million in the year ended December 31, 2010 to €21.5 million in the year ended December 31, 2011. This decrease was primarily due to lower operating profit before tax.

Net Profit (Continuing and Discontinuing Operations)

Net profit decreased by €19.2 million, or 35.0%, from €54.8 million in the year ended December 31, 2010 to €35.6 million in the year ended December 31, 2011. This decrease was primarily due to lower operating profit before tax.

Net Income Attributable to Owners of the Parent

Net income attributable to owners of the parent decreased by €18.9 million, or 51.6%, from €36.6 million in the year ended December 31, 2010 to €17.7 million in the year ended December 31, 2011 a result of the factors identified above.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations, including working capital needs, capital expenditure, debt service obligations, other commitments and contractual obligations. Our principal sources of financing are the following:

- our operating cash flow (including net changes in working capital);
- borrowings under the Syndicated Facilities as well as bank facilities (bond loans) from Greek banks; and
- bank loans within individual subsidiaries.

Our cash requirements consist mainly of the following:

- debt servicing requirements; and
- funding capital expenditures.

To a lesser extent, we require cash to fund research and development and for working capital purposes.

Our indebtedness primarily consists of financial debt incurred in borrowing money. As of March 31, 2013, we had €60.5 million of undrawn and committed credit facilities, €26.0 million for finance leasing and a further €37.0 million of uncommitted lines. As at March 31, 2013, we had cash in the amount of €139.6 million and net debt of €384.5 million (net debt is calculated by deducting cash and cash equivalents from total debt). As adjusted to give effect to the issue of the Notes offered hereby, we would have had €200.3 million of undrawn and committed credit facilities as of March 31, 2013. In April 2013, we entered into the April Sale-and-Leaseback Transaction.

Cash Management

Our liquidity and cash management policy is managed through a combination of upstreaming dividends (where tax efficient), intercompany loans and management contracts, and is based on our

group treasury policy. Although we operate in 55 jurisdictions globally, which have a diverse range of regulations in relation to cash management, we have historically been able to move cash from our subsidiaries to the Company effectively and efficiently. We believe that we are able to extract cash from all of the jurisdictions in which we operate, depending on the method we use and on short-term time constraints. In a number of these jurisdictions we are able to transfer cash on demand from an operating subsidiary to the next immediate holding company, either through dividends, management fees or intercompany loans. In other jurisdictions, we are bound by corporate governance laws that regulate the timing or frequency of dividends. In some jurisdictions that ostensibly impose restrictions on capital movements, we find that regulations typically allow for cash to be extracted under certain conditions.

We operate through a combination of wholly-, majority- and minority-owned subsidiaries. In all of these subsidiaries, we have the ability to require the declaration of dividends, either due to our voting power, or through shareholder agreements that enable us to mandate such declaration up to the maximum permissible under local laws. We may choose not to require the declaration of a dividend due to tax considerations or because the cash is intended for local investments.

Apart from certain select jurisdictions where a strategic decision has been made to maintain a cash balance for investments or other corporate purposes, we aim to maintain limited cash balances at our subsidiaries.

In all of our subsidiaries, and in particular those subsidiaries that are not wholly-owned, we also provide management or technology and support services that allow us to enhance our return beyond our direct equity returns. In these situations, our service contracts enable us to extract cash as a supplier.

The Refinancing

In connection with the completion of this offering, we will:

- deposit into escrow such funds sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond (including amounts required to settle purchases made pursuant to the Tender Offer), plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond;
- repay €183.8 million of drawings under our Syndicated Facilities, comprising the repayment (but not cancellation) of our revolving credit facility of €113.8 million and the €70.0 million repayment of part of our term loan. The prepayment of the term loan and of part of the revolving credit facility will be made following the Issue Date. The balance of the repayment of the revolving credit facility will be made as soon as reasonably practicable, and in any case no later than September 30, 2013;
- repay €20.0 million of drawings under the Alpha Bank Facility, which is expected to be in place as at the Issue Date;
- repay €21.2 million of drawings under certain of our Local Credit Facilities, the repayment of which will be made as soon as is reasonably practicable, and in any case no later than September 30, 2013; and
- pay an estimated amount of approximately €10.7 million of fees and expenses in connection with the Transaction.

The above summarizes the expected use of proceeds in connection with the transaction. The actual amounts as compared to those set forth above, which are based on March 31, 2013 outstanding balances, are subject to adjustment and may differ at the time of issuance depending on several factors, including differences from our estimation of fees and expenses and interest.

Liquidity Following the Refinancing

Following completion of the offering, our primary sources of liquidity will consist of the following:

- our operating cash flow;
- borrowings under the Syndicated Facilities as well as bank facilities (bond loans) from Greek banks; and
- bank loans within individual subsidiaries.

Our ability to generate cash from our operations depends on future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control, as well as other factors discussed under "Risk Factors."

We believe that the cash generated from our operations, the proceeds from the offering of the Notes, capacity under the Syndicated Facilities as well as our other bilateral loans will be sufficient to meet our liquidity requirements for the next twelve months, although this may not be the case.

Following the offering of the Notes and the application of the proceeds therefrom, our debt service obligations will consist primarily of interest payments on the Notes and principal and interest payments on amounts drawn under the Syndicated Facilities and the Alpha Bank Facility.

Net Cash Flows

The summary cash flow statement below sets forth how our cash and cash equivalents changed over the relevant periods indicated by cash inflows and outflows:

	Year ended December 31,			Three months ended March 31,	
	2010	2011	2012	2012	2013
				(unaudited)	
			(€ in millions)		
EBITDA	**152.7**	**153.8**	**177.5**	**41.7**	**55.1**
Interest and similar charges	(35.2)	(35.9)	(43.3)	(8.4)	(12.9)
Interest and related income	22.5	22.1	22.5	2.8	2.2
Exchange differences	11.1	(0.6)	(0.8)	(0.7)	3.2
Profit/(loss) equity method consolidation	1.6	(0.5)	0.1	—	0.1
Assets gain/(loss) from disposal, write-off & impairment losses	(3.8)	(7.9)	(4.8)	(0.1)	(0.2)
Depreciation and amortization	(68.2)	(74.0)	(92.8)	(20.1)	(26.3)
Net profit before taxation	**80.7**	**57.0**	**58.4**	**15.2**	**21.2**
Plus/less adjustments for:					
Depreciation and amortization	68.2	74.0	92.8	20.1	26.3
Provisions	(9.5)	12.3	7.7	(4.1)	1.5
Exchange rate differences	4.8	(5.4)	(0.2)	0.5	0.8
Results from investing activities	(12.4)	(7.6)	(0.4)	0.5	(3.4)
Debit Interest and similar expenses	35.2	35.9	43.3	8.4	12.9
Credit Interests	(22.5)	(22.1)	(20.2)	(2.8)	(2.2)
Plus/Less adjustments of working capital to net cash or related to operating activities:					
Decrease/(increase) of Inventories	16.0	(5.2)	5.1	8.1	0.9
Decrease/(increase) of Receivable Accounts	(43.7)	1.8	(12.3)	2.6	(7.3)
Decrease/(increase) of Payable Accounts (except Banks)	(10.7)	(9.2)	(3.2)	(17.5)	(7.0)
Less:					
Interest paid and similar expenses paid	23.3	27.5	33.6	7.7	9.5
Income tax paid	23.9	22.3	23.6	8.0	15.3
Net Cash from Operating Activities (a)	**58.9**	**81.7**	**113.8**	**15.3**	**18.9**
Investing Activities					
(Purchases)/Sales of subsidiaries, associates, joint ventures and other investments	6.4	4.3	0.9	3.1	(0.2)
Purchases of tangible and intangible assets	(107.5)	(79.6)	(119.1)	(8.6)	(11.9)
Proceeds from sales of tangible and intangible assets	2.0	0.7	1.8	0.3	—
Interest received	12.0	10.0	11.5	2.4	2.0
Dividends received	—	—	3.8	—	—
Net Cash from Investing Activities (b)	**(87.1)**	**(64.6)**	**(101.1)**	**(2.8)**	**(10.1)**
Financing Activities					
Cash inflows from Share Capital Increase	—	0.9	0.2	—	—
Cash inflows from loans	64.5	77.3	46.1	6.1	22.1
Repayment of loans	(53.6)	(67.3)	(40.3)	(7.5)	(20.4)
Repayment of leasing obligations	(7.1)	(10.2)	(5.9)	(1.5)	(1.0)
Dividends paid	(53.3)	(16.8)	(20.3)	(2.7)	(4.9)
Net Cash from Financing Activities (c)	**(49.5)**	**(16.1)**	**(20.2)**	**(5.6)**	**(4.2)**
Net increase/(decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**(77.7)**	**1.0**	**(7.5)**	**6.9**	**4.6**
Cash and cash equivalents at the beginning of the period	**219.1**	**141.5**	**142.5**	**142.5**	**135.0**
Cash and cash equivalents at the end of period	**141.5**	**142.5**	**135.0**	**149.3**	**139.6**

Net Cash from Operating Activities

Net cash from operating activities comprises net profit before tax adjusted for working capital, cash taxes and cash interest as well as certain non-cash items such as provisions and depreciation.

Cash inflows from operating activities in the three months ended March 31, 2013 amounted to €18.9 million, which was an increase of €3.6 million or 23.5% from €15.3 million in the three-month period ended March 31, 2012. This increase was primarily driven by the following:

- net profit before taxation increased by 39.5% from €15.2 million in the three months ended March 31, 2012 to €21.2 million in the three months ended March 31, 2013, which was primarily driven by the increase in EBITDA as described above. See "—Comparison of the Three Months Ended March 31, 2012 with the Three Months Ended March 31, 2013—EBITDA;"
- depreciation and amortization increased by 30.8% from €20.1 million in the three months ended March 31, 2012 to €26.3 million in the three months ended March 31, 2013, due to the amortization charges on hardware and software related to our new VLT monitoring project in Australia which commenced operations in September 2012. See "—Comparison of the Three Months Ended March 31, 2012 with the Three Months Ended March 31, 2013—Administrative Expenses;"
- the effect of provisions on cash flow changed from negative €4.1 million in the three months ended March 31, 2012 to positive €1.5 million in the three months ended March 31, 2013, due primarily to provisions for potential impairments and write-offs related to assets in one of our Cypriot subsidiaries;
- changes in our working capital, which led to a cash outflow of €13.4 million in the three months ended March 31, 2013, compared with a cash outflow of €6.8 million in the three months ended March 31, 2012;
  - In particular, there was a decrease of €0.9 million in inventories in the three months ended March 31, 2013, compared to a decrease of €8.1 million in the three months ended March 31, 2012 as a result of a one-off sale of terminals to a European lottery operator in the three months ended March 31, 2012 that was not repeated in 2013.
  - This was offset by an increase of €7.0 million in payables towards our suppliers in relation to lottery equipment purchased in the three months ended March 31, 2013 compared to a decrease of €17.5 million in the three months ended March 31, 2012 as a result of certain one-off orders placed in the third quarter of the year ended December 31, 2012 that became payable in the three months ended March 31, 2013;
- cash interest paid and similar expenses paid increased by 23.4% from €7.7 million in the three months ended March 31, 2012 to €9.5 million in the three months ended March 31, 2013, as a result of higher interest margins on the Syndicated Facilities; and
- income tax paid increased by 91.3% from €8.0 million in the three months ended March 31, 2012 to €15.3 million in the three months ended March 31, 2013 as a result of increased pre-tax profit across the Intralot Group coupled with an increase in the tax rate of Intralot S.A. in Greece from 20% to 26%.

Cash inflows from operating activities in the year ended December 31, 2012 amounted to €113.8 million, which was an increase of €32.1 million or 39.3% from €81.7 million in the year ended December 31, 2011. This increase was due primarily to the following:

- depreciation and amortization increased by 25.4% from €74.0 million in the year ended December 31, 2011 to €92.8 million in the year ended December 31, 2012, due to the amortization charges on hardware and software described above;
- changes to our working capital which led to a cash outflow of €10.4 million in the year ended December 31, 2012, compared with a cash outflow of €12.6 million in the year ended December 31, 2011;
  - In particular, there was a decrease of €5.1 million in inventories in the year ended December 31, 2012, compared to an increase of €5.2 million in the year ended December 31, 2011.
  - This was partially offset by an increase of €12.3 million in accounts receivable in the year ended December 31, 2012 compared to a decrease of €1.8 million in the year ended December 31, 2011.

- There was a decrease of €3.2 million in accounts payable in the year ended December 31, 2012, compared to a decrease of €9.2 million in the year ended December 31, 2011.

- partially offset by interest paid and similar expenses paid increased by 22.2% from €27.5 million in the year ended December 31, 2011 to €33.6 million in the year ended December 31, 2012, as a result of higher spreads on the Syndicated Facilities.

Cash inflows from operating activities in the year ended December 31, 2011 amounted to €81.7 million, which was an increase of €22.8 million or 38.7% from €58.9 million in the year ended December 31, 2010. The increase was due primarily to the following:

- the effect of provisions on cash flow changed from negative €9.5 million in the year ended December 31, 2010 to positive €12.3 million in the year ended December 31, 2011, due primarily to impairment losses relating to our projects in Italy, where we wrote down the value of our licenses; and
- changes to our working capital which led to a cash outflow of €12.6 million in the year ended December 31, 2011, compared with a cash outflow of €38.4 million in the year ended December 31, 2010.
  - In particular, there was an increase of €5.2 million in inventories in the year ended December 31, 2011, compared to a decrease of €16.0 million in the year ended December 31, 2010.
  - This was partially offset by a decrease of €1.8 million in accounts receivable in the year ended December 31, 2011 compared to an increase of €43.7 million in the year ended December 31, 2010.
  - The resulting €25.8 million net change in working capital was primarily attributable to an increase in sales of terminals to European lottery operators during the year ended December 31, 2011.

Cash flow from operating activities is significantly affected by changes in working capital. As a result, our cash flow can be significantly affected by the commencement of new projects as those factors affect the amount of inventories, trade accounts receivable and trade accounts payable.

The following table sets forth our calculation of changes in working capital for each of the dates indicated.

	As of December 31,			As of March 31,	
	2010	2011	2012	2012	2013
			(€ millions)		
				(unaudited)	
Changes in inventories	16.0	(5.2)	5.1	8.1	0.9
Changes in receivables	(43.7)	1.8	(12.3)	2.6	(7.3)
Changes in payables	(10.7)	(9.2)	(3.2)	(17.5)	(7.0)
Total changes in working capital	**(38.4)**	**(12.6)**	**(10.4)**	**(6.8)**	**(13.4)**

We define changes in working capital as the sum of changes in inventories and receivables, less changes in payables, resulting from the cash flow statement.

Our working capital requirements are driven by inventory and receivables related to the implementation of new projects and the sale of technology products to our customers, as well as receivables relating to the sales of scratch tickets. Given the very short working capital cycles relating to the operation of sports betting and racing, despite our sales increasing in the first and fourth quarters of the year, our working capital seasonality is relatively limited. Inventory balances are mainly affected by new contracts. Fixed assets are booked as inventory prior to the start of a new project and then the balance is re-classified as fixed assets. Following the start of a new contract, a very small amount of spare parts and terminals are held as inventory to support ongoing operations, leading to an overall increase in the balance sheet amount.

Receivables include management fees from lotteries payable within the one to two months, payments for IT sold on credit (some projects are received in monthly or quarterly installments which may span over a period of up to 3 years) and amounts due from the agent sales network for collections

on wagers. Instant tickets are sold on credit that may reach up to 45 days, according to our credit practice.

Payables mainly include payments due for the purchase of hardware from manufacturers and IT vendors, and the purchase of software licenses from major software providers. Other payables include subcontracting fees and consulting fees.

Our agent network has a short payables cycle, with funds typically paid within a week and normally backed by letters of guarantee or cash collateral. We reduced total working capital between 2010 and 2012 primarily by decreasing inventories and receivables, even though our payables (which tend to decrease as we complete the build-out phase of existing projects) also decreased.

During our international expansionary phase that was completed by the end of 2010, we built up our level of inventory and receivables, resulting in a higher working capital position. Following the completion of the expansion, we have refocused our strategy on strong cash flow generation with reduced receivables and payables, which has led to a reduction in our working capital in 2011 and 2012. See "Business—Strategy—Exploit Existing Contracts to Optimize Cash Flow."

Net Cash from Investing Activities

Cash flow from investing activities generally consists of cash outflows for investments in tangible and intangible assets as well as interest and dividends received.

In the three months ended March 31, 2013, net cash outflows from investing activities was €10.1 million, which was an increase of €7.3 million, or 260.7%, from €2.8 million in the three months ended March 31, 2012. In addition, purchases/sales of subsidiaries, associates and other investments changed from a €3.1 million inflow in the three months ended March 31, 2012 (due primarily to a sale of a minor fixed-income investment) to a €0.2 million outflow in the three months ended March 31, 2013, which was related to the bail-out in Cyprus.

Cash outflows from investing activities in the year ended December 31, 2012 amounted to €101.1 million, which was an increase of €36.5 million, or 56.5%, from €64.6 million in the year ended December 31, 2011. This increase was due primarily to increased capital expenditure during the year as described below as well as a decrease in proceeds from the sales of subsidiaries, associates and other investments of 79.1% from €4.3 million to €0.9 million due to the sale of our minority participation in CyberArts in 2011. This was partially offset by an increase of 15.0% in interest received from €10.0 million in the year ended December 31, 2011 to €11.5 million in the year ended December 31, 2012 and an increase in dividends received from associates from nil in the year ended December 31, 2011 to €3.8 million in the year ended December 31, 2012.

Cash outflows from investing activities in the year ended December 31, 2011 amounted to €64.6 million, which was a decrease of €22.5 million, or 25.8%, from €87.1 million in the year ended December 31, 2010. This decrease was due primarily to decreases in capital expenditures in connection with the end of our expansion program in 2010 as described below, as well as a decrease in proceeds from the purchases/sales of subsidiaries, associates and other investments of 32.8% from €6.4 million to €4.3 million due to the acquisition of SVL in 2011, partially offset by a 16.7% reduction in interest received from €12.0 million in the year ended December 31, 2010 to €10.0 million in the year ended December 31, 2011.

Our capital expenditure comprises capital expenditure for (i) maintenance of existing IT infrastructure, (ii) acquisition of new IT infrastructure and (iii) capital expenditure for new or renewed licenses.

The following table sets forth our total capital expenditures by region.

	Year ended December 31,			Three months ended March 31,	
	2010	2011	2012	2012	2013
				(unaudited)	
	(€ in millions)				
Region					
Southern Europe	61.9	54.7	71.5	1.6	6.9
CEE/CIS	1.5	3.0	4.3	1.6	0.1
Africa	8.1	2.5	0.5	0.1	—
United States	23.9	9.0	6.4	2.0	1.6
South America	7.4	7.7	10.7	2.7	2.1
Australia/Oceania	0.4	2.2	25.4	0.6	1.1
Other	4.3	0.5	0.3	—	0.1
Total capital expenditure	**107.5**	**79.6**	**119.1**	**8.6**	**11.9**

Our capital expenditure of €11.9 million the three-month period ended March 31, 2013 comprised primarily capital expenditure relating to new VLT monitoring projects in Australia and Ohio and the expansion of our betting game offering in Jamaica. Maintenance capital expenditure during the three months ended March 31, 2013 was €3.0 million in comparison with €1.9 million in the three months ended March 31, 2012.

Our capital expenditure of €119.1 million in the year ended December 31, 2012 comprised primarily the expansion of our licensed operations in Peru, Brazil and Jamaica (€9.6 million), the renewal of our contract in Malta (€40.7 million) and our new contract for a VLT network in Australia (€24.3 million) described above. See "—Comparison of the Year Ended December 31, 2011 with the Year Ended December 31, 2012." Maintenance capital expenditure during the year was €12.1 million.

Our capital expenditure of €79.6 million in the year ended December 31, 2011 comprised primarily maintenance capital expenditure, as well as by the expansion of our licensed operations in Peru and the roll-out of a VLT monitoring system in Ohio and licensed VLT operation in Italy. Maintenance capital expenditure during the year was €12.7 million.

Our capital expenditure of €107.5 million in the year ended December 31, 2010 comprised primarily maintenance capital expenditure in Greece, as well as by the roll-out of our technology and facilities management contract in Ohio. Maintenance capital expenditure during the year was €12.9 million.

We expect to fund our budgeted capital expenditures principally through a combination of cash from operations and borrowings. The figures in our capital expenditure plans are based on management's estimates and have not been appraised by an independent organization. Since capital commitments that have been approved but not committed to contract may be subject to change, and because we may from time to time determine to undertake additional capital projects or decide not to proceed with others or not be awarded certain contracts, actual capital expenditures in future years may be significantly more or less than the amounts shown. There can be no assurance that we will execute our capital expenditure plans as contemplated at or below estimated costs. See "Risk Factors—Risks Related to Our Business Operations—Our contracts and licenses require capital that will not otherwise be available for our operations and repayment of borrowings."

Net Cash from Financing Activities

Net cash from financing activities comprises net cash proceeds from financing arrangements and the payment of dividends to our shareholders or to minority interests.

In the three months ended March 31, 2013, net cash outflows from financing activities was €4.2 million, a decrease of €1.4 million, or 25.0%, from €5.6 million in the year ended March 31, 2012. This decreased net cash flows from financing activities in the three months ended March 31, 2013 consisted of a €3.6 million increase in cash inflows from financing arrangements, partially offset by a €2.2 million increase in dividends paid, which reflected dividend leakage to minority interests.

Cash outflows from financing activities in the year ended December 31, 2012 was €20.2 million, which was an increase of €4.1 million, or 25.5%, from €16.1 million in the year ended December 31, 2011. The increase was due primarily to an increase of €3.5 million in dividends paid, which reflected dividend leakage to minority interests, as well as a €0.8 million reduction in cash received from a share capital increase.

Cash outflows from financing activities in the year ended December 31, 2011 was €16.1 million, which was a decrease of €33.3 million, or 67.4%, from €49.4 million in the year ended December 31, 2010. This decrease was due primarily to a decrease of €36.5 million in dividends paid, due to a reduction in the dividend paid to the shareholders of the Company, as well as reduced cash leakage and an increase in cash outflow of €3.1 million for a repayment of leasing obligations.

Contractual Obligations

Our consolidated contractual obligations as of December 31, 2012 are set forth in the table below.

	Payments due by Period			
	Total	Within 1 Year	After 1 Year but no more than 5 Years	More than 5 Years
	(€ in millions)			
Long-term debt	329.7	—	329.7	—
Short-term debt	183.7	183.7	—	—
Finance lease agreements	7.6	2.2	5.4	—
Borrowings	**521.0**	**185.9**	**335.1**	**—**
Payable to related parties and other payables	158.7	136.9	8.7	13.1
Total contractual obligations	**679.7**	**322.8**	**343.8**	**13.1**

In April 2013, we sold and leased back, under a finance lease contract, equipment for an amount of €35.9 million.

Financial Liabilities

Maturities of Liabilities

The following table shows the maturity of our financial liabilities as of March 31, 2013, after giving *pro forma* effect to the proceeds of the Notes.

	As of March 31, 2013		
	With a term of		
	Total	Up to 1 year	More than 1 year
	(€ in millions)		
Existing credit facilities	450.8	—	450.8
Bank overdrafts	—	—	—
Other debt	48.4	15.5	32.9
Total	**499.2**	**15.5**	**483.7**

Contingent Liabilities

From time to time we provide bid bonds in order to participate in various tenders and then, once awarded, it is normally a requirement that these become performance bonds and remain held by our lottery clients in order to guarantee the satisfactory implementation of the new project.

As of December 31, 2012, our subsidiaries had outstanding performance bonds and letters of credit in an aggregate amount totaling €157.7 million (not including guarantees counter-guaranteed by the Company). See "Risk Factors—Risks Related to Our Business Operations—We are subject to substantial penalties for failure to perform under our lottery licenses and contracts."

Off-Balance Sheet Arrangements

There are no material off-balance sheet arrangements in place for the periods presented.

Credit, Liquidity and Market Risks

We are exposed to a number of financial risks arising from the ordinary course of business, such as credit risks and liquidity risks as well as market risks, including foreign exchange risks and interest rate risks.

Credit Risk

We do not have significant credit risk concentration because of the wide dispersion of our customers and the fact that credit limits are set through signed contracts. The maximum exposure of credit risk amounts to the aggregate values presented in the balance sheet.

In order to minimize the potential credit risk exposure arising from cash and cash equivalents, we set limits regarding the amount of credit exposure to any financial institution. Moreover, in order to provide additional security for our transactions, we have adopted an internal credit rating evaluation system using the relevant financial indices.

Liquidity Risk

We are subject to liquidity risks. 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. We take measures to obtain certain policies to monitor the liquidity in order to hold liquid assets that can cover our liabilities.

Market Risk

Foreign Exchange Risk

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

The following table sets forth a sensitivity analysis in currency movements for the year ended December 31, 2012.

Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
		(€'000)	(€'000)
U.S. dollars:	5%	(245)	2.995
	(5%)	221	(2,710)
Turkish lira:	5%	1.527	1.497
	(5%)	(1,381)	(1,354)
Peruvian nuevo sol:	5%	321	(67)
	(5%)	(290)	61
Brazilian real:	5%	(279)	(11)
	(5%)	253	10
Jamaican dollar:	5%	685	1,098
	(5%)	(620)	(994)
Argentine peso:	5%	564	160
	(5%)	(510)	(145)
Romanian new leu:	5%	40	899
	(5%)	(36)	(813)

Interest Rate Risk

Our exposure to market risk for changes in interest rates relates to long- and short-term borrowings. For managing this type of risk we enter into derivative financial instruments. Our policy regarding interest rate risk concerns not only the parent company but also debt that our subsidiaries have raised either in euro or in the local currency.

Critical Accounting Principles

Critical accounting principles are those that (i) are relevant to the presentation of our financial condition and results of operations and (ii) require management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increase, those judgments become even more subjective and complex.

In the preparation of financial statements in accordance with IFRS, management exercises judgment in making appropriate estimates and assumptions affecting the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates. Both estimates and the basis on which assumptions are made are reviewed regularly. Changes in estimates are recognized in the period in which the changes are made as well as in all subsequent periods affected by the changes.

In order to provide an understanding of how our management forms its judgments about future events, including the variables and assumptions underlying its estimates, and the sensitivity of those judgments to different circumstances, we have identified the critical accounting policies discussed below. While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, we consider the following critical accounting policies to warrant particular attention.

Our consolidated financial statements have been prepared in euro, the functional and presentation currency of our parent company. Unless stated otherwise, all amounts are in millions of euro. As amounts (in millions of euro) and percentages have been rounded, rounding differences may occur.

Tangible Assets

Tangible assets are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing the tangible assets and borrowing costs for long-term construction assets if the recognition criteria are met. Depreciation is calculated on a straight-line basis over the useful life of the asset as follows:

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

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized. The assets' residual values and useful lives are reviewed at the end of each financial year, and adjusted prospectively, if appropriate. With respect to hardware and software leased under operating leases, these assets are disclosed in acquisition cost values in the group statement of financial position and are depreciated using the straight-line method and according to the lower period between the useful life and the contract life, also taking into account their residual value at the end of the relative contract life as well as the collecting cost. In the case of the respective contracts, renewal of the assets' remaining net book value is depreciated according to the renewed contract life. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units

are written down to their recoverable amount. The recoverable amount is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

Intangible Assets

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

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

Central operating systems used for several projects are amortized over their expected useful life, up to 20 years. The expected useful life is determined by reference to the longest duration contract of the relevant contracts and the Intralot Group's renewal track record in respect of such contract. Software that does not fall within the scope of particular contracts is amortized over the expected useful life. Amortization of finite life intangibles is recognized as an expense in the statement of comprehensive income apportioned to the related cost centers. Intangible assets with an indefinite useful life are not amortized, but are annually tested for impairment, either individually or at the cash-generating unit level. Intangibles, except development expenses, internally generated are not capitalized and the costs are included in the statement of comprehensive income in the year they are incurred. Intangible assets are tested for impairment at the end of each reporting period, either individually or at the cash-generating unit level. Useful lives are also assessed annually and any revisions do not have retrospective application. Gains or losses arising from derecognition of an intangible asset (that are measured as the difference between the net disposal proceeds and the carrying amount of the asset) are recognized in the statement of comprehensive income when the asset is derecognized.

Business Acquisition and Goodwill

At the acquisition date, we classify or designate the identifiable assets acquired and liabilities assumed on the basis of the contractual terms, economic conditions, operating or accounting policies and other pertinent conditions as they exist at the acquisition date. In a business combination achieved in stages, we remeasure the previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. In prior reporting periods, we may have recognized changes in the value of the equity interest in the acquiree in other comprehensive income (i.e., due to the fact that the investment has been classified as available for sale). If so, the amount that was recognized in other comprehensive income shall be recognized on the same basis as would be required if we had disposed directly of the previously held equity interest. We recognize any contingent consideration at fair value at the acquisition date. Subsequent changes to the fair value of such contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IAS 39 either in the statement of comprehensive income or as a change in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

Goodwill in a business acquisition is initially measured at cost, being the excess of the cost of acquisition transferred over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If this cost of acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss. Any goodwill arising on the acquisition of a foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising

on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Based on IFRS 3 "Business combinations," goodwill is not amortized. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Trade and other short-term receivables

Trade receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amount. We make an estimate for doubtful debts when collection of the full amount is no longer probable. Bad debts are written off when all possible legal actions have been exhausted. When the inflow of cash or cash equivalents arising from goods sold or services rendered is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a finance transaction, the fair value of the consideration is determined by discounting all future receipts using the prevailing interest rate for a similar instrument of an issuer with a similar credit rating. The difference between the fair value and the nominal amount of the consideration is recognized as interest revenue in future periods in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Provisions and Contingent Liabilities

Provisions are recognized when we have a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When we expect some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. Provisions are re-examined at the reporting date and are adjusted so as to represent the present value of the expense that will be needed to settle the liability. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at an after-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability of a potential outflow of funds embodying economic benefits is remote. Contingent assets are not recognized but are disclosed when a cash inflow is probable. Provisions are recognized on each financial statements' date (and interim) based on the best and reliable estimate for potential excess of cost (payments to winners) in games with predetermined odds, as this is provided by the contracts between the company and the clients. The provision amount arising from this calculation is recognized and booked as an expense.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred by an individual project is capitalized if, and only if, all of the following are demonstrated: the technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete the intangible asset and use or sell it, the ability to use or sell the intangible asset, how the intangible asset is expected to generate probable future economic benefits, the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset, and the ability to reliably measure the expenditure attributable to the intangible asset during its development.

Following the initial recognition of the development expenditure, the cost model is applied, requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the capitalized development expenditure begins when the development is

complete and the asset is available for use. Any expenditure capitalized is amortized over the period of expected future sales from the related project.

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

Revenue recognition

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

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

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

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

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

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

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

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

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

Dividends: Dividend income is recognized in the statement of comprehensive income when our right to receive the payment is established.

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

Income tax

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

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

Deferred income tax liabilities are recognized for all taxable temporary differences except: (i) if the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and (ii) in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences and carry-forward unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, or the unused tax losses, can be utilized except if: (i) 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 (ii) in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

We do not measure deferred income tax as regards the undistributed profits of subsidiaries, branches, associates and joint ventures due to the elimination of intercompany profits, from relevant transactions, as they are considered insignificant.

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

INDUSTRY OVERVIEW

In this Offering Memorandum, we rely on and refer to information regarding the industry in which we operate and compete. All market data is based on or derived from reports provided by independent, widely-used and respected industry research providers.

Global gaming market

Overview

The gaming industry comprises lottery games, casinos, sports betting, bingo, horse racing, gaming machines and online gaming. According to GBGC, Gross Gaming Yield ("GGY"), which constitutes gross turnover in respect of gaming activities less the amount paid out to players as winnings, is estimated to have grown to U.S.$430.6 billion in 2012 from U.S.$224.1 billion in 2001, representing a CAGR of 6.1%. We consider 66.0% of total GGY as our addressable market, which includes lottery games, sports betting, horse racing, gaming machines, interactive gaming and other activities, such as bingo. Our addressable market excludes casinos and Indian gaming.

Each gaming jurisdiction is at a different stage of the development cycle and is therefore subject to its own distinct dynamics. The main drivers of the development cycle include introduction of stable and clear regulatory regimes, product innovation, liberalization and privatization.

Introduction of stable and clear regulatory regimes

Stable and clear regulatory regimes have proved favorable for operators and provide players with additional security. Regulation within such frameworks evolves in the direction of improving the perception of gaming as a pastime, taking into account the interest of all stakeholders including governments' focus on higher revenue, wider private operators' involvement and consumers' interest in entertainment and chance to win.

Product innovation

An example of product innovation is the introduction of Video Lottery Terminals ("VLTs"), a new generation of slot machines characterized by each terminal being connected to a centralized electronic system that allows the lottery jurisdiction to monitor game play and collect its share of revenue. A variant of VLTs are Ticket-In, Ticket-Out ("TITO") machines, which read and print out slips of paper indicating an amount of money through a barcode which can also be redeemed at automatic kiosks. Other examples include the introduction of linked jackpots, whereby the value of the jackpot increases on each iteration of a game (e.g. combination of EuroJackpot and National Lottery), and of interactive gaming, fuelled by the proliferation of smartphones and tablets.

Liberalization

Liberalization is often reflected in the legalization and opening of a new market, such as the online gaming market, as recently illustrated by the governments of Italy, France, Spain and Denmark. This enfranchises legal operators and consumers into a regulated environment.

Privatization

At present, state-run lotteries contribute to approximately 78% of global lottery sales (including instant tickets and excluding KENO) with privately managed or licensed operators accounting for the remainder. There is an increasing trend for governments to monetize their stakes in lotteries, which represents a significant opportunity for private operators. Given their size, the most prominent example is the privatization of the United States' state lotteries. Illinois Lottery, the first state lottery to undergo privatization, reported strong sales growth in its first year as a private operator. As a result, other states struggling to address budget deficits decided to privatize their own lotteries, with officials in Indiana selecting GTECH Corporation ("GTECH") to operate the state's Hoosier Lottery. Other recent examples include the Irish government's announcement that it is evaluating the National Lottery's options and the Turkish government's intention to privatize Milli Piyango, either through a partial sale or an Initial Public Offering ("IPO"). In addition, some governments continue to seek the outsourcing of their domestic lotteries through concessions.

Gaming market trends by region

The global gaming market GGY is estimated to have grown at 6.1% p.a. between 2001 and 2012, supported by growth in emerging markets (South & Central America and Africa are estimated to have grown at 10.0% and 10.1% p.a., respectively) and change in regulations and product innovation in mature economies (Oceania and Europe are estimated to have grown at 8.8% and 7.4% p.a., respectively).

GGY by region	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ billions)							(%)
Asia and the Middle East	73.4	72.9	78.7	83.5	85.6	83.6	84.5	93.5	98.1	116.2	128.8	135.6	5.7%
Europe	55.3	62.5	78.2	95.6	97.5	106.7	122.0	130.5	120.2	114.7	125.1	120.6	7.4%
North America	75.3	79.8	85.3	92.3	99.4	105.9	112.7	115.1	110.1	111.3	114.4	119.6	4.3%
South & Central America	10.1	9.4	12.4	14.5	15.8	16.9	21.4	22.3	23.2	26.0	28.6	28.6	10.0%
Oceania	8.2	9.1	11.3	13.5	14.5	14.7	16.7	16.7	16.3	19.0	20.9	20.6	8.8%
Africa	1.9	1.9	2.9	3.2	3.9	4.2	4.5	4.7	4.7	5.1	5.3	5.6	10.1%
Total	**224.1**	**235.5**	**268.8**	**302.7**	**316.7**	**332.1**	**361.8**	**382.8**	**372.7**	**392.3**	**423.1**	**430.6**	**6.1%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates.

Asia and the Middle East together are estimated to be the largest gaming market by GGY and are estimated to have accounted for 31.5% of GGY in 2012 (U.S.$135.6 billion). According to GBGC, the market is forecast to grow at near historical levels primarily driven by opportunities in sports betting and mobile and online gaming in China, as well as betting and casino expansion in countries such as the Philippines and Macau.

In 2012, Europe is estimated to have accounted for 28.0% of the global gaming market (U.S.$120.6 billion). Going forward, GBGC forecasts the European gaming market to continue to grow at slightly below historical levels in spite of a challenging economic environment. This trend is expected to be supported by a number of new initiatives, such as same-store-sales growth through the launch of new products (e.g. EuroJackpot), the privatization of the Turkish and Greek lotteries, a higher number of VLTs in Italy and Greece, new regulation in markets that will result in the enfranchisement of legal operators and consumers (e.g. Denmark and Poland) and an increase in demand for interactive forms of gaming (e.g. online and in-play).

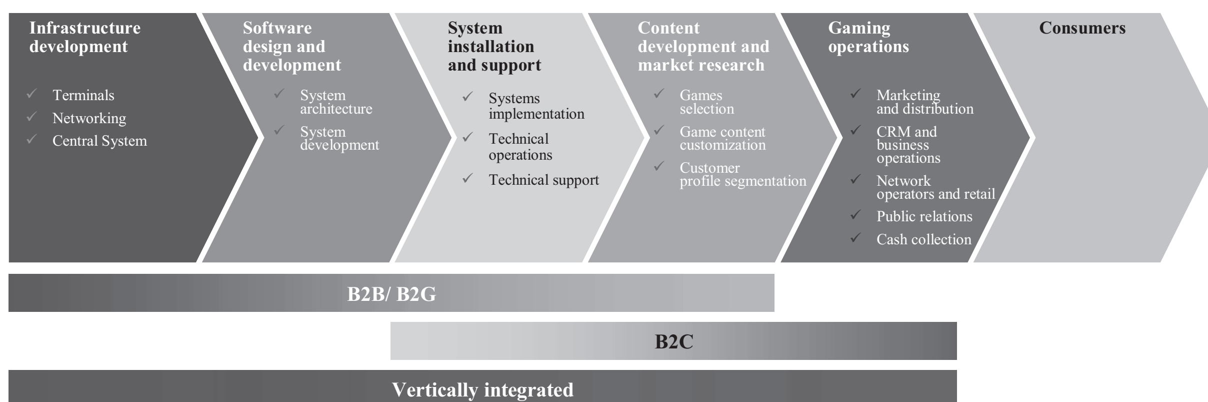
North America is estimated to have contributed to 27.8% of the global gaming market GGY in 2012 (U.S.$119.6 billion), 58.2% of which was attributable to casinos. GBGC forecasts the market to grow at slightly below historical levels as a result of same-store sales growth initiatives (e.g. Powerball), the privatization of lottery management (e.g. Pennsylvania) and the introduction of a regulatory framework for online gaming.

South & Central America and Africa are estimated to have contributed to 7.9% of the global gaming market GGY in 2012 (U.S.$28.6 billion and U.S.$5.6 billion, respectively). Both regions are forecast to continue to grow, although at a rate slightly below historical levels, with Argentina, Brazil and South Africa the primary contributors to expansion given increased interest in retail, casino and gaming machines.

Market structure and business model

Our addressable market comprises a large number of state-owned and private state-licensed lottery operators and several providers of gaming solutions and services, as well as vertically integrated operators such as Intralot.

Gaming market value chain



Source: Company

Although there are a large number of Business-to-Consumer ("B2C") operators, which typically manage frontline customer-facing activities, and of Business-to-Business ("B2B")/ Business-to-Government ("B2G") operators, which manage the support stages of the value chain, there are few vertically-integrated operators that have the capabilities to manage activities across the whole value chain.

While B2B/B2G and vertically-integrated operators tend to be global in nature, B2C operators tend to be regional and centered around a local regulated market. B2C operators, particularly in lotteries, are often state entities, unable to pursue opportunities abroad as this falls outside of their mandate. Private entities, on the other hand, have B2C capabilities that are difficult to transfer or replicate across gaming jurisdictions.

B2B/B2G operators provide hardware and software solutions as well as operational support services to B2C operators. Vertically integrated operators help develop underlying gaming technologies and have the ability to operate across all forms of interactive and retail channels. In addition to technology contracts, these operators pursue frontline engagements such as management contracts and licensed operations.

We began operating B2G technology contracts after being awarded a government procurement contract. Since then, we have successfully grown into B2C-related engagements, which have helped us obtain a comprehensive view of the gaming market value chain.

B2B & B2G

Operators within B2B/B2G offer various types of technology solutions, products and services. Vendors can be categorized into two tiers according to the type of solution provided. Top tier vendors are capable of implementing integrated end-to-end gaming solutions and operational services worldwide, while supporting multiple gaming offerings. Second tier vendors exhibit a narrower technology and service offering and have a more limited installation experience. In addition, several technology and service providers are focused on a specific scope, gaming offering or country.

The B2B/B2G market's barriers to entry vary as a function of the scope, magnitude and complexity of the given contract. Experience in delivering a tailored solution, track record of implementation and service level are key to winning contracts. B2B/B2G engagements are typically governed by long-term technology or management contracts.

B2C

The B2C gaming market includes lottery games, sports betting, horse racing, gaming machines and other concessions. In most jurisdictions, a state-owned entity holding an exclusive concession acts as the operator. In some jurisdictions, single or multiple licenses (e.g. betting in Italy) are awarded through an open tender, with only vertically integrated operators being able to provide competitive bids. Country-specific operators often bid through a consortium comprised of one or multiple B2B/B2G operators. The winning bidder or qualified licensee pays a fee in advance.

Concessions have strong defensive qualities such as resilience to economic downturns. Barriers to entry are high, given extensive technical skills, the ability to pay up-front fees and a long-term relationship with local governments are key to securing a license to operate. In some cases, operators also need to comply with licensing pre-requirements. B2C engagements typically fall under licensed operations but can occasionally materialize in the form of management contracts.

Contractual arrangements

B2B/B2G and B2C engagements are carried out under three types of contractual arrangements: technology contracts, management contracts and licensed operations.

Technology contracts

Through technology and/ or service contracts providers typically offer: (i) systems design, delivery and ongoing support operations; (ii) terminal installation and maintenance; (iii) telecommunications network installation, management and maintenance; and (iv) other technical support services.

Management contracts

Under management contracts, the operator usually provides technical services and solutions as well as day-to-day operations such as retail network optimization, facilities management (e.g. call centre, field services and communications), interactive services, bookmaking services and other operational services (e.g. telemarketing, warehouse, distribution). Management contracts often entail the management of all gaming activities across the value chain, with very few roles falling under the state's or the private operator's responsibility (e.g. game approvals, regulatory oversight, etc.).

For technology and management contracts, the operator receives a share of the total amount wagered by players based on a pre-determined percentage. Alternatively, the operator can receive an annual fixed payment over an agreed period of time.

Licensed operations

Operators assist in the operation and control of every aspect of the gaming offering. Contract structures are in many cases open-ended, with revenues generated through wagers.

Competition

Competition in the gaming market is increasing due to the proliferation of destination gaming venues and the augmenting popularity of online gaming. Competition for lottery contracts is also rising.

The two international players that operate across B2B/B2G and B2C segments and compete with us for all types of contracts are Lottomatica Group S.p.A ("Lottomatica"), mainly through its subsidiary GTECH, and Scientific Games Corporation ("Scientific Games"). Lottomatica has strongholds in Italy and the United States and offers online, instant and traditional lotteries; pool, pari-mutuel and fixed-odds betting; interactive games; gaming machines; gaming systems; and multichannel gaming entertainment products and services. Scientific Games mainly operates in the United States, Mexico and Canada and offers instant lottery games; lottery gaming systems; terminals and services; online applications; and server-based interactive gaming machines and associated gaming control systems. In addition to these international competitors, in each jurisdiction we also face competition from numerous local companies, particularly for licensed operations.

Competition in the B2C segment is a function of the regulation in each jurisdiction. In general, B2C players face competition not only from local operators, but also from alternatives to gaming (i.e. product substitution).

Gaming market trends by product

Our addressable market includes lottery games, sports betting, horse racing, gaming machines, interactive gaming and other activities, such as bingo. Casinos and Native American gaming are excluded.

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ billions)							(%)
Lottery games	63.5	66.8	73.7	83.1	87.0	91.3	100.5	105.9	104.8	107.4	120.4	121.9	6.1%
Casinos	48.8	51.7	59.3	66.7	70.8	75.7	86.4	90.4	85.6	97.2	113.9	119.2	8.5%
Gaming machines	58.6	59.1	68.0	76.9	80.6	80.7	83.4	91.1	89.9	93.1	91.8	91.2	4.1%
Betting	32.7	34.9	41.7	46.3	45.4	48.8	54.0	57.2	54.8	56.7	58.2	58.1	5.3%
Native American gaming	12.8	14.7	16.8	19.5	22.6	24.9	26.1	26.7	26.5	26.5	27.2	28.7	7.6%
Other activities (Bingo etc.)	7.7	8.3	9.3	10.3	10.4	10.6	11.2	11.4	11.1	11.4	11.7	11.4	3.7%
Total	**224.1**	**235.5**	**268.8**	**302.7**	**316.7**	**332.1**	**361.8**	**382.8**	**372.7**	**392.3**	**423.1**	**430.6**	**6.1%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Lottery games represent the most traditional segment and have historically attracted the largest number of players. The segment is estimated to have contributed to 28.3% of the total global gaming market in 2012 (U.S.$121.9 billion). Overall, growth in the segment has been supported by a shift towards liberalization and privatization. This segment, according to GBGC, is forecast to grow at slightly below historical levels, with South & Central America acting as the primary driver of expansion.

Casinos are estimated to have contributed to 27.7% of the global gaming market in 2012 (U.S.$119.2 billion) and are expected to grow at below historical levels. Growth is expected to be primarily driven by Asia and the Middle East.

The gaming machines market is estimated to have accounted for 21.2% of the global gaming market in 2012 (U.S.$91.2 billion) and is forecast to grow at historical levels. Much of this growth is expected to originate from content optimization (e.g. gaming, graphics), the roll-out of more sophisticated machines and yield management tools, particularly within North America.

Betting is estimated to have accounted for 13.5% of the global gaming market in 2012 (U.S.$58.1 billion) and is forecast to grow at near historical levels. In markets like the UK, where the bulk of activity revolves around betting, activity tends to decline during recessionary periods but recovers quickly as consumer sentiment grows. As a response, operators are increasing the density of the network and improving their product offering. In relation to horse racing, in markets where activity levels are in decline, operators tend to increase attendance by increasing the number of races per track and cross-selling (i.e. racinos).

Out of the total global gaming market activity, 8.9% is estimated to have been performed online (U.S.$38.3 billion). The segment comprises betting (48.4%), casinos (18.9%), poker (12.3%), state lotteries (11.0%), bingo (6.4%) and skill and other gaming (3.0%). The global online market has recently benefited from growing sales in connected electronic devices such as smartphones and tablet PCs which is expected to result in an increase in the share of mobiles as an online channel as the demand for mobile sports book and interactive betting rises.

Our key gaming markets

Turkey

Overview

The gaming market in Turkey, a country with an estimated population of 74.7 million in 2012, is dominated by lottery games, sports betting and horse racing offered by state-owned or state-licensed operators. Based on 2012 estimated GGY, lottery and betting games accounted for 24.5% and 75.5% of the market, respectively. All other forms of gaming are prohibited.

Total market size by GGY is estimated to have grown to U.S.$3.1 billion in 2012 (U.S.$41.9/capita) from U.S.$0.7 billion in 2001, representing a CAGR of 14.1%. Key developments include the return to growth for lottery games after a 9.5% decline in 2010, the announcement of the privatization of the

state-owned lottery operator Milli Piyango, the sustained growth of sports betting and measures imposed by the government to prevent unauthorized operators from offering online gaming.

In Turkey, we operate in a consortium with Turkcell Iletisim Hizmetleri A.S. (“Turkcell”) through our 45.0%-owned subsidiary Inteltek S.A. (“Inteltek”), which manages the sports betting game as part of a contract with Spor Toto Association (“Spor Toto”).

The performance of the Turkish gaming market across sports betting, lottery games and horse racing is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR ’01-12E
						(US$ millions)							(%)
Sports betting	0	0	0	58	345	505	472	627	823	1,202	1,318	1,608	n/m
Lottery games	474	406	427	479	534	532	619	732	716	648	665	769	4.5%
Horse racing	256	275	366	417	569	546	742	719	647	699	774	755	10.3%
Total	**730**	**682**	**794**	**954**	**1,448**	**1,583**	**1,833**	**2,079**	**2,187**	**2,549**	**2,758**	**3,131**	**14.1%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Sports betting: Spor Toto is the exclusive license holder in the country. The central betting and the risk management systems, as well as the implementation, support and maintenance of related IT infrastructure, are run by our subsidiary Inteltek. Sales distribution is carried out through 5,000 betting shops, online channels and mobile phones. Sports betting GGY is estimated to have grown to U.S.$1.6 billion in 2012 from U.S.$58 million in 2004, representing a CAGR of 51.3%.

Lottery games: the main provider of lottery games in the country is Milli Piyango, which is expected to undergo a privatization process in 2013. Even though lottery games GGY has been volatile between 2001 and 2012, it is estimated to have grown to U.S.$769 million in 2012 from U.S.$474 million in 2001, representing a CAGR of 4.5%. This increase is primarily driven by lotto and passive lotteries, partially offset by a general shift from instant lotteries (10.7% of lottery sales in 2007 to 5.8% in 2011) to sports betting and instant wagering.

Horse racing: is popular and has a long history in Turkey. The industry is administered by the Jockey Club of Turkey, which has exclusive permission to organize races. There are eight major racecourses in the country, all recently renewed or newly built, and the country is host to a number of international races. The sales network has expanded to 2,000 betting agents across the country. Horse racing GGY is estimated to have grown to U.S.$755 million in 2012 from U.S.$256 million in 2001, representing a CAGR of 10.3%.

United States of America

Overview

The United States of America, with an estimated population of 314.3 million in 2012, is home to the largest gaming market in the world, with 48 out of 50 states allowing some type of gaming. The market comprises lottery games, sports betting, casinos, gaming machines, horse racing and Native American gaming.

The United States of America gaming market is estimated to have grown to U.S.$100.1 billion in 2012 (U.S.$318.4/capita) from U.S.$65.0 billion in 2001, representing a CAGR of 4.0%. Over this period, the market has been impacted by economic downturns with GGY decreasing in 2009 (negative 3.3%) and 2010 (negative 0.6%). In the context of the current environment, states running high budget deficits tend to foster gaming in order to increase revenue from taxes.

We operate under 12 contracts as system supplier of online numerical, scratch and VLT games in ten jurisdictions as of March 31, 2013. Since 2008, we have been awarded contracts by the state lotteries of Ohio (three contracts), Arkansas, Louisiana, South Carolina, New Hampshire, Idaho, Vermont, Montana, New Mexico and Washington, D.C. We also carry out the supply and operation of a lottery gaming system for online games. Our customers in the United States are the above mentioned state lotteries, and our main competitors are GTECH and Scientific Games.

The performance of the gaming market across casinos, Native American gaming, lottery games, gaming machines, horse racing, sports betting and other activities, such as bingo, is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Casinos	26,011	26,670	27,231	28,684	29,952	32,021	33,271	32,120	29,531	28,961	32,130	33,175	2.2%
Native American gaming	12,825	14,721	16,829	19,482	22,582	24,892	26,147	26,742	26,486	26,506	27,157	28,705	7.6%
Lottery games	15,128	16,379	17,164	18,535	19,268	20,885	21,150	21,428	21,209	21,713	21,886	24,001	4.3%
Gaming machines	2,978	3,276	3,617	3,995	4,651	5,565	6,442	7,971	8,126	7,831	6,022	6,619	7.5%
Horse racing	3,864	3,898	3,922	3,849	3,658	3,760	3,754	3,529	3,102	2,847	2,692	2,602	(3.5%)
Sports betting	113	111	124	116	132	141	176	166	127	154	159	166	3.6%
Other activities (Bingo etc.)	4,105	4,115	4,036	4,204	4,208	4,182	4,202	4,199	4,416	4,447	4,591	4,815	1.5%
Total	**65,023**	**69,170**	**72,924**	**78,865**	**84,451**	**91,445**	**95,142**	**96,155**	**92,997**	**92,458**	**94,637**	**100,084**	**4.0%**

Source: GBGC Global Gambling Report 2013, in which some numbers for 2011 and numbers for 2012 are estimates

Casinos: is the largest gaming sector in terms of GGY, with 635 venues across 13 states, with approximately 50% based in Nevada. GGY is estimated to have grown to U.S.$33.2 billion in 2012 from U.S.$26.0 billion in 2001, representing a CAGR of 2.2%. Casinos GGY has been impacted by the economic downturn as well as by the increase in the popularity of online gaming.

Native American gaming: consists of bingo, gaming machines located in convenience stores or truck stops and casinos located within Native American reservations. Tribal gaming is non-profit and aims at aiding tribal development and self-sufficiency and is therefore not subject to federal income tax or other federal or state taxes. GGY is estimated to have grown to U.S.$28.7 billion in 2012 from U.S.$12.8 billion in 2001, representing a CAGR of 7.6%.

Lottery games: the most stable and popular type of gaming, with around 50% of adults playing the lottery at least once a year. State-owned lotteries are run in 44 states with retailers being small general stores and corners. The segment comprises various numerical games as well as instant lottery games. Lottery games GGY is estimated to have grown to U.S.$24.0 billion in 2012 from U.S.$15.1 billion in 2001, representing a CAGR of 4.3%.

Gaming machines: located in racinos, casinos and establishments with a liquor license. In 2012, 18 states permitted the operation of gaming machines. GGY is estimated to have grown to U.S.$6.6 billion in 2012 from U.S.$3.0 billion in 2001, representing a CAGR of 7.5%.

Horse racing: includes traditional horse race betting which can be carried out at racetracks, dedicated shops and corners or online. It is operated in 38 states. GGY has declined significantly since 2001, mainly driven by players switching to other betting games. GGY is estimated to have declined to U.S.$2.6 billion in 2012 from U.S.$3.9 billion in 2001, representing a negative CAGR of 3.5%.

Sports betting: includes fixed-odds sports betting as well as sports pool games. Only four states have some form of sports betting, and only Nevada has a sports betting product similar to that offered in Europe. GGY is estimated to have grown to U.S.$166.3 million in 2012 from U.S.$112.7 million in 2001, representing a CAGR of 3.6%.

Jamaica

Overview

Jamaica, with an estimated population of 2.7 million in 2012, has a gaming sector comprising lottery games, sports betting, machine gaming, casinos and online gaming. Total market size by GGY is estimated to have grown to JMD 19.0 billion in 2012 (JMD 7,040.4/capita) from JMD 11.0 billion in 2001, representing a CAGR of 5.1%.

In Jamaica, we provide lottery games, interactive gaming, VLTs and sports betting through our 50.05% ownership in Intralot Caribbean Ventures Ltd ("ICV"), which controls 49.9% of the main gaming operator in Jamaica, Supreme Ventures Ltd ("SVL"). SVL, through its subsidiary Prime Sports (Jamaica) Limited, holds the exclusive license for lottery games and internet gaming, which has been

extended until 2033. Our customers in this jurisdiction are retail players. Competition exists only within the VLT segment, where various other operators participate.

The performance of the Jamaican gaming market across lottery games, gaming machines, horse racing, casinos and sports betting is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(JMD millions)							(%)
Lottery games	5,662	6,204	6,374	6,801	7,652	10,132	10,485	10,794	11,025	11,218	11,376	11,507	6.7%
Gaming machines	3,559	3,630	3,699	3,769	3,903	4,041	4,185	4,333	4,487	4,646	4,811	4,982	3.1%
Horse racing	1,615	1,569	1,572	1,580	1,776	2,014	2,104	1,946	2,057	2,151	2,230	2,296	3.3%
Casinos	126	129	166	169	172	175	179	182	186	189	193	196	4.1%
Sports betting	0	0	3	4	3	7	14	17	20	23	26	28	n.m.
Total	**10,963**	**11,532**	**11,813**	**12,323**	**13,507**	**16,369**	**16,967**	**17,272**	**17,775**	**18,227**	**18,636**	**19,009**	**5.1%**
Avg. U.S.$/JMD	*45.740*	*48.398*	*57.177*	*60.695*	*62.033*	*68.972*	*68.976*	*72.868*	*88.318*	*87.422*	*86.021*	*88.524*	

Source: H2 Gambling Capital, in which numbers for 2008 to 2012 are estimates; Bloomberg

Lottery games: SVL is the sole lottery operator in Jamaica following the discontinuation of The Daily Bingo and Prime Time Bingo games in January 2009. Lottery games GGY is estimated to have grown to JMD 11.5 billion in 2012 from JMD 5.7 billion in 2001, representing a CAGR of 6.7%.

Gaming machines: SVL holds licences to operate up to 750 VLTs in Jamaica. SVL operates two state-of-the-art gaming facilities, Cross Roads and Odyssey Gaming Lounge, and has a 48% share of the market. In 2012, a ban on gaming lounges and shops with between 20 and 150 machines was lifted, which is expected to help drive overall market growth. GGY is estimated to have grown to JMD 5.0 billion in 2012 from JMD 3.6 billion in 2001, representing a CAGR of 3.1%.

Horse racing: involves bookmakers, off-track betting facilities and a racetrack. Horse racing GGY is estimated to have grown to JMD 2.3 billion in 2012 from JMD 1.6 billion in 2001, representing a CAGR of 3.3%.

Casinos: casino GGY is estimated to have grown to JMD 196 million in 2012 from JMD 126 million in 2001, representing a CAGR of 4.1%.

Sports betting: in 2008 we signed a ten-year contract with Big "A" Track Ltd ("Big A") to operate fixed-odds betting through a network of 1,000 points of sale. SVL started offering sports betting services in January 2010 and plans to strengthen the retail chain by introducing an additional 200 betting terminals. Sports betting GGY is estimated to have grown to JMD 28 million in 2012 from JMD 3 million in 2003, representing a CAGR of 28.8%.

Greece

Overview

Greece, with an estimated population of 11.4 million in 2012, has a gaming market comprising casinos, lottery games and sports betting. With an estimated GGY of U.S.$1.7 billion in 2012 (U.S.$146.2/capita), the per capita gaming market expenditure in Greece is among the highest in the world.

From 2001 to 2008, the Greek GGY grew by 16.3% p.a. from U.S.$1.1 billion to U.S.$3.2 billion driven by (i) the modernization and upgrade of the retail network; (ii) the development and introduction of new games, mainly sports betting and KENO; and (iii) stricter control on illegal gaming. Greek GGY has since been impacted by the economic downturn and is estimated to have reached U.S.$1.7 billion in 2012. According to GBGC, total growth in GGY is forecast to be below historical levels.

In Greece, we have contracts covering lottery games, sports betting, interactive gaming and horse racing. Our key customers are OPAP and ODIE. Our main competitors during tender processes are GTECH and Scientific Games.

The performance of the Greek gaming market across lottery games, casinos, sports betting, horse racing and gaming machines is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Lottery games	286	283	389	666	863	909	1,073	1,219	1,274	1,082	943	801	9.8%
Casinos	490	531	659	754	785	894	1,095	1,129	903	687	608	493	0.1%
Sports betting	226	287	375	416	342	383	550	722	541	451	435	346	4.0%
Horse racing	61	63	72	82	80	85	77	87	72	50	39	27	(7.1%)
Gaming machines	35	20	0	0	0	0	0	0	0	0	0	0	(100.0%)
Total	**1,098**	**1,183**	**1,495**	**1,917**	**2,070**	**2,271**	**2,795**	**3,158**	**2,790**	**2,271**	**2,025**	**1,667**	**3.9%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Lottery games: very popular in Greece, with the game KENO representing up to 85% of lottery games GGY. Two companies offer lottery games in Greece, state-owned Hellenic State Lotteries and OPAP. The Greek state concluded the privatization process of OPAP in May 2013 through the disposal of 33% of its 34% stake to Emma Delta Ltd ("Emma Delta"). OPAP has 5,300 sales agents in Greece and offers six numerical lottery games. We are the provider of the online system for OPAP and in 2007 we were awarded a contract for the complete lottery and sports betting infrastructure and related services. Hellenic State Lotteries' products include number and instant games. A joint venture owned by Intralot, OPAP and Scientific Games has signed a 12-year exclusive license contract with the Hellenic Republic Asset Development Fund for the production, operation, circulation, promotion and management of the Hellenic State Lotteries in Greece. The concession will cover current passive lottery tickets and future instant lotteries using physical tickets, as well as internet sales of tickets. Lottery games GGY is estimated to have grown to U.S.$801 million in 2012 from U.S.$286 million in 2001, representing a CAGR of 9.8%.

Casinos: seven out of nine casinos in operation are private. The two state-owned casinos are part of the Greek government's privatization portfolio. Casinos GGY in 2012 is estimated to have returned to 2001 levels having peaked in 2008. The development of the sector has been affected by a drop in casino attendance as a result of a decrease in disposable income and competition from casino operators in neighboring countries (e.g. from the Republic of Macedonia).

Sports betting: includes fixed-odds sports betting as well as sports pool games. OPAP is the sole operator and holds the license until 2030. Sports betting GGY is estimated to have grown to U.S.$346 million in 2012 from U.S.$226 million in 2001, representing a CAGR of 4.0%.

Horse racing: includes traditional horse race betting which can be carried out in dedicated shops and corners or online. ODIE has the sole right to organize bets on horse races through a 20-year license. ODIE has been state-owned since 1968 and is now part of the government's privatization portfolio. An expression-of-interest process has been completed, with the tender process expected to commence soon. We have been a close partner of ODIE since 1998 and have developed a betting system for a 250 agency sales network. Horse racing GGY is estimated to have declined to U.S.$27 million in 2012 from U.S.$61 million in 2001, representing a negative CAGR of 7.1%.

Gaming machines: in 2011, OPAP was awarded an exclusive 10-year license to introduce 35,000 VLTs in the Greek gaming market. The contract contemplates a tax rate of 30% on gross profits and a minimum payout of 80%. OPAP has stated that it will operate 16,500 VLT machines on its own, while it will subcontract the remaining 18,500 to between four and ten third-party operators.

Australia

Overview

Australia, with an estimated population of 22.8 million in 2012, has a mature gaming market. It is estimated that approximately 70% of the adult population in Australia engages in some form of gaming, including gaming machines, casinos, horse racing, lottery games and to a lesser extent sports betting.

The industry has seen strong growth since 2001 in the majority of segments, although the primary driver has been gaming machines. Total market size by GGY is estimated to have grown to

U.S.$18.8 billion in 2012 (U.S.$823.3/capita) from U.S.$7.5 billion in 2001, representing a CAGR of 8.7%. Total growth has slowed since 2010 as the market continues to mature.

In Australia, our wholly-owned subsidiary Intralot Pty Ltd ("Intralot Pty") was granted a ten-year license to operate a variety of new lottery and instant ticket games in the State of Victoria in 2008, which ended the state's long-standing monopoly in lottery operations. In addition, our wholly-owned subsidiary Intralot Gaming Services Pty Ltd ("IGS") supplies a remote monitoring system to control 27,000 gaming machines under a 15-year contract with the State of Victoria. Our licensed operations customers are retail players and our monitoring contracts key customers are third-party VLT/AWP operators. Our main competitor is Tatts Group Ltd ("Tatts Group").

The performance of the Australian gaming market across gaming machines, casinos, horse racing, lottery games, sports betting and other activities, such as bingo, is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Gaming machines	4,311	4,846	5,887	7,021	7,709	7,814	8,716	8,445	8,164	9,377	10,208	9,904	7.9%
Casino	1,325	1,390	1,670	1,994	2,026	2,218	2,548	2,666	2,701	3,229	3,516	3,513	9.3%
Horse racing	931	1,028	1,294	1,495	1,678	1,683	1,980	1,984	2,036	2,423	2,824	2,793	10.5%
Lottery games	831	884	1,100	1,316	1,402	1,426	1,608	1,729	1,760	2,047	2,261	2,171	9.1%
Sports betting	44	67	88	134	107	120	148	180	178	287	297	285	18.5%
Other activities (Bingo etc.)	71	72	82	92	96	92	100	98	92	105	108	106	3.8%
Total	**7,512**	**8,287**	**10,120**	**12,051**	**13,018**	**13,352**	**15,101**	**15,102**	**14,932**	**17,467**	**19,213**	**18,772**	**8.7%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2011 and 2012 are estimates

Gaming machines: Electronic Gaming Machines ("EGM") are the most popular gaming product in Australia. Gaming machines GGY has been impacted since 2007 by the introduction of a smoking ban. The gaming machines market has returned to growth in recent years, although this has been limited due to the widening of the smoking ban to gaming areas of clubs and hotels as well as to the introduction of caps in some jurisdictions. Nevertheless, gaming machines GGY is estimated to have grown to U.S.$9.9 billion in 2012 from U.S.$4.3 billion in 2001, representing a CAGR of 7.9%.

Casinos: six companies operate 13 casinos across all states. Casinos in Australia are "Las Vegas-style" venues with a large number of tables and machines. The casino segment's growth has been driven by an increased number of visitors (e.g. Crown Casino, operated by Crown Ltd ("Crown"), in Melbourne is a top tourist attraction). As a result, casinos GGY is estimated to have grown to U.S.$3.5 billion in 2012 from U.S.$1.3 billion in 2001, representing a CAGR of 9.3%.

Horse racing: continues to dominate the wagering market in Australia. The Australian horse racing industry was negatively impacted by the outbreak of equine influenza virus in 2007. However, the market has recovered and at the end of the 2011-2012 season there were 381 race clubs which conducted 19,168 races during the year. In 2012, horse racing GGY is estimated to have grown to U.S.$2.8 billion from U.S.$0.9 billion in 2001, representing a CAGR of 10.5%.

Lottery games: a highly developed sector managed by the government and five companies operating in the country. The performance of the lottery market has remained strong and lottery games GGY is estimated to have grown to U.S.$2.1 billion in 2012 from U.S.$0.8 billion in 2001, representing a CAGR of 9.1%.

Sports betting: involves fixed-odds wagering. Growth in the market has been robust and has benefited from the outbreak of the equine influenza virus in 2007, which shifted revenues towards sports betting as fewer racing products were available. Sports betting GGY is estimated to have grown to U.S.$285 million in 2012 from U.S.$44 million in 2001, representing a CAGR of 18.5%.

Argentina

Overview

Argentina, with a population of 41.3 million in 2012, has a gaming sector comprising state-operated lotteries, privately-operated bingo halls (including slot machines), casinos and pari-mutuel horse race betting operations licensed and taxed at the provincial level. Lottery gaming is regulated at

the federal and state level. Operations are spread across the country's 23 provinces and the city of Buenos Aires. The country also has an evolving online gaming industry.

Total market size by GGY is estimated to have grown to U.S.$7.8 billion in 2012 (U.S.$189.0/capita) from U.S.$2.2 billion in 2001, representing a CAGR of 12.3%. Key market trends and developments include the entry of international online bookmakers into the market and additional slot machines being incorporated on horse racing tracks, which is expected to translate into increasing attendance.

In Argentina, we cover lottery games, sports betting, interactive gaming and horse racing through Technology contracts. We hold a majority stake in Tecno Accion S.A. ("Tecno Accion") which operates approximately 9,300 terminals in 12 of the 24 jurisdictions in Argentina. Our key customers are state-operated lotteries. Our main competitors are two local companies that provide services to other provinces.

The Argentine market remains a core focus for us as its growth projections are attractive given the relatively low penetration of gaming and the potential introduction of new products, such as numerical and sports betting games.

The performance of the Argentine gaming market across gaming machines, lottery games, casinos, horse racing, sports betting and other activities, such as bingo, is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Gaming machines	460	220	587	728	849	1,229	1,881	1,986	2,364	3,000	3,215	3,815	21.2%
Lottery games	1,106	1,018	1,397	1,515	1,719	1,729	1,842	2,034	1,838	1,969	2,380	2,509	7.7%
Casinos	406	320	446	514	554	574	677	739	840	1,009	1,052	1,207	10.4%
Horse racing	70	65	87	95	39	40	48	57	51	55	70	69	(0.1%)
Sports betting	0	0	0	0	0	1	1	1	1	1	1	1	26.1%
Other activities (Bingo etc.)	140	103	129	144	153	154	174	181	161	180	181	205	3.5%
Total	**2,182**	**1,726**	**2,645**	**2,996**	**3,315**	**3,726**	**4,622**	**4,997**	**5,254**	**6,214**	**6,899**	**7,804**	**12.3%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Casinos and gaming machines: Argentina has 150 casinos and 50,000 slot machines which by law must have a minimum 85.0% payout rate. The industry is mainly comprised of small casinos and slot halls, many independently owned, focused on the capital and province of Buenos Aires. Gaming machines GGY is estimated to have grown to U.S.$3.8 billion in 2012 from U.S.$0.5 billion in 2001, representing a CAGR of 21.2%. Casinos GGY is estimated to have grown to U.S.$1.2 billion in 2012 from U.S.$0.4 billion in 2001, representing a CAGR of 10.4%.

Lottery games: nationwide lotteries in Argentina are run by the government under the Loteria Nacional Sociedad del Estado. Lotteries in the Buenos Aires province are run and overseen by Loteria de la Provincia de Buenos Aires. Our subsidiary, Tecno Accion, holds an estimated 46.0% market share within the provincial lotteries market. Lottery games GGY is estimated to have grown to U.S.$2.5 billion in 2012 from U.S.$1.1 billion in 2001, representing a CAGR of 7.7%.

Horse racing: approximately 750,000 families are estimated to participate in the horse racing industry in Argentina. There are five racetracks in the country. There are seven bookmakers dedicated exclusively to horse racing in the capital, 57 in the province of Buenos Aires and 37 others across the remainder of the country. These agencies take in between 69.0% and 72.0% of horse racing bets nationwide. Argentine horseracing GGY is estimated to have decreased to U.S.$68.6 million in 2012 from U.S.$69.7 million in 2001 as a result of reduced attendance at racetracks. Following the successful implementation of a racino in the Hipodromo Argentino de Palermo S.A. ("HAPSA"), the installation of additional slot machines in two of the largest tracks in the province of Buenos Aires (San Isidro and La Plata) is expected to increase attendance and reverse this trend.

Sports betting: sports betting is limited in Argentina and largely centers on football. The only officially recognized football gaming product is Pronosticos Deportivos ("ProDe"). Sports betting GGY is estimated to have grown to U.S.$0.6 million in 2012 and is expected to grow further as the Argentine Football Association is expected to create a system with the National Lottery that would expand the number of sales points and allow customers to bet on a larger number of results.

Other/online: individual provinces may authorize online sports betting provided that only local residents are allowed to play. Online gaming is not legal in the country's capital although new regulation is expected and Casino Club S.A. ("Casino Club") and our company are looking to participate.

Bulgaria

Overview

Bulgaria, with an estimated population of 7.3 million in 2012, has a gaming market comprising lottery games, sports betting, casinos, gaming machines and bingo. As a result of negative economic developments which resulted in the closure of a number of premises as well as increase in the gaming activities tax, GGY is estimated to have decreased to U.S.$538 million in 2012 (U.S.$74/capita) from U.S.$816 million in 2008, representing a negative CAGR of 5.2%.

In Bulgaria, we provide sports betting through our wholly owned subsidiary, Bilot Ltd ("Bilot"), which holds a 49.0% stake in the privately owned licensed operator Eurofootball Ltd ("Eurofootball"). Our customers are retail players, and our competitors are offshore gaming operators that offer similar games online.

The performance of the Bulgarian gaming market across gaming machines, sports betting, casinos, lotteries and other activities, such as bingo, is summarized below:

GGY by product	2008A	2009A	2010A	2011A	2012A	CAGR
			(US$ million)			08-12A
Casinos	268	271	252	248	237	(2.4%)
Lotteries	109	123	142	160	155	7.4%
Sports betting	406	258	163	148	134	(19.9%)
Other activities (Bingo etc.)	33	22	22	23	12	(18.0%)
Total	**816**	**674**	**579**	**579**	**538**	**(8.0%)**

Source: Company

Casino: there are 726 gaming halls in the country. The industry is likely to face further contraction and consolidation due to the restrictions introduced by the new Gambling Act, which contains requirements regarding the minimum number of slot machines per hall. There are currently 26 casinos in Bulgaria, with almost three quarters located in the three most populous cities. Casinos GGY is estimated to have decreased to U.S.$237 million in 2012 from U.S.$268 million in 2008, representing a negative CAGR of 2.4%.

Lottery games: two key operators, state owned Bulgarian Sports Totalizator ("BST") and privately owned Eurochance Ltd ("Eurochance"). BST organizes and conducts lottery games and sports betting under a licence granted under the Gambling Act. In Bulgaria, 50% of winnings are required to be returned to players in the form of prizes and 15% paid in the form of taxes. Lottery GGY is estimated to have grown to U.S.$155 million in 2012 from U.S.$109 million in 2008, representing a CAGR of 7.4%.

Sports betting: in 2003, Eurofootball was awarded a 17 year contract to operate the country's fixed-odds betting through a network of 700 POS. We acquired a 49% stake in the company in 2002 and installed a new online centralized system throughout the retail network. In 2012, we partnered with Satellite Information Services Ltd ("SIS") to provide betting shops with access to live SIS broadcasts. The recession had a negative effect on handle, with GGY falling from U.S.$406 million in 2008 to U.S.$134 million in 2012, representing a negative CAGR of 19.9%. Activities were further affected by an increase in betting tax from 10% to 15% of handle.

Italy

Overview

Italy, which has an estimated population of 61.0 million, has a gaming market comprising state-run casinos and privately-run lotteries, gaming machines, sports betting, bingo halls and interactive games. Italy is estimated to have the largest gaming market in Europe with a total GGY of U.S.$25.1 billion in

2012 (U.S.$411.2/capita). The country is considered as a model in terms of gaming liberalization and regulation.

Since 2001, the Italian gaming market has experienced strong growth through the majority of its segments driven by (i) the liberalization of the market with the legalization of online gaming and the introduction of VLTs; (ii) the modernization and upgrade of the retail network; (iii) the development of new product offerings as well as an increase in average payout ratios from 68.0% in 2007 to 81.0% in 2012; and (iv) more stringent control on illegal gaming. The market has grown from U.S.$5.6 billion in 2001 to an estimated U.S.$25.1 billion in 2012, representing a CAGR of 14.6%. The following trends are expected to shape the Italian market going forward: (i) further consolidation of the Italian gaming market and retail network; (ii) development and expansion of the online gaming market; and (iii) continued introduction of innovative products.

In Italy, we operate individual licenses covering sports betting and horse racing, interactive games and video lottery games. In March 2013, Intralot Gaming Machines S.p.A. ("IGM") was awarded a nine-year concession regarding the operation of AWP/VLTs. Our customers are retail players. Our main competitors are Snai S.p.A ("Snai"), Sisal S.p.A. ("Sisal") and Lottomatica.

The performance of the Italian gaming market across gaming machines, lottery games, casinos, sports betting, horse racing and other activities, such as bingo, is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Gaming machines	0	0	83	1,111	2,853	3,876	5,126	6,354	7,102	8,162	12,956	14,311	n/m
Lottery games	4,040	4,339	4,670	7,433	5,724	6,312	8,142	9,645	10,228	8,851	9,855	7,802	6.2%
Casinos	468	501	611	692	598	635	701	769	1,050	1,062	1,180	1,081	7.9%
Sports betting	361	358	421	499	528	747	883	1,378	1,336	1,340	1,282	875	8.4%
Horse racing	739	789	1,003	1,081	1,035	1,096	1,123	998	827	672	580	382	(5.8%)
Other activities (Bingo etc.)	0	207	397	536	541	617	658	673	590	709	725	635	n/m
Total	**5,609**	**6,193**	**7,185**	**11,352**	**11,279**	**13,282**	**16,634**	**19,816**	**21,131**	**20,796**	**26,578**	**25,086**	**14.6%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Gaming machines: comprise VLTs and AWPs. VLTs are located in gaming halls, licensed betting offices or dedicated machine halls. AWPs are located in bars, cafes and gaming halls. According to AAMS, there were 35,257 VLTs and 364,235 AWPs installed in Italy as of January 2012. The similarity of product offerings has meant that AWPs face product substitution in favor of VLTs. Bplus Giocolegale Ltd ("Bplus"), Cogetech S.p.A ("Cogetech"), Sisal, Gamenet S.p.A ("Gamenet"), Snai and HBG Gaming S.p.A. ("HBG") hold market shares of approximately 34%, 10%, 10%, 9%, 8% and 8% respectively. Gaming machines GGY is estimated to have amounted to U.S.$14.3 billion in 2012 and has grown from U.S.$1 billion in 2004, representing a CAGR of 37.6%.

Lottery games: the most traditional segment of the gaming market and one that has historically attracted the largest number of players. Lottery games can be played in shops and corners as well as gaming halls. Key products include instant lotteries, Lotto and National Totalizator Number Games ("NTNGs"). The lottery market is the most stable and concentrated segment. Lottomatica has an approximately 88% market share (for lottery games and instants) with the remaining share accounted for by Sisal. Lottery games GGY is estimated to have grown to U.S.$7.8 billion in 2012 from U.S.$4.0 billion in 2001, representing a CAGR of 6.2%.

Casinos: there are four casinos in Italy, all of which are state-operated. Although their exclusivity has historically ensured high revenues per casino, aggregate revenue has been declining since 2008. With almost 60% of casino spend originating from slots located on the premises, the business model is exposed to the nationwide proliferation of mini-casinos. Casinos GGY is estimated to have grown to U.S.$1.1 billion in 2012 from U.S.$468 million in 2001, representing a CAGR of 7.9%.

Sports betting: includes fixed-odds sports betting as well as sport pool games. Sports betting takes place through a dedicated retail network (betting shops and corners) and online. We hold an approximately 7% market share in the Italian sports betting market and are the largest non-Italian operator, with our key competitors being Snai, Lottomatica and Sisal. Sports betting GGY is estimated

to have grown to U.S.$874.9 million in 2012 from U.S.$361.2 million in 2001, representing a CAGR of 8.4%.

Horse racing: includes traditional horse race betting which can be carried out in dedicated shops and corners or online. GGY from horse betting has significantly declined since 2007, mainly driven by players switching to other betting games. Additionally, horse betting is subject to high taxes on turnover, which reduces the payout to players. Horse racing GGY is estimated to have decreased to U.S.$382.4 million in 2012 from U.S.$1,123.2 million in 2007, representing a negative CAGR of 19.4%.

Bingo: played in dedicated halls or online. Although legalized in 2000, it remains a fragmented and local sector. Currently 225 concessionaries are active in the segment. The bingo market has struggled in recent years and in 2009, AAMS intervened and implemented temporary provisions to allow operators to increase pay-out (from 58.0% to 70.0%) and reduce the turnover tax rate from 24.0% to 12.0%.

Interactive gaming: has experienced strong growth since being legalized in 2005, and has expanded from sports betting into poker and casino activities. The online games market is highly fragmented with local and international companies competing through a wide range of offerings. The key players, in addition to our company, are Microgame S.p.A ("Microgame"), Lottomatica, Snai and Bwin.Party Digital Entertainment plc ("Bwin").

Peru

Overview

Peru, with an estimated population of 30.8 million in 2012, has a gaming market comprising casinos, machine games, lottery games, horse racing and sports betting. The casino and VLT segments of the industry have benefited from an increase in international tourists over the last ten years as well as several reforms to the casino and slot machines legal framework, which has created a more competitive and attractive market for operators. Local operators continue to dominate the Peruvian casino and slots market, although there has been a growing presence of international operators in recent years.

The market has seen strong growth since 2001, primarily driven by casinos and gaming machines which has benefitted from foreign investment. Total market size by GGY is estimated to have grown to U.S.$647 million in 2012 (U.S.$21.0/capita) from U.S.$142 million in 2001, representing a CAGR of 14.8%. Going forward, total growth in GGY is forecast to remain robust but below historical levels.

In Peru, we operate through our wholly owned subsidiary Intralot de Peru S.A.C. ("IP"), which holds an automatically renewable license to operate lottery games and to offer a wide variety of numerical games, fixed-odds betting and instant tickets through 2,000 POS across Peru. In addition, our wholly-owned subsidiary Gaming Solutions International operates a network of approximately 2,000 VLTs in the country. Our customers are retail players. Our main competitors in the VLT segment are various local operators.

The performance of the Peruvian gaming market across casinos, gaming machines, lottery games, horse racing, sports betting and other activities, such as bingo, is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(US$ millions)							(%)
Casinos	92	93	96	99	102	105	215	278	355	444	464	436	15.2%
Gaming machines	23	23	24	25	26	28	60	72	100	122	129	154	18.9%
Lottery games	15	16	17	18	19	21	23	25	27	33	37	38	9.0%
Horse racing	7	7	6	5	7	8	9	9	8	9	11	11	4.0%
Sports betting	3	3	3	2	3	3	3	3	3	4	4	4	4.7%
Other activities (Bingo etc.)	3	3	3	3	3	3	4	4	4	3	3	3	0.4%
Total	**142**	**144**	**149**	**154**	**160**	**167**	**312**	**391**	**497**	**614**	**647**	**647**	**14.8%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2012 are estimates

Casinos: the number of casinos has grown rapidly over the last decade primarily as a result of the enactment of a gaming law in 1994. There are 15 casinos in Peru, most of them operating in the city of

Lima, although casino projects have also been developed in smaller cities. Local operators dominate the Peruvian casino market, but international players have entered the market through investments in or joint ventures with local businesses. Casinos GGY is estimated to have grown to U.S.$436.5 million in 2012 from U.S.$91.8 million in 2001, representing a CAGR of 15.2%.

Gaming machines: according to the Direccion de Juegos de Casino y Maquinas Tragamonedas ("DGJCMT"), there are more than 60,000 slot machines in 680 venues. By regulation, venues have to be located in casinos within three- to five-star hotels or five fork restaurants. Slot machines may be operated in any other type of establishment. Gaming machines GGY is estimated to have grown to U.S.$154.2 million in 2012 from U.S.$23.0 million in 2001, representing a CAGR of 18.9%.

Lottery games: Intralot de Peru operates lottery games and sports betting in the country. The company offers an established product suite (e.g. Tinka, Kabala, Rapitinkas, Juega 3) as well as an online lottery and electronic games. In order to appeal to a wider audience, we have introduced mobile phone text games and a game linked to horse racing. Lottery games GGY is estimated to have grown to U.S.$38.4 million in 2012 from U.S.$14.8 million in 2001, representing a CAGR of 9.1%.

Horse racing: there are two horse tracks in Peru, one in the city of Arequipa and another one in Lima. The segment has slowly recovered from low levels in 2004, in terms of both visitor numbers and bets made at the track. Since then, The Jockey Club of Perú re-launched the pari-mutuel horseracing game Polla & Pollon in conjunction with IP in April 2012 and announced the intention to open a casino at the Hipodromo de Monterrico. Horse racing GGY is estimated to have grown to U.S.$10.6 million in 2012 from U.S.$6.9 million in 2001, representing a CAGR of 4.0%.

Sports betting: GGY is estimated to have grown to U.S.$4.2 million in 2012 from U.S.$2.5 million in 2001, representing a CAGR of 4.8%. Intralot de Peru is one of the leading sports-betting operators in the country. Offshore gaming operators have also entered the sports betting Peruvian market.

Romania

Overview

The gaming market in Romania, a country with an estimated population of 21.4 million in 2012, is one of the largest in southeast Europe. The market is dominated by gaming machines, which are estimated to have accounted for 60.1% of GGY in 2012.

Total market size by GGY is estimated to have increased to U.S.$594 million in 2012 (U.S.$27.8/capita) from U.S.$126 million in 2001, representing a CAGR of 15.1%.

In Romania, we operate through our 60.0% owned subsidiary, Lotrom S.A. ("Lotrom"). Lotrom has a contract with the Romanian National Lottery Organization ("CNLR") to provide IT and related services for the operation of CNLR's lottery, video lottery system and fixed-odds betting game. In addition, Lotrom is responsible for CNLR's product design, events selection, odds compilation and risk management. Lotrom also participates in developing the marketing and promotional strategy of the national lottery in cooperation with CNLR. Lotrom's network includes approximately 1,700 points of sale.

The performance of the Romanian gaming market across gaming machines, casinos, lottery games, sports betting, and other activities, such as bingo, is summarized below:

GGY by product	**2001A**	**2002A**	**2003A**	**2004A**	**2005A**	**2006A**	**2007A**	**2008A**	**2009A**	**2010A**	**2011A**	**2012E**	**CAGR '01-12E**
						(US$ millions)							**(%)**
Gaming machines	15	23	38	69	101	173	300	482	444	372	350	357	33.0%
Casinos	29	34	52	76	89	99	135	160	209	108	111	98	11.9%
Lottery games	26	27	63	105	83	102	121	138	120	84	88	86	11.6%
Sports betting	15	16	20	23	25	30	38	44	33	30	31	35	7.8%
Other activities (Bingo etc.)	41	30	27	25	17	21	25	26	22	20	20	18	(7.1%)
Total	**126**	**129**	**200**	**299**	**315**	**426**	**619**	**849**	**827**	**614**	**600**	**594**	**15.2%**

Source: GBGC Global Gambling Report 2013, in which numbers for 2011 and 2012 are estimates

Gaming machines: there were 412 operators and 56,252 machines in the country as of September 2012. The three leading slot operators are Novomatic A.G. ("Novomatic"), Max Bet Srl ("Max Bet") and Game World Romania Srl ("Game World"). Casino Technology, an international supplier of gaming equipment, is also present in the market through Advanced Technology Innovations Srl ("ATI"). Gauselmann AG ("Gauselmann") operates electronic casinos. Gaming machines GGY is estimated to have grown to U.S.$356.8 million in 2012 from U.S.$299.6 million in 2007, representing a CAGR of 3.6%.

Casinos: the number of casinos has decreased from 22 in 2008 to nine in 2012. The largest casino operators are Grand Casino Romania S.R.L. ("Grand Casino"), Casinos Austria International Holding GmbH ("Casinos Austria International") and Ritzio Bu S.R.L. ("Ritzio"). Romanian casino GGY has decreased to an estimated U.S.$98.3 million in 2012 from U.S.$134.8 million in 2007, representing a negative CAGR of 6.1%. Casinos have been significantly affected by the economic crisis together with tax hikes, and operators have experienced financial difficulties.

Lottery games: Loteria Romana holds an exclusive license offering eight games, from the classic lotto to VLTs. Proceeds are channeled to education, culture and health. Lottery games GGY has been volatile between 2001 and 2012 and is estimated to have decreased to U.S.$86.3 million in 2012 from U.S.$121.5 million in 2007, representing a negative CAGR of 6.6%. In order to boost sales, Loteria Romana re-launched scratch tickets in 2008 and is increasing its retail network to include other agents, such as supermarkets and gas stations.

Malta

Overview

Malta, with an estimated population of approximately 400,000 in 2012, has a gaming market comprising sports betting, horse betting, casinos, gaming machines and lottery games. The country is considered to be one of the world's leading remote gaming jurisdictions having been one of the first EU member states to adopt standalone online gaming regulations on May 1, 2004 and allowing online gaming since 2000. As of July 2012, the Lotteries and Gaming Authority ("LGA") had granted 425 licenses to online gaming operators that offer games outside of Malta.

Total market size by GGY is estimated to have grown to approximately €120 million in 2012 (€300/capita) from approximately €63 million in 2001, representing a CAGR of 6.0%.

In Malta, we provide games through Maltco Lotteries Limited ("Maltco") including the Grand Lottery, Super 5 and Lotto, as well as U*BET Sports Betting and Horse Racing, Quick Keno, Bingo 75 and Scratchers Instant Tickets, among others. Our customers in this jurisdiction are retail players.

The performance of the Maltese gaming market across casinos, lottery games and gaming machines is summarized below:

GGY by product	2001A	2002A	2003A	2004A	2005A	2006A	2007A	2008A	2009A	2010A	2011A	2012E	CAGR '01-12E
						(€ millions)							(%)
Casinos	38	50	54	56	58	59	61	63	57	54	55	57	3.7%
Lottery games	24	25	26	28	34	33	34	34	35	35	35	36	3.6%
Gaming machines	1	1	1	1	1	1	2	2	6	13	19	27	39.4%
Total	**63**	**76**	**81**	**85**	**92**	**94**	**96**	**99**	**98**	**102**	**110**	**120**	**6.0%**
Avg. €/U.S.$	*0.896*	*0.946*	*1.133*	*1.244*	*1.244*	*1.256*	*1.371*	*1.471*	*1.395*	*1.327*	*1.393*	*1.286*	

Source: H2 Gambling Capital, in which numbers for 2012 are estimates; Bloomberg

Casinos: there are four casinos licensed to operate in Malta: Oracle Casino, Casino Potromaso, Dragonara Casino and Casino di Venezia. Oracle Casino and Casino Portomaso are operated by domestic real estate and leisure holding company Tumas Group Ltd ("Tumas"). Casino di Venezia operates independently, while Dragonara Casino, the last casino to be awarded an operating licence in Malta, is run by the French casino operator Lucien Barriere S.A. ("LB"). Casinos GGY is estimated to have grown to €57.0 million in 2012 from €38.3 million in 2001, representing a CAGR of 3.7%.

Lottery games: the National Lottery of Malta is operated by Maltco, in which we have a 73.0% stake. In July 2012, Maltco obtained a renewal of its ten-year concession to operate the National

Lottery. Lottery games GGY is estimated to have grown to €35.9 million in 2012 from €24.3 million in 2001, representing a CAGR of 3.6%.

Gaming machines: a developed sector that historically exhibited significant growth due to the lack of a comprehensive regulatory framework. This prompted the enactment of the Gaming Devices Regulation in May 2011 to control the future development of the sector within a well defined framework. Gaming machines GGY is estimated to have grown to €27.1 million in 2012 from €0.7 million in 2001, representing a CAGR of 39.4%.

Sports betting: the only operator of fixed-odds sports betting in Malta is Maltco. The company offers three different football betting games.

Horse racing: Maltco also offers betting on Swedish horse races through Swedish operator ATG.

Bingo: commercial bingo is very popular in Malta, home to six operators: Deluxe Club, Embassy Entertainment, Fair Play (Qawra), Fair Play (St. Julians) and Preluna Bingo.

Online: one of the world's leading remote gaming jurisdictions by number of licenses issued. Operators include Betfair International Plc ("Betfair"), Betsson Malta Ltd ("Betsson"), Unibet International Ltd ("Unibet"), Expekt.com Ltd ("Expekt") and Interwetten Malta Ltd ("Interwetten"). As a remote gaming hub, Malta's gaming market is prone to be affected by developments at both the European and single country level.

BUSINESS

Business Overview

We are a global leader in the supply of integrated gaming systems and services. We design, develop, operate and support customized software and hardware for the gaming industry and provide innovative technology and services to state and state-licensed lottery and gaming organizations worldwide. Since our establishment more than 20 years ago, we have developed innovative technological and operating know-how and experience, which are central to maintaining our existing customer relationships as well as winning new contracts. Our long-standing relationships with our customers gives us valuable insight into their strategic and other business needs. We operate a diversified and stable portfolio of 81 contracts and licenses across 55 jurisdictions in 36 countries worldwide. Our business activities range from the provision of customized gaming platforms to full management of end-to-end gaming operations either for our own or other licensed operations, depending upon the market in which we operate. Our games library includes more than 550 games, including lotteries, sports betting, Video Lottery Terminals (VLTs)/Amusement with Prizes machines (AWPs) and racing.

In the last twelve months ended March 31, 2013, we had revenue of €1,382.6 million and EBITDA of €190.9 million on a fully consolidated basis for entities that we control, although we may have minority ownership in some such subsidiaries. See "Presentation of Financial and Other Information." In the three years ended December 31, 2010, 2011 and 2012, we had revenue of €1,115.7 million, €1,202.4 million and €1,374.0 million, respectively, and EBITDA of €152.7 million, €153.8 million and €177.5 million, respectively. As of March 31, 2013, we had net debt of €384.5 million and a market capitalization of €275.0 million as of July 31, 2013 (source: Athens Exchange S.A.). In addition, as of March 31, 2013, we had 5,507 full-time employees.

Competitive Strengths

Broad-based Diversification across Contracts, Geographies and Business Activities

We have a diversified portfolio of 81 contracts and licenses, including: 48 technology and support services contracts, which comprised 31.6% of our revenue net of payout during the last twelve months ended March 31, 2013; five management contracts, which comprised 16.2% of our revenue net of payout during the same period; and 28 licenses, which comprised 52.2% of our revenue net of payout during the same period. Our business is also well-diversified geographically, with operations in 55 jurisdictions on five continents and no single market representing more than 12.1% of our EBITDA during the last twelve months ended March 31, 2013. In addition, Greece, where our business consists primarily of contracts with the Greek Organization of Football Prognostics S.A. ("OPAP"), represented only 5.2% of our revenue for the last twelve months ended March 31, 2013. With our operations split across the three core business activities of technology and support services, management and licensed operations and in various jurisdictions, we believe our EBITDA generation remains well-diversified. We believe we are the most diversified gaming provider among our peers, which allows for enhanced revenue and earnings stability. In addition, we are well positioned in markets with attractive growth prospects such as South America and Asia.

Highly Visible Recurring Revenues

We believe that we have a significant revenue pipeline because of the long-term nature of our contracts and our strong track record of contract renewals. The terms of our 48 technology and support services contracts range from less than one year to 26 years, with an average remaining contract length (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 4.3 years (or 5.4 years taking into account certain of our customers' renewal options). The terms of our five management contracts range from five to nine years, with an average remaining contract length (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 3.3 years (or 4.9 years taking into account certain of our customers' renewal options). During the period from 2006 to 2012, we grew our licensed operations significantly. Many of our licensed operations contracts are open-ended, meaning they do not have a fixed term or are automatically renewable on a periodic basis, as long as we comply with the license terms. We believe this adds to the stability of our revenue streams.

We also have a strong track record of renewing or extending our expiring contracts. Since 2007, we have successfully renewed or extended more than 90% of our contracts which were expiring. Based on our historical experience, we expect to renew the substantial majority of our contracts at their respective expirations, which we believe reflects the strength of our incumbent position.

During the last three months ended March 31, 2013, 83.9% of our revenue was attributable to contracts that (i) do not expire in the next five years, (ii) are periodically renewable provided the licensee conforms with the applicable contractual requirements or (iii) are in liberalized markets where the contracts are extended or renewed through a non-competitive process.

Leading Proprietary Technology with Track Record of Innovation

We believe that we are at the forefront of our industry in terms of innovation and quality, which has given us one of the most technologically-advanced and reliable product offerings in our business. We test an average of 30 gaming concepts across our business activities per year to remain competitive in our offering of the latest games and variations for the players. We believe that our leading research and development ("R&D") capability enables us to compete effectively on the basis of technology, incur lower capital expenditure and upfront costs, as well as to reduce ongoing maintenance spend with lower breakdown costs. As of March 31, 2013, we held approximately 70 patents and designs worldwide and had approximately 70 additional patents at various stages of approval. We spent approximately €19.6 million, €16.6 million and €17.5 million in 2010, 2011 and 2012, respectively, on R&D. In each of those years, we have been included in the EU Industrial Research & Development Investment Scoreboard prepared and published by the European Commission for our significant investments in R&D, which we believe demonstrates our leadership and commitment as a technological provider.

Best-in-Class Risk Management and Corporate Controls

Our primary payout risk comes from our sports betting book. We manage this risk through best-in-class local odds setting as well as a betting center in Greece that controls our global fixed odds betting activity and payout policy on a real-time basis. Our sports betting portfolio represented approximately 46.6% of our total revenue for the last twelve months ended March 31, 2013, and we have a long track record of successfully managing payout risk. See "Business—Our Products and Services—Services—Risk Management (for Sports Betting Games)." We also enter into risk exchange agreements with major international betting operators when possible to further reduce our exposure to any one potential outcome.

Furthermore, we have rigorous internal controls and compliance procedures that follow listing standards and international best practices for cash management and legal and regulatory compliance. This includes procedures to monitor transactions, maintain key back-up procedures and regular contingency planning as well as internal audits and procedures to detect money laundering. All of these procedures are facilitated in part by our central monitoring and control system that tracks all of our operations through our Lotos Open System ("Lotos"). In September 2011, we became the first international lottery vendor to be certified according to the World Lottery Association Security Control Standard.

Proven and Highly Scalable Operating Model

We believe that we are well-positioned to benefit from global growth opportunities while adhering to strict investment criteria, with the aim to achieve target threshold return. We seek to take advantage of the recent global trend towards liberalization of gaming regulations by leveraging our proven track record across different geographies and regulatory environments. We have extensive experience working with regulators in the 55 jurisdictions in which we operate, which we are able to apply globally. We have a highly scalable business model supported by our advanced IT platform, which requires minimal customization to be used in new jurisdictions. In addition, our product offering is adaptable, enabling us to provide technology to third-party operators, manage operations on behalf of licensees, or hold and manage licenses directly as the circumstances permit. This is demonstrated by our track record in winning 29 out of 52 relevant international gaming tenders that we have participated in since 2005. In many of our licensed operations, we operate through joint venture arrangements with local partners. We believe these joint venture arrangements provide the best means to penetrate and operate in certain markets, as we are able to benefit from our partner's local relationships and we are able to share extensive know-how.

Strong and Experienced Management Team

We have a seasoned and experienced management team, most of whom have been with the Company since its establishment. Our management team has extensive experience in various gaming businesses and has a strong entrepreneurial and strategic perspective on the international gaming industry. This enables us to identify and pursue evolving industry opportunities with significant revenue generation potential before our competitors. For example, our management team identified the potential for growth in sports betting games and has since focused on leveraging our operational advantage in the sports betting markets throughout the world. In Italy, we entered the newly regulated betting market in 2007 and became the top foreign sports betting operator by market share (source: Amministrazione Autonoma dei Monopoli di Stato ("AAMS")). In addition, our management team has successfully gained market share in the U.S. lottery market, which was previously dominated by our two key competitors. We entered that market with our first state lottery contract in 2003, and since then our management team has focused on pursuing U.S. opportunities by leveraging our technology advantage in the state-run lottery market. We are still the only non-U.S. company holding contracts with U.S. state lotteries and currently have 12 technology and support services contracts with nine states and the District of Columbia.

Strategy

Exploit Existing Contracts to Optimize Cash Flow

Our strategy is to improve our cash flows by reducing total capital expenditure following our recent expansion phase. We expect to benefit from the ramp-up of our recently-initiated contracts. We also seek to grow organically through the optimization of our gaming portfolio and network. We have already identified and realized cost savings from central service functions across our contracts, such as through our Nefos cloud computing solution which enables the consolidation of dispersed data centers. We believe we can further identify and realize additional cost savings in the future. We also believe we can manage our licensed operations to optimize costs. We are applying best practices for the centralization of costs and purchases from all our markets in order to optimize our cash flow across our global operations.

Proactively Manage Our Contract Portfolio

Our strategy is to improve the average profitability of our contract portfolio by focusing on the renewal of our contracts on profitable terms. Our diversification allows us to exit unprofitable contracts where possible. In addition, we will seek to selectively enter new contracts that match our stringent profitability and cash generation targets. We believe we have a strong track record in contract renewals both as a result of our incumbent position and our key strengths, which include our leading technology solutions as well as our extensive operational experience in diverse and competitive markets, which allow us to tailor product offerings to meet local preferences and establish successful gaming operations. We also continue to evaluate the profitability of our contracts and have selectively terminated less profitable ones, such as our recent closure of operations in Egypt, Guatemala, France and Spain.

Maintain Leadership in Technology and Product Innovation

We seek to develop leading technology in lottery gaming, sports betting, VLTs/AWPs, racing and IT products and services through continuously investing in innovative solutions and adopting proven methodologies and best practices in all of our designs and implementations. Our R&D efforts include partnerships and collaborative initiatives with the wider IT community in Greece and abroad. For instance, we have a partnership with the Athens Information Technology Center for various research projects and recently established a dynamic, technology-oriented Gaming Innovation Cluster in partnership with the Corallia Clusters Initiative in Greece. As of March 31, 2013, we held approximately 70 patents and designs worldwide and had approximately 70 additional patents at various stages of approval. See "Business—Intellectual Property." Our R&D efforts have led to the development of our modular Lotos platform, which we expect to become the universal platform to help us better tailor and continuously improve our product solutions. See "Business—Our Products and Services—Products—Lotos Gaming Platform."

Strong Values and Commitment to Responsible Gaming Operations

We seek to promote responsible gaming operations, which we believe are essential to renewing our existing contracts and winning new ones with lottery and gaming organizations. We strive to adhere to the following objectives across the Intralot Group network:

- comply with the laws and regulations as set out by regulators in host countries;
- ensure that the interests of players and vulnerable groups are protected;
- continually develop appropriate practices and technologies on the basis of market research and information gathered from our global operations;
- promote the implementation of responsible gaming practices in our corporate activities and externally with our customers' activities; and
- educate and provide the public with accurate and balanced information so as to enable players to make informed gaming choices.

In general, regulators require us to provide well-designed games in a secure environment while preventing, to the maximum extent possible, underage, illegal and problem gambling and minimizing any potential harm to society.

Selective Participation in New Opportunities

While we primarily aim to exploit our cash flows from our existing contractual portfolio following the end of our expansion program in 2010, we also aim to selectively look for profitable opportunities pursuant to our stringent investment policies. The best practices we have developed during our expansion allow us to minimize operating risks, which in turn we believe will enable us to optimize our cash flow profile. In addition, we seek to minimize risk by working with partners who can provide local experience and reduce our capital requirements. For example, we participate in a joint venture that recently won a major new scratch card and lottery ticket concession in Greece, which will enable us to introduce a new product with minimal investment. Our participation in the joint venture allows us to provide technology and management services, as well as to participate in any equity upside, with minimal capital demands.

Our History

Our company, Intralot S.A., was incorporated in Athens, Greece on August 6, 1992, winning its first domestic contract (for scratch tickets) in 1993 and its first international contract (in Romania) in 1994. The Greek scratch ticket contract was renewed in 1998. In 1999, Intralot S.A. was listed on the Athens Exchange S.A. (the "Athens Exchange"). In the same year, we won the OPAP betting contract. By 2003, we expanded beyond Europe to Chile and Peru and, in 2003, entered the U.S. market.

Between 2006 and 2010, we went through a significant expansionary period, growing our footprint from 14 jurisdictions in 2006 to 56 jurisdictions in 2010. During that time we also positioned ourselves in the liberalized Italian betting market, and in 2010 extended our OPAP contract for an additional three years. In the last five years, we have won a number of contracts, such as a ten-year betting contract in Turkey in 2008; a VLT contract in the State of Ohio (United States) in 2010; a ten-year VLT contract in Italy in 2009; a 15-year VLT monitoring (technology) contract in Victoria, Australia in 2011; a ten-year lottery license in Malta in 2012; and a three-year extension of our contract for the provision of central gaming and a statewide retail network system in South Carolina in 2013.

Our Business Activities

Business Activities

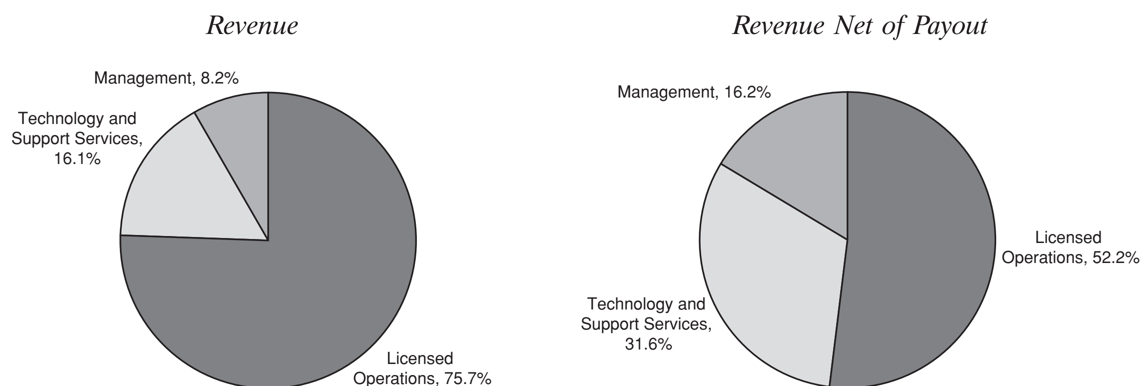
We have three business activities: Technology and Support Services Contracts; Management Contracts; and Licensed Operations.

The following table summarizes the principal products and services provided in each of our business activities:

	Technology and Support Services Contracts	**Management Contracts**	**Licensed Operations**
Description	Provision of: • Central gaming system • Lottery terminals • Telecommunications system/solutions • Related peripheral equipment and software • Implementation services and/or • Maintenance and support services • Monitoring systems for VLT operations	Management of all the aspects of a gaming operation: • Provision of technology solutions as described under "Technology and Support Services Contracts" • Day-to-day operations • Marketing services • Sales network development and management and/or • Risk management/ odds setting for sports betting games	Ownership of a license to operate games including: • Management of services as described under "Management Contracts" and/or • Provision of technology solutions as described under "Technology and Support Services Contracts"
Holder of License	State or state-licensed operator maintains the license	State or state-licensed operator maintains the license	We or our associates maintain the license, which is acquired from a competent local/state government authority
Key Geographies	United States, Greece, Australia, New Zealand and Argentina	Turkey, Romania, Morocco and Russia	Jamaica, Australia, Bulgaria, Italy, Peru, Azerbaijan and Malta
Other Geographies	China, Croatia, Czech Republic, Dominican Republic, Germany, Malaysia, Mexico, Netherlands, Philippines, Romania, Taiwan, Vietnam and Suriname	Brazil	Cyprus, Greece, Moldova, Poland, Russia, Slovakia, South Africa and South Korea

Our key geographies set forth in the table above represented approximately 81.7% of our EBITDA in the last twelve months ended March 31, 2013.

The following diagrams set forth our percentage of revenue by business activity and our percentage of revenue net of payout by business activity, respectively, for the last twelve months ended March 31, 2013:



Our revenue net of payout for our technology and support services contracts, management contracts and licensed operations had a compound annual growth rate of 4.6%, 34.5% and 8.9%, respectively, from the year ended December 31, 2010 to the year ended December 31, 2012.

Technology and Support Services Contracts

Our technology and support activity primarily comprises the supply of technology solutions and support, with the overall operational responsibility remaining with a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with a high level of stable and recurring revenues. These contracts also include the design, development and implementation of software tailored to each jurisdiction and operation. We currently manage 48 individual technology and support services contracts across 39 jurisdictions through 12 subsidiaries. We believe that our technological expertise gives us a competitive advantage worldwide.

Under our technology and support services contracts, we are typically paid a fee by state or state-licensed gaming organizations based on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or (ii) a fixed payment over the duration of the contract in respect of multi-year contracts. In addition, we periodically sell technology equipment and relevant services to other lottery and gaming operators.

Revenues under our technology and support services contracts are not subject to payout costs for player winnings. Our technology and support services contracts represented approximately 16.1% of our revenue and 31.6% of our revenue net of payout in the last twelve months ended March 31, 2013.

Management Contracts

Our management contracts activity primarily comprises the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. We currently operate five management contracts in five jurisdictions through five subsidiaries.

We are paid a fee under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts are not subject to payout costs for player winnings. Our management contracts represented approximately 8.2% of our revenue and 16.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

Licensed Operations

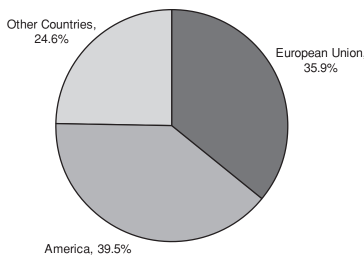
Through our licensed operations activity, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management

of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. In many cases, our licenses are open-ended since they do not have a fixed term or are automatically renewable as long as the licensed terms are complied with. We currently operate under 28 individual licenses through a combination of wholly- and partially-owned subsidiaries and joint ventures, across 16 jurisdictions. We operate through retail locations and online channels.

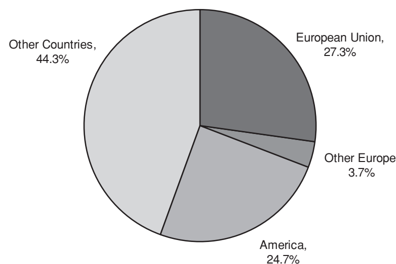
The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings. Our licensed operations represented approximately 75.7% of our revenue and 52.2% of our revenue net of payout in the last twelve months ended March 31, 2013.

The following diagrams set forth our revenue by region and business activity for the last twelve months ended March 31, 2013.

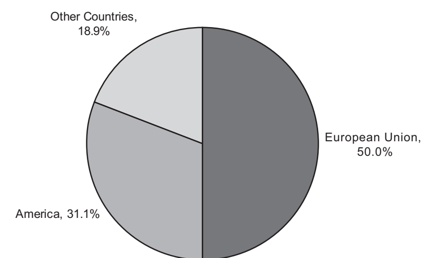
Technology and Support Services Contracts



Management Contracts



Licensed Operations



Technology and Support Services Contracts

Our technology and support services activity primarily comprises the supply of technology solutions and support, with the overall operational responsibility remaining with a state or state-licensed gaming operator. Our contracts in this segment typically include the provision of equipment, software and maintenance and support services to lottery and gaming organizations pursuant to long-term contracts, which provide us with a high level of stable and recurring revenues. Our contracts have an average remaining life (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 4.3 years (or 5.4 years taking into account certain of our customers' renewal options). These contracts also include the design, development and implementation of software tailored to each jurisdiction and operation. We manage 48 individual technology and support services contracts across 39 jurisdictions (including nine U.S. states, the District of Columbia, two Australian states and 12 Argentine states) as of the date of this Offering Memorandum.

Our services under our technology and support services contracts may include:

- Provision of central system hardware and software;
- Provision of application software;
- Provision of terminals and their application software;
- Setup/provision of necessary telecom network;
- Installation of all equipment (central system sites and throughout the POS network);
- Integration with external systems;
- Central monitoring through Lotos;
- Provision of maintenance (corrective and preventive) and technical support services; and
- Provision of all necessary training and support to involved parties.

As a provider of technology and support services, we typically assume certain operational/support tasks on behalf of the gaming operator, such as the day-to-day operation of the online system, the operation of a technical helpdesk and the provision of field support and logistics services.

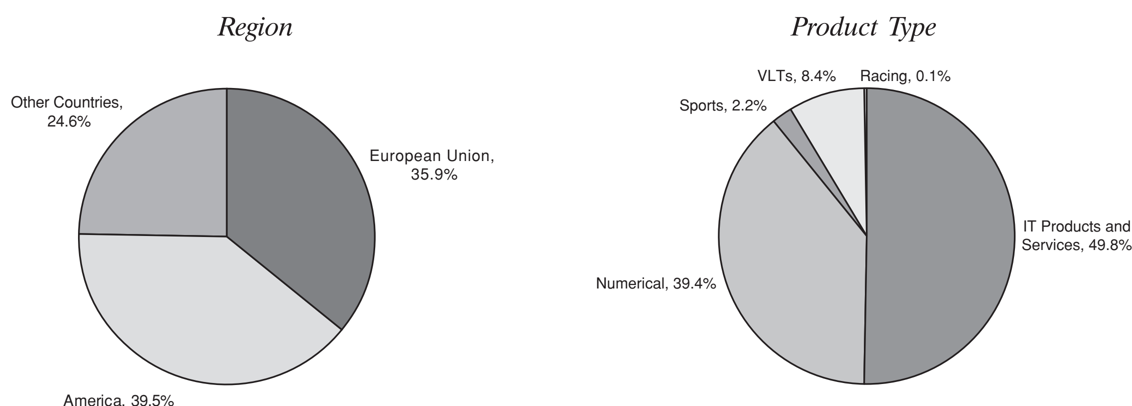
We are typically paid a fee under our technology and support services contracts by our customers on either (i) a pre-determined fixed percentage of customer sales (amounts wagered by players) or

(ii) a fixed payment over the duration of the contract (in respect of multi-year contracts). Approximately 99% of our technology contracts revenue is based on recurring revenues under (i) or (ii) above. In addition, we occasionally provide technology equipment and relevant services to other lottery and gaming operators.

We account for our revenue under our technology and support services contracts as a percentage of amounts wagered. We are not subject to player payout, retailer commissions or gaming tax. The following chart sets forth the business model economics for our technology and support services operations:

Revenue	Primarily a percentage of amount wagered; but also on the basis of fixed charge contracts and equipment sales
Less:	
Other Operating Expenses	Amount spent on related operating activities
Equals:	
EBITDA	Earnings before interest, taxes, depreciation and amortization

Our technology and support services contracts represented approximately 16.1% of our revenue and 31.6% of our revenue net of payout in the last twelve months ended March 31, 2013. The following diagrams set forth our revenue split by region and product type for the last twelve months ended March 31, 2013 with respect to our technology and support services contracts.



The key jurisdictions for our technology and support services business offering are jurisdictions in the United States, Greece, Australia, Argentina and New Zealand.

United States

In the United States, we provide technology and support services for the operation of state-run lotteries through our majority-owned subsidiary Intralot, Inc. Our system enables the sale and validation of lottery tickets. We became the first non-U.S. company to win a tender for the supply of lottery systems when we won a contract to supply the Nebraska state lottery in 2003. We currently operate twelve contracts in nine states and the District of Columbia, including: Ohio, South Carolina, Louisiana, Arkansas, New Hampshire, New Mexico, Idaho, Montana, Vermont and Washington, D.C.

Greece

In Greece, we have a contract with OPAP (the "Existing OPAP Contract") relating to: (1) fixed-odds betting consultancy and operational services; (2) upgrade of the existing technology infrastructure and expansion of the LOTOS HORIZON audiovisual system; (3) the maintenance, technical support and operation of OPAP's central information systems and of the LOTOS O/S platform; and (4) maintenance and support of OPAP's terminals. The contract, which was originally scheduled to expire in July 2013, has been extended until the implementation of OPAP's new central system (described under "—Our Business Activities—Technology and Support Services Contracts").

On July 5, 2013, we announced that we have signed a contract with OPAP for the implementation of a new central system, which is a project we expect will take approximately seven months to complete

(the "Central System Implementation Contract"). In addition, we announced our signing of a new five-year contract with OPAP to provide services for the support, maintenance and evolution of the new central system (the "Central System Services Contract," and together with the Central System Implementation Contract, the "Central System Contracts"), which is set to expire on July 31, 2018. Together with the commencement of the Central System Contracts, we will also begin work on another new contract with OPAP for the provision of maintenance and technological support services related to OPAP's infrastructure (the "Terminals Contract"). The term of the Terminals Contract is two years, with an option for three consecutive one-year renewals.

The total consideration expected to be received for the Central System Contracts is approximately €101.0 million for the contracted period to July 31, 2018. The total consideration expected to be received for the Terminals Contract will be an annual fee of €23 million for the first two years declining to €22 million per annum in the third year, €21 million per annum in the fourth year and €20 million per annum in the last year.

We also have a contract with the Greek Horse-race Betting Organization ("ODIE") for the operation and maintenance of a Totalizator Central System for pari-mutuel betting on horse racing and a racing management information system.

As from 2013, we are also participating in a joint venture for a 12-year concession for the management of the Hellenic State Lotteries in Greece. On July 30, 2013, the joint venture, which is owned by OPAP, Scientific Games and Intralot, signed a 12-year exclusive license contract with the Hellenic Republic Asset Development Fund for the production, operation, circulation, promotion and management of the Hellenic State Lotteries. The concession will cover current passive lottery tickets and future instant lotteries using physical tickets, as well as internet sales of tickets. We expect the Hellenic State Lotteries operations will be launched within six months following the ratification of the contract by the Hellenic Parliament and the receipt of the relevant approvals from the competent regulatory authorities.

On July 26, 2013, we also signed a set of contracts with the joint venture to provide the IT infrastructure, technical services and logistics to operate the Hellenic State Lottery Tickets and also a contract to develop and manage a new sales network for selling the Hellenic State Lottery Tickets. As a result, we have two roles in the joint venture, one as a shareholder and one as a provider of technology and management services.

Australia

We provide technology and support services in two jurisdictions in Australia:

In Victoria, we supply a remote monitoring system to control 27,000 gaming machines under a 15-year contract signed in September 2011 with the State of Victoria, through our wholly-owned indirect subsidiary Intralot Gaming Services Pty Ltd ("IGS"). Our monitoring system is designed to ensure the accurate and uninterrupted monitoring of gaming machine transactions, single and multiple venue linked jackpot arrangements, and the capture of data and information with respect to gaming machines for regulatory, taxation, research and related purposes.

In Western Australia, we supplied an online gaming platform to the Lotteries Commission of Western Australia (Lotterywest) in order to enable Lotterywest's online gaming sales, through our wholly-owned subsidiary Intralot Australia Pty Ltd. We extended our ongoing support contract with Lotterywest to 2016.

Argentina

In Argentina, we provide technology and services mainly for the operation of lottery games and sports betting in 12 of the 24 jurisdictions in the country. We entered the market when we acquired a majority stake in our subsidiary Tecno Accion in 2007, which had an existing presence in the local market. We operate approximately 9,300 terminals in Argentina.

Tecno Accion offers integrated technology solutions for lottery organizations such as central systems and betting validation terminals. Our partners in Tecno Accion are HAPSA, the operator of horse racing in Buenos Aires, and the Casino Club, a casinos manager.

New Zealand

In New Zealand, we provide an electronic monitoring system to link more than 20,000 machines in over 1,800 locations. The electronic monitoring system is to provide controls against illegal gambling, designed to guarantee the integrity of games and limit opportunities for fraud. Our wholly-owned subsidiary Intralot New Zealand Ltd Operations was first awarded the contract in 2005, which was extended in 2010 after an international tender to 2020.

Contracts

The following table sets forth our 48 technology and support services contracts as of the date of this Offering Memorandum.

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Argentina	Tecno Accion	Altec S.E. for Lotería para Obras de Acción Social de Rio Negro	June 1991 to June 2017	
Argentina	Tecno Accion	Altec S.E. for Administración General de Juegos de Azar de La Rioja	July 1993 to May 2017	
Argentina	Tecno Accion	Altec S.E. for Instituto Provincial de Regulación de Apuestas de Tierra del Fuego e islas del Atlántico Sur	Nov. 1993 to Feb. 2018	
Argentina	Tecno Accion	Altec S.E. for Instituto de Lotería y Casino de Corrientes	Jan. 1995 to Apr. 2017	1 two-year renewal
Argentina	Tecno Accion	Altec S.E. for Lotería para Obras de Acción Social de Santa Cruz	Apr. 1999 to Nov. 2014	
Argentina	Tecno Accion	Altec S.E. for Administración de Juegos y Seguro de Catamarca	Oct. 1998 to Dec. 2013	
Argentina	Tecno Accion	Lotería La Neuquina	Feb. 1994 to Feb. 2017	
Argentina	Tecno Accion	Entretenimientos y Juegos de Azar (Salta)	Dec. 1996 to March 2018	
Argentina	Tecno Accion	Caja Social de Santiago del Estero	Jan. 1999 to Aug. 2018	
Argentina	Tecno Accion	Instituto de Seguridad Social Dirección de Ayuda Financiera para la Acción Social (La Pampa)	July 2003 to July 2018	
Argentina	Tecno Accion	Banco de Acción Social de Jujuy	Jan. 2007 to July 2017	3 consecutive two-year extensions
Argentina	Tecno Accion	Hipódromo Argentino de Palermo S.A. (CABA)	March 2001 to Feb. 2015	
Australia (State of Victoria)	Intralot Gaming Services Pty Ltd	Victorian Ministry for Gaming	Aug. 2012 to Aug. 2027	
Australia (Western Australia)	Intralot Australia Pty Ltd	Lotteries Commission of Western Australia (Lotterywest)	June 2008 to June 2016	
China	Melcolot Limited	China Welfare Lottery (CWL)	July 2010 to Dec. 2015	Automatic renewal for five more years by mutual consent
Croatia	Intralot S.A.	Hrvatska Lutrija D.O.O.	June 2010 to 2013	
Croatia	Intralot Interactive	Hrvatska Lutrija D.O.O.	July 2012 to 2016	
Czech Republic	Intralot Czech s.r.o.	FORTUNA sázky, a.s.	July 2011 to July 2021	
Dominican Republic	Intralot Dominicana	Dominican Republic Sajama	July 2009 to Oct. 2020	

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Germany	Intralot Germany	ODDSET Deutschland Sportwetten GmbH (ODS)	July 2013 to June 2019	
Germany	Intralot S.A.	LOTTO HAMBURG GmbH	Jan. 2009 to Dec. 2013	Indefinite duration
Greece	Consortium 'Intralot S.A.—Intralot International Ltd' and Betting Company S.A.(1)	OPAP	Nov. 2007 to Nov. 2010, extended to Nov. 2013	
Greece	Consortium 'Intralot S.A.—Intralot International Ltd' and Betting Company S.A.(1)	OPAP	July 2013 to July 2018	
Greece	Consortium 'Intralot S.A.—Intralot International Ltd' and Betting Company S.A.(1)	OPAP	July 2013 to July 2018	3 one-year options
Greece	Intralot S.A.	ODIE	March 2012 to March 2014 (ongoing project since 1997)	Extension option of one year
Italy	Intralot S.A.	Sisal S.p.A.	July 2010 to Feb. 2020	
Malaysia	Intralot S.A.	Magnum Corporation Berhad	March 2007 to June 2015	Extension option of two years
Mexico	Intralot S.A.	Sorteo Games (for Lotería Nacional para la Asistencia Pública de México)	Nov. 2012 to Nov. 2017	
Netherlands	Intralot Nederland	De Lotto and De Nederlandse Staatsloterij	Apr. 2010 to Dec. 2017	3 one-year extension options
New Zealand	Intralot New Zealand	Department of Internal Affairs (DIA)	March 2007 to May 2020	
Philippines	Intralot S.A.	AB Leisure Exponent Inc (ABLE)	Aug. 2006 to Sept. 2015	
Philippines	Intralot S.A.	Total Gaming Technologies Inc.(TGTI)	Apr. 2004 to Sept. 2020	
Philippines	Intralot S.A.	Pacific Online Systems Corporation (POSC)	Dec. 2006 to July 2015	
Republic of Suriname	Intralot St. Lucia	National Lottery Of Suriname (NLS) / Suriname Holdings Limited	Apr. 2010 to Apr. 2020	Indefinite duration
Romania	The Prime Contractors were Intralot, Intracom S.A. and Lotrom S.A.	CNLR	March 2000 to Dec. 2013	

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Romania	The Prime Contractors were Intralot, Intracom S.A. and Lotrom S.A.	CNLR	Sept. 2003 to Nov. 2013	
Taiwan	Lotrich(2)	China Trust Commercial Bank (CTCB) for the development of the Public Welfare Lottery	Jan. 2007 to Dec. 2023	
United States—Arkansas	Intralot Inc.	Arkansas Lottery Commission	Sept. 2009 to Sept. 2016	3 one-year renewals
United States—Idaho	Intralot Inc.	Idaho State Lottery	Feb. 2007 to Oct. 2020	
United States—Louisiana	Intralot Inc.	Louisiana Lottery Commission	June 2010 to June 2020	2 one-year options
United States—Montana	Intralot Inc.	Montana State Lottery	March 2006 to March 2016	
United States—New Hampshire	Intralot Inc.	New Hampshire Lottery	July 2010 to June 2016	1 four-year renewal
United States—New Mexico	Intralot S.A.	New Mexico Lottery	Nov. 2008 to Nov. 2015	3 one-year options
United States—Ohio	Intralot Inc.	Ohio Lottery Commission (OLC)	July 2009 to June 2015	3 two-year options
United States—Ohio	Intralot Inc.	Ohio Lottery Commission (OLC)	July 2009 to June 2015	
United States—South Carolina	Intralot Inc.	South Carolina Education Lottery (SCEL)	Nov. 2008 to Nov. 2018	
United States—Vermont	Intralot Inc.	State of Vermont, Lottery Division	June 2010 to June 2016	2 renewal periods of 2 years each
United States—Washington, D.C.	DC09 Consortium(3)	The D.C. Lottery	Nov. 2010 to Nov. 2014	Extension option for up to 5 additional years

* Before exercise of any renewal options.

(1) Intralot has 100% indirect participation in Intralot International and 95% direct and 5% indirect participation in Betting Company S.A.).

(2) Subsidiary of Intralot, direct participation 40%; Intralot holds the management of the company.

(3) 49% participation by Intralot Inc.; Intralot Inc. holds the management of the company.

Management Contracts

Our management contracts activity primarily comprises the management of all aspects of a gaming organization. In addition to the provision of services included under our technology and support services activity described above, we manage day-to-day operations, marketing services, sales network and risk management/odds setting for sports betting. Under these contracts, the customer (who is the license holder of the gaming/lottery operation) typically retains responsibility for certain frontline tasks, as well as the management of retailers, cash management and game approvals in addition to oversight and regulatory control. As of the date of this Offering Memorandum, we have entered into five management contracts, which have an average remaining length (as of March 31, 2013, giving effect to contracts entered into as of the date of this Offering Memorandum) of 3.3 years (or 4.9 years taking into account certain of our customers' renewal options).

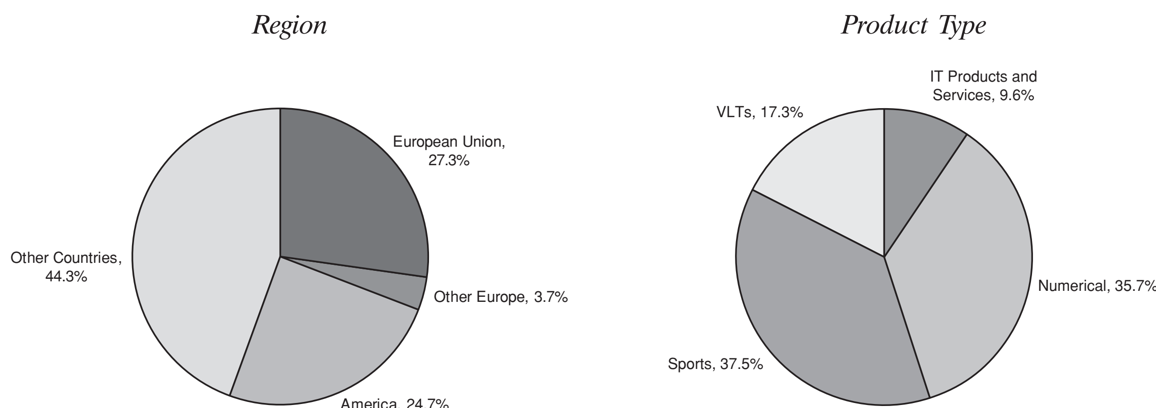
In addition to our services under our technology and support services contracts, other services under our management contracts may include:

- Market research and analysis;
- Design and development of new and existing games;
- Sales network development and management;
- POS environment design and development;
- Recruitment and training of agents;
- Marketing campaigns;
- Provision of merchandising and promotional programs for players and retailers;
- Design and provision of consumable materials (play slips, brochures, tickets, paper rolls, sports betting programs);
- Provision of a customer helpdesk;
- Provision of warehousing and logistics services;
- IT products and services;
- Risk management/odds setting for sports betting;
- VLT venue operations; and
- Development of responsible gaming programs.

We are paid a fee under our management contracts based on a fixed percentage of wagers. Revenue under our management contracts is not subject to payout costs for player winnings, retailer commissions or gaming tax. The following chart sets forth the business model economics of our management contracts operations:

Revenue	Typically a percentage of amount wagered
Less:	
Other Operating Expenses	Amount spent on related operating activities
Equals:	
EBITDA	Earnings before interest, taxes, depreciation and amortization

Our management contracts represented approximately 8.2% of our revenue and 16.2% of our revenue net of payout in the last twelve months ended March 31, 2013. The following diagrams set forth our revenue by region and product type for the last twelve months ended March 31, 2013 with respect to our management contracts.



The largest activities for our management business activity include Turkey and Romania.

Turkey

Our subsidiary Inteltek manages sports betting operations on behalf of Spor Toto, which is the exclusive licensee in Turkey. We founded Inteltek as part of a consortium in 2001, and we have increased our stake to 45.0% alongside our partner Turkcell, which owns the remaining 55%.

Following an international tender, in 2003 we won a contract to manage the introduction of sports betting operations into Turkey on behalf of Spor Toto. Through our subsidiary Inteltek, we developed and introduced the central network for the sports betting operations. In 2008 we won a new ten-year sports betting management contract following an international tender, extending our presence in the country for another ten years. Currently the games are distributed through an agent network.

In addition, we currently own 25.0% of our associate Bilyoner, the leading online distributor of sports betting games in Turkey. Bilyoner distributes games on behalf of Inteltek, which manages these games on behalf of Spor Toto. Bilyoner was established in 2004 and had an estimated 1.6 million members as of December 31, 2012.

Romania

In Romania, we manage a network of VLTs through 1,900 POS on behalf of the state Romanian National Lottery Organization ("CNLR"). Our majority-owned subsidiary Lotrom S.A. ("Lotrom") was contracted by CNLR to roll out and manage a network of VLTs connected to an online central system across Romania in 2003. This was the first nation-wide online video lottery game network in Europe.

In addition, we are responsible for CNLR's product design, events selection, odds compilation and risk management. We also participate in developing the marketing and promotional strategy in cooperation with CNLR. Our VLT agreement with CNLR will expire in December 2013.

Contracts

The following table sets forth our five management contracts as of the date of this Offering Memorandum.

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Turkey	Inteltek	Spor Toto	March 2009 to Dec. 2018	
Romania	The Prime Contractors were Intralot, INTRACOM S.A. and Lotrom S.A.	CNLR	Sept. 2004 to Dec. 2013	
Brazil	Consortium of Intralot Do Brazil Ltda (70%) and Intralot (30%) (Intralot Do Brazil is a subsidiary of Intralot (direct participation 99.97%))	Lotteria Do Estado Do Minas Gerais (LEMG)	Sept. 2010 to Dec. 2016	6 year renewal option
Morocco	Intralot Maroc	National Lottery ('Societe de Gestion de la Loterie Nationale') and 'La Marocaine des Jeux et des Sports'	Aug. 2010 to Aug. 2015	2 year renewal option
Russia	"Intralot" Co. Ltd.	Orglot LLC—Fed Agency of Physical Training & Sport	Oct. 2008 to Dec. 2016	

* Before exercise of any renewal options.

Licensed Operations

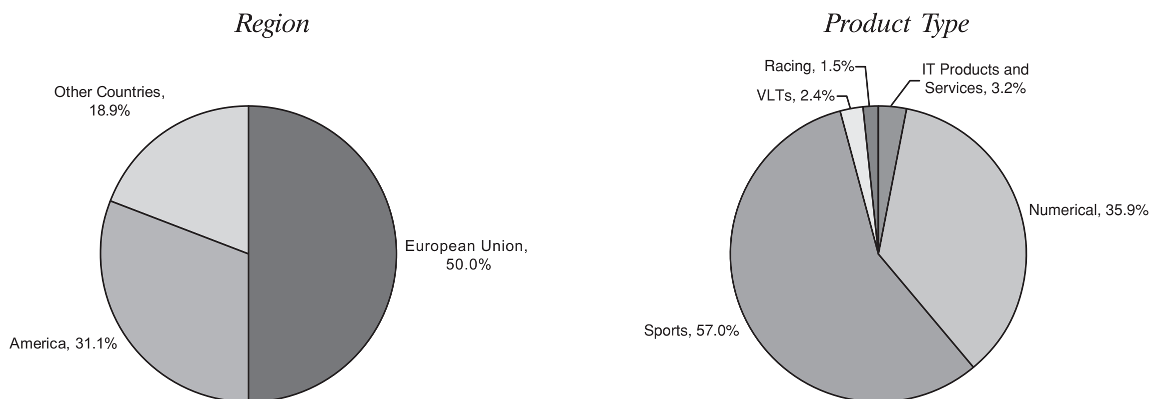
Through our licensed operations activity, we are responsible for all aspects of a gaming operation, including the selection and provision of technology and its ongoing support, as well as the management of the operations. In addition, because we are typically the direct license holder, we are also responsible for our relationship with the local regulators. In many cases, our licenses are open-ended since they do not have a fixed term or are automatically renewable as long as the licensed terms are complied with. We currently operate under 28 individual licenses through a combination of wholly- and partially-owned subsidiaries and joint ventures, across 16 jurisdictions. We operate through retail locations and online channels depending on local regulation.

The revenue we generate from our licensed operations is based on the total amount of money wagered by players on various gaming products before payout for players' winnings.

The following chart sets forth the business model economics of our licensed operations activity:

Revenue	Amounts wagered, representing the total amount of money wagered by gaming customers
Less:	
Payout on Player Winnings	Prize payout represents the percentage of amounts wagered that is paid out to players as prizes/winnings
Equals:	
Gross Win	Gross Win represents amounts wagered less prize payouts
Less:	
Retailer Commissions	The amount paid to the distribution network. Typically a percentage of sales or gross win
Gaming Tax	Gaming taxes represent the amount paid to the government. Varies from country to country
Other Operating Expenses	Amount spent on related operating activities
Equals:	
EBITDA	Earnings before interest, taxes, depreciation and amortization

Our licensed operations represented approximately 75.7% of our revenue and 52.2% of our revenue net of payout in the last twelve months ended March 31, 2013. The following diagrams set forth our revenue by region and product type for the last twelve months ended March 31, 2013 with respect to our licensed operations.



The key jurisdictions for our licensed operations business activity include Greece, Jamaica, Australia, Bulgaria, Italy, Peru and Malta.

Greece

Intralot S.A.—Integrated Lottery Systems and Services is a Greece-based company engaged in the design, development, production, trading and operation of integrated systems, operational services and marketing services. In Greece, the Company has a contract with the OPAP relating to: (1) fixed-odds betting consultancy and operational services; (2) upgrade of the existing technology infrastructure and

expansion of the LOTOS HORIZON audiovisual system; (3) the maintenance, technical support and operation of OPAP's central information systems and of the LOTOS O/S platform; and (4) maintenance and support of OPAP's terminals. This contract, which was originally scheduled to expire in July 2013, has been extended until the implementation of OPAP's new central system (described under "—Our Business Activities—Technology and Support Services Contracts"). On July 5, 2013, we announced that we have signed a contract with OPAP for the implementation of a new central system, which is a project we expect will take approximately seven months to complete (the "Central System Implementation Contract"). In addition, we announced our signing of a new five-year contract with OPAP to provide services for the support, maintenance and evolution of the new central system (the "Central System Services Contract," and together with the Central System Implementation Contract, the "Central System Contracts"), which is set to expire on July 31, 2018. Together with the commencement of the Central System Contracts, we will also begin work on another new contract with OPAP for the provision of maintenance and technological support services related to OPAP's infrastructure (the "Terminals Contract"). The term of the Terminals Contract is two years, with an option for three consecutive one-year renewals. The Company also has a contract with ODIE for the operation and maintenance of a Totalizator Central System for pari-mutuel betting on horse racing and a racing management information system.

As from 2013, we are also participating in a joint venture for a 12-year concession for the management of the Hellenic State Lotteries in Greece. On July 30, 2013, the joint venture, which is owned by OPAP, Scientific Games and Intralot, signed a 12-year exclusive license contract with the Hellenic Republic Asset Development Fund for the production, operation, circulation, promotion and management of the Hellenic State Lotteries. The concession will cover current passive lottery tickets and future instant lotteries using physical tickets, as well as internet sales of tickets. We expect the Hellenic State Lotteries operations will be launched within six months following the ratification of the contract by the Hellenic Parliament and the receipt of the relevant approvals from the competent regulatory authorities.

Jamaica

In Jamaica, we provide a number of numerical games, sports betting games and VLTs through Supreme Ventures Ltd, a public company listed on the Jamaican Stock Exchange. Intralot entered the Jamaican market in 2010 by acquiring a stake in SVL, the main gaming operator and incumbent lottery provider in the country. Intralot now holds a 49.9% stake in SVL through our 50.05% subsidiary Intralot Caribbean Ventures ("ICV"). SVL has directly or indirectly held the monopoly for lottery games since 2001 through an exclusive license, which has been extended to 2033, and provides its gaming products through a network of over 1,000 POS.

In addition, SVL holds licenses to operate up to 750 VLTs through six state-of-the-art gaming venues and holds approximately 48% of the VLT market. Furthermore, SVL operates fixed-odds betting through a ten-year contract signed in 2008 that includes the provision of the central system, terminals, risk management and other supportive services for the company's POS network. SVL started offering sports betting services in January 2010 under the JustBet brand.

In 2011, our subsidiary Caribbean Ventures Limited won a ten-year contract from SVL to provide an electronic monitoring system and related services for SVL's VLT network.

A new gaming law was enacted in Jamaica in 2012 involving the regulation of the internet market, a development that is expected to afford us a new window of opportunity to further enhance our local operations.

Azerbaijan

In Azerbaijan, we operate, manage and develop fixed-odds and pari-mutuel sports betting games as well as provide related services. We entered the market in 2011 through the award of an exclusive 10-year licensed operations contract. We manage a network of more than 529 POS across Azerbaijan and are licensed to expand our network to 1,000 POS. The contract is held through the locally domiciled company AzerIntelkek in which Inteltek, our Turkish subsidiary, maintains a 51.0% stake.

Australia

In 2008, Intralot Australia Pty Ltd, was granted a ten-year license to operate a variety of new lottery and instant ticket games in the State of Victoria, which ended a long-standing monopoly in lottery operations. We are the only alternative provider in the State of Victoria, and we operate 1,000 POS.

Bulgaria

In Bulgaria, we hold a license to provide fixed-odds betting through Eurofootball Ltd, in which we hold a 49.0% stake through our wholly owned subsidiary Bilot Ltd. The Bulgarian sports betting market is liberalized, and Eurofootball Ltd is the leading sports betting operator through a network of over 650 POS. An internet gaming law was enacted in 2012 which will expand the regulated gaming market in Bulgaria. We believe the enactment of this law will strengthen the activities of our subsidiary Eurofootball Ltd.

Italy

In Italy, we operate individual licenses covering sports betting and horse racing games and online sports betting and casino-type games. We are also active in the operation of AWPs and VLTs through our subsidiary Intralot Gaming Machines Italia S.p.A ("Intralot Gaming Machines").

We entered the Italian gaming market in 2006, in the wake of the liberalization of the Italian betting market. Through a tender process, we secured 416 of the 1,278 exclusive sports betting licenses for POS. We also acquired 164 licenses for non-exclusive POS (corners or shop-in-shops) and nine licenses for exclusive horse race betting POS as well as licenses to distribute sports and horse racing online in Italy. All of the above licenses were for a nine year term.

In 2008, Intralot strengthened its position in the Italian betting market by acquiring 55 additional licenses for horse racing and sports betting POS. According to AAMS, we are the largest non-Italian sports betting operator by revenue in the country.

Peru

We operate lottery and sports betting games in Peru through a retail network of approximately 2,000 POS through our wholly-owned subsidiary Intralot de Peru. We have operations in the provinces of Huancayo and Jaen, where we have been operating since 1997 and 2001, respectively. In addition, Intralot de Peru has offered its gaming portfolio online since 2010.

In 2011 Intralot de Peru entered into a partnership with the Jockey Club of Peru to undertake the development of a pari-mutuel horse racing game, which is available at the Jockey Club of Peru and also through Intralot de Peru's retail network.

In addition, our wholly-owned subsidiary Gaming Solutions International operates a network of approximately 2,000 VLTs in the country.

Malta

We entered the lottery market of Malta in 2004 when we were awarded an eight-year exclusive license to operate all state lottery games. For this project, we established the subsidiary Maltco Lotteries Limited in which we own a 73.0% stake.

In 2012, upon the expiration of this license, Maltco was awarded a new ten-year concession and a license to operate the national lottery of Malta through a competitive tender process.

Currently we operate numerical games, fixed-odds betting, a KENO game, a horse racing game and instant tickets in Malta.

Contracts

The following table sets forth our 28 licenses/concessions as of the date of this Offering Memorandum. Some of our contracts such as in Bulgaria and Peru are automatically renewable subject to compliance with contractual terms.

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Australia (State of Tasmania)	Intralot Australia Pty Ltd	Tasmanian Gaming Commission	July 2008 to June 2018	5 years
Australia (State of Victoria)	Intralot Australia Pty Ltd	Victorian Commission for Gambling Regulation (VCGR)	July 2008 to June 2018	
Azerbaijan	Inteltek	Azerinteltek	Jan. 2011 to Dec. 2020	Extension option of one additional year
Bulgaria	Eurofootball Ltd	State Commission on Gambling	Aug. 2003 to July 2019 (renewed in 2009 for ten years)	
Cyprus	Royal Highgate	Ministry of Finance	Jan. 2013 to Dec. 2015	
Greece	OPCO (Intralot participation 16.5%)	Hellenic Gaming Commission/ Hellenic Lotteries (HRADF)	2013 to Dec. 2025	
Italy	Intralot Holdings BV	Agenzia Delle Dogane e Dei Monopoli	June 2007 to June 2016	
Italy	Intralot Gaming Machines S.p.A.	Agenzia Delle Dogane e Dei Monopoli	Dec. 2011 to March 2022	
Jamaica	Intralot Jamaica	Prime Sports (Jamaica) Limited[1]	Jan. 2010 to Dec. 2033	
Jamaica	Intralot Jamaica	Prime Sports (Jamaica) Limited[1]	Feb. 2012 to Dec. 2021	Automatic, successive renewal options for 5 years
Malta	Maltco Lotteries	Lotteries & Gaming Authority (LGA)	July 2012 to July 2022	
Moldova	Loteria Moldovei	Ministry of Economy	March 1994 to Dec. 2013	Annually renewable
Moldova	Loteria Moldovei	Ministry of Economy	Jan. 2004 to Dec. 2013	Annually renewable
Moldova	Loteria Moldovei	Ministry of Economy	Oct. 2003 to Dec. 2013	Annually renewable
Peru	Intralot de Peru	Sociedad De Beneficencia Publica De Jaen	Dec. 2001 to Dec. 2013	Successive two-year renewals (open-ended)
Peru	Intralot de Peru	Sociedad De Beneficencia De Huancayo	Sept. 1997 to Aug. 2013	Automatic and successive three-year renewals
Peru	Gaming Solutions International S.A.C.	Ministry of Tourism (MINCETUR)—General Directorate of Casino Games and Slot Machines	July 2006 to May 2014	Renewal every two years; open-ended

Jurisdiction	Intralot Subsidiary	Regulatory Authority/ Private Company	Current Contract Term*	Extensions/ Renewals
Peru	Gaming Solutions International S.A.C.	Ministry of Tourism (MINCETUR)—General Directorate of Casino Games and Slot Machines	July 2012 to December 2015	Three-year contract terms
Peru	Intralot de Peru	Jockey Club of Peru	Apr. 2012 to January 2014	Automatic renewal
Peru	Intralot de Peru	Jockey Club of Peru	July 2012 to July 2016	
Poland	Totolotek	Totolotek S.A.	Dec. 2012 to Dec. 2018	
Poland	Totolotek	Totolotek S.A.	July 2013 to July 2019	
Poland	Pollot	Pollot SP z o.o.	Apr. 2007 to Sept. 2015	
Russia	Kelicom—Favorit	Kelicom—Favorit	2009 to Dec. 2014	Renewal options
Slovakia	Slovenske Loterie	Slovak Ministry of Finance	Mar. 2008 to Oct. 2015	
South Africa	Gidani Pty Ltd	Ministry of Trade and Industry—National Lotteries Board	Oct. 2007 to May 2015	Extension option up to 8 years
South Africa	Intralot South Africa	Western Cape Gambling and Racing Board (WCGRB)	June 2012 to June 2013	Renewed yearly
South Korea	Nanum Lotto Co. Ltd	The Korea Lottery Commission	Dec. 2007 to Dec. 2014	Extension awarded for 1+1 additional years

* Before exercise of any renewal options.

(1) 100%-owned and consolidated subsidiary of Supreme Ventures Limited (SVL).

Our Products and Services

We offer a broad range of technology solutions, products and services as well as extended know-how and experience in implementing turnkey solutions supporting lottery, sports betting, VLT/AWPs, racing and interactive games for our customers and operations.

Products

Lotos Gaming Platform

Lotos is our integrated gaming platform and enables the real time management, control, administration and support of online gaming operations. As of March 31, 2013, customers in more than 37 jurisdictions use our Lotos platform to deliver their online games and services.

Lotos is an integrated modular system which supports any type of game and sales channel. In addition, Lotos is based on open system architecture which allows connectivity with any third-party software and hardware platforms as well as with Intralot terminals, third-party terminals, self-service terminals, ATMs and cash registers. Lotos also supports the provision of value-added services through seamless connectivity with partner systems, such as third-party gaming systems as well as mobile telecommunication companies, sporting venues and theatres, banks and public utility companies.

The Lotos platform supports all games from our library of more than 550 games, which are categorized in the following main gaming activities:

- *Lottery Games.* The platform manages all types of lottery games, such as numerical and traditional games, instant tickets and fast draw games, and is designed to enable the flexible and secure addition of new games. In addition, Lotos enables games draw management, rules definition, management of winning columns and winning tickets.

- *Fixed-Odds Betting.* Our iFlex module handles our fixed-odds betting games. The system supports more than 5,000 concurrent daily sporting and non-sporting events. iFlex incorporates a comprehensive set of tools, which range from sports book creation to trading/risk management and live betting management.
- *Video Lottery.* Our iGEM module is a VLT management solution that provides for the central control, monitoring, reporting, auditing and secure management of gaming machines in casinos, gaming halls and wide area venues. iGEM can connect geographically dispersed machines through various communications options.
- *Racing.* Our Lotos Racing module is a solution for high performance and multichannel support of fixed-odds and pari-mutuel on-course and off-course betting on horse, greyhound, virtual and pre-recorded racing events. As of March 31, 2013, we operate racing contracts in eight countries. In addition to traditional racing, we also provide our "Racing for Lotteries" solutions, combining racing content, technology, services and operational expertise to implement fully customized betting on racing for lottery operators.

B-On Interactive Gaming Platform

B-On is our high performance solution that enables the expansion of sales and services across all interactive sales channels, such as internet, smart phones, interactive TV and interactive voice response systems. B-On supports all types of games in our games library, as well as casino, poker, bingo and entertainment and peer-to-peer games. The B-On platform includes a player account management ("PAM") module which enables a unified approach to player registration, verification, player account, e-wallet and payment means integration as well as e-payments across all sales channels and is bundled with a powerful content management system.

Lotos Horizon—Multimedia Content Management System

Lotos Horizon is our integrated end-to-end multimedia content platform for the creation, delivery, display and management of multimedia content inside the POS for any gaming operator with a retail network. Lotos Horizon supports lottery, betting, racing and gaming applications as well as generic digital signage applications through our digital interactive TV, data broadcasting and multimedia technologies.

Intralot Terminals

We design and supply a full range of gaming terminal equipment. Our terminals are bundled with the necessary software to operate lottery games, which we also develop, and the necessary telecommunication hardware to support modern telecommunication networks, such as landlines, mobile and satellite.

We partly manufacture our own terminals in our production facility in Ohio, United States. However, we primarily work with manufacturers in Greece, Romania and Taiwan. See "Risk Factors—Risks Related to Our Business Operations—We are dependent on our suppliers and contract manufacturers, and any failure of these parties to meet our performance and quality standards or requirements could cause us to incur additional costs or lose customers." As of March 31, 2013, we have more than 160,000 lottery terminals deployed worldwide.

Our terminals include:

- *Photon*—a fully-functional, high-performance lottery terminal that incorporates a digital camera in a modern and ergonomic unit with large operator display.
- *Coronis TC*—an interactive ticket checker designed to minimize inconvenience for both players and retailers by eliminating queues in retail shops.
- *Coronis MP*—a self-service terminal configured with a second monitor to display advertisements, information, results and programs.
- *Stylot*—a stylus players can use like a pen to mark choices, which are then automatically transmitted to the system.
- *Coronis HEE*—a high-performance terminal with a wide installed base in betting retail networks.

- *Coronis IPT*—a mobile terminal which includes GSM/GPRS wireless network support.
- *Winstation*—a self-service terminal that combines the provision of instant lottery tickets and online games.
- *microLOT*—our smallest full-functional terminal, an all-in-one device that supports validation and payments for all gaming ticket types.
- *iris*—a modular terminal, where all components are separate for POS with limited space.
- *Gablet*—a multinational gaming and communication tablet with a 22-inch touch screen and advanced gesture-based navigation.
- *Genion*—a multi-functional solution that can serve as, among other things, a game validation and payment terminal and an online and scratch ticket checker.
- *Coronis SL*—a desktop solution for cashless self-service gaming through a wide high definition touch screen.

Recent Innovations

With our investments in research and development, we believe we are at the forefront of innovation and product development. Indicatively, new products include:

- *Nefos.* Nefos is a concept solution for the provision of fully integrated gaming systems complying with international best practices and standards for cloud computing services. While we provide the underlying administration and hosting, gaming operators can select and access the desired gaming solution from our portfolio via remote internet connection. In addition, Nefos allows us to effectively allocate data center utilization which in turn allows us to use the same computing resources to accommodate different peak time gaming activity in different time zones, as well as allowing us to use centrally located data centers to serve smaller jurisdictions remotely.
- *Tap & Play.* Tap & Play is a gaming concept using near-field communication ("NFC") technology. This concept bridges the gap between land-based and mobile gaming. The player has to "tap" on a designated area and then enter the game.
- *Paperless Lottery.* Paperless lottery eliminates the need for both paper play slips and tickets/receipts. This way of wagering provides an effortless and easy way to play while preserving a player's anonymity.
- *Eyes-on.* Eyes-on is an innovative fraud protection system that proactively detects suspicious patterns, alerts operators and enables the management of any risks for financial data and identity theft, phishing, collusion, system manipulation, etc., with efficient decision-support tools.

Services

Our offered services cover the whole spectrum of the day-to-day operational activities of lottery organizations and are categorized into the areas set forth below.

Technical Support and Training

We provide a broad range of solutions and gaming products that are complex and require ongoing support and maintenance. As a result, we provide after-sales technical support to facilitate uninterrupted and efficient gaming operations and minimize sales downtime.

These support services include help desk support for retailers and lottery personnel as well as preventive and corrective maintenance of central systems as well as field maintenance of equipment installed at retailer locations. We offer a variety of service level options, which are customized to best serve each of our customers' individual needs and budgets.

We also provide a comprehensive training portfolio which includes detailed operational and technical support, marketing seminars and training modules. These training modules are tailored to each customer and can cover both new and experienced lottery and betting operators.

System Operation Services

Our system operation services include the operation and administration of gaming systems, networks and technology infrastructures to ensure continuous system availability, quality of delivered services and flexibility in resource utilization. System operation services include typical information and communication technology operations, as well as game draw procedures, retailer management monitoring and accounting as well as information and statistics compilation for games and operations.

Marketing Services

We provide marketing consulting and support to our customers throughout a contract's lifecycle. Our local marketing teams provide consulting support and a full range of marketing services and are supported by our global marketing resource center, which brings global insight and an overall strategic perspective to each contract. Our services include:

- *Market Research and Analysis*—We seek to continuously enrich and deepen our player understanding by analyzing the tens of millions of player-initiated transactions we enable globally. We also stay in touch with our target players' preferences and habits by analyzing consumer response to market research commissioned and conducted in more than 30 countries across the world. Using insights uncovered in more than 30,000 questionnaires collected, we assist our customers in optimizing gaming performance and effectiveness and addressing opportunities.
- *Game Design and Analysis*—We continually test new gaming concepts, on average 30 per year, in order to maintain the appeal of our games library across diverse markets. In addition, we tailor each game to satisfy the particular needs of individual clients.
- *Marketing Communication*—We design appropriate marketing strategies based on the communication requirements set by the gaming operators, focusing on the development of tailored communication concepts, such as advertising, commercial logo, media buying programs, promotions and merchandising.
- *Sales Network Design and Development*—We offer know-how and experience in the design and implementation of an extensive and efficient sales network.

Sports Betting Risk Management

We are one of the world's leading fixed-odds betting operators in the traditional, non-internet based state-sponsored gaming space. As of the date of this Offering Memorandum, we operate 19 sports betting contracts in 18 jurisdictions. Our contracts include some of the world's largest betting operations in terms of per capita spending. Through our subsidiary Betting Company S.A., we provide operational support services for the organization and management of betting games to a variety of state lotteries and licensed operators worldwide. Our services include product customization, program and odds compilation, risk management/trading and training support.

We provide two types of bets:

- *pari-mutuel* where the total pool of wagers placed, minus a specified percentage, is divided among the winning players according to a set formula. A winner is paid an amount equal to his or her share of the prize pool; and
- *fixed-odds* where the payout amount is agreed upon in advance between the player and the bookmaker. In the case of a win, the bookmaker pays an amount equal to the bet multiplied by the odds fixed at the moment of the bet.

Through our risk management services, we assess and seek to limit in real time our customers' risk exposures as well as our own risk exposure through our licensed operations, while maintaining the profitability of the games. For instance, under certain sports betting contracts, we track betting transactions in real time through our trading/risk management team, identify potential payout risk and take corrective action, such as adjusting odds and blocking bets and/or events when necessary.

IT Products and Services

Through our online gaming subsidiary, Intralot Interactive, we offer innovative IT products and services to lotteries and state and state-licensed organizations, including interactive marketing, business

analytics, media and gaming, as well as technology and operational services. Intralot Interactive is strictly dedicated to B2B, B2G and regulated B2C markets, using the "dotcountry" or "dotstate" model as opposed to the "dotcom" one (under the dotcountry or dotstate model, online gaming operators are licensed in a given jurisdiction through a country or state top-level domain name, and users from outside the jurisdiction are blocked from accessing the website). We offer a broad portfolio of our own games and content that can be deployed. In addition, games from third parties can also be seamlessly integrated into our platform. Our partner community program allows for the content to be instantly available and fully embedded in our solutions.

Our customers benefit from our multiple partnership models that are designed to advance their gaming operations. Our interactive services include customer acquisition and retention by helping gaming organizations to approach target groups through cross-channel marketing, search engine marketing, social media, mobile marketing and affiliated management.

Supply Chain Management

We design and offer warehousing, logistics and distribution services, with the aim of optimizing the supply chain, improve retailer satisfaction, reduce distribution costs and ensure the uninterrupted availability of stock. We have the necessary know-how and resources that can be utilized to enhance the productivity, efficiency and security throughout the entire supply chain management function of our gaming contracts and operations.

Media Broadcasting Portfolio of Services

In addition to the multimedia content that is displayed within the POS through Lotos Horizon and in order to further enhance our customers' means of reaching players' audiences, we offer a comprehensive media broadcasting portfolio of services and know-how that includes animated information and targeted messaging, the creation of a 24-hour television channel (lottery dedicated media channel) and virtual studio draws, such as for broadcast visually animated draws.

Sales Network

In general, we use a franchise framework for our licensed operations. However, in Poland and Italy, we operate some POS.

- In Poland, we operate 293 own POS; and
- In Italy, we operate 9 own POS.

We believe that the franchise structure for the POS network allows us to minimize costs related to running the shops, such as salaries and rents. In addition, most shops have business operations that are complementary to lottery operations, such as selling newspapers, coffee and other products. At the same time we minimize cash collection risk through our IT infrastructure and the guarantees provided by the agents. We also direct the sales and marketing strategy of such shops.

Sales and Marketing

Our sales organization has a global footprint and is active in all key countries through local sales facilities. The local sales and marketing teams, supported by our global operations, are responsible for growing and developing prospects, developing brand awareness, creating a positive market image, coordinating sales and marketing messages and developing a working business intelligence for better decision-making in their respective countries. We advertise and market our products and services through all available channels and media relevant to our product offering and our target group of the adult population, in accordance with each country's regulations.

Employees

The table below shows the headcount as of December 31, 2010, 2011, and 2012 for each of the regions in which we operate.

	As of December 31,			As of March 31,	
	2010	2011	2012	2012	2013
				(unaudited)	
Greece	748	737	702	724	699
Europe	1,522	1,712	1,662	1,675	1,651
Turkey/Azerbaijan	202	222	234	223	241
United States	490	446	441	460	443
Latin America	2,146	2,104	2,048	2,090	2,009
Australasia	93	78	230	94	238
Africa	179	213	224	202	226
Total Employees	**5,380**	**5,512**	**5,541**	**5,468**	**5,507**

Our employees in Poland, the Netherlands, Greece and the U.S. are represented by unions or works councils, along with certain of our employees in other countries. We have a close and constructive relationship with our unions and works councils, evidenced by the fact that we have not experienced any disruptions from strikes or work stoppages in recent years.

We do not provide for any funded pension plans in the countries in which we operate.

Research & Development

We believe that our ability to attract new lottery and other gaming customers and retain existing customers depends partly on our ability to continue to incorporate technological advances into, and to improve, our products, systems and related equipment. Our development efforts are focused on new systems and products, as well as the improvement and refinement of our existing products including the expansion of their uses and applications.

We therefore devote substantial resources to enhancing our present products and systems and to develop new products. The aggregate amount of research and development expenditures recognized as expense during the years ended December 31, 2010, 2011 and 2012 was €8.1 million, €9.7 million and €10.3 million, respectively.

Our R&D focus is on hardware and software to support the three key domains of our solutions: (i) transaction processing systems; (ii) terminal devices; (iii) telecommunications; (iv) interactive channels; (v) multimedia content; and (vi) interconnectivity and interoperability with external systems. We support our R&D programs through steady investments to constantly advance our products and services while creating opportunities to quickly and efficiently incorporate our innovations. We aim to develop the next generation of reliable, secure and efficient applications.

Investment Policies

Before investing in a new contract, our management evaluates potential investments by following specific guidelines, including an assessment of both country and project risks. Country risks include assessing the political and legal environment, penetration of gaming, availability of infrastructure and sales networks. Project risks include assessing the entrance into new markets versus staying within existing markets as well as the renewal of existing projects, which provides the least risk, and the type of games, such as lotteries, betting or VLTs.

We seek to invest in contracts where the payback period (for contracts with finite durations) is between 30-50% of the contract duration and the internal rate of return ("IRR") target range is between 15-30% (selected based on the specific dynamics and risks of each particular project). In addition, to minimize the risks in new countries, contracts should be structured to involve less risk, such as receiving an ongoing percentage of sales instead of an upfront fee. For technology and support services contracts, we have a preference to be paid upfront and then receive a percentage of sales for services provided.

Intellectual Property

We have obtained many patents, licenses and trademarks that are essential to our business. We also develop our own software in-house.

Patents

As of March 31, 2013, we held approximately 70 patents and designs worldwide and had approximately 70 additional patents at various stages of approval. We are continuously seeking to secure further patents on our developments. Our patents are primarily held by Intralot S.A. Intralot, Inc. and certain other subsidiaries also hold their own patents. Our most recent patents include a novel fraud prevention and detection system for lottery and betting operators, a unique game that combines a selection of figures and numbers in multiple subsequent participations, the design of Intralot terminals, a novel graphical representation method for displaying draw results as races and a high-end system using a camera for reading lottery/betting slips in different conditions.

Licenses and Trademarks

We have licenses related to the production and use of software in the jurisdictions in which we operate, and we expect to hold or acquire additional such licenses in the future.

In addition, we register the trademarks under which we operate in Greece and other jurisdictions. As of December 31, 2012, we had more than 50 registered trademarks in Greece. Additionally, we have more than 100 registered trademarks under which we operate worldwide.

Software

We employ engineers in Greece who have developed and continue to develop certain software, which is made available to the companies of Intralot Group. Our software is generally proprietary and the intellectual property of the software is managed according to concession requirements. For example, we develop software for terminals to manage lotteries, betting and online payments, as well as to integrate with other devices, such as mobile phones.

Property, Plants and Equipment

Our headquarters are located in Athens, Greece. We own the property and building with a surface area of 1,316,505 square meters. Our U.S. headquarters are located in Atlanta, Georgia. We lease a portion of the property and building with a surface area of 4,328 square meters. In addition, we own a manufacturing plant with a surface area of 8,108 square meters in Ohio, United States, through which we manufacture our own Intralot terminals.

Risk Management for Licensed Operations

We have a specialized team of highly experienced traders in each jurisdiction in which we operate as well as a betting center in Greece which coordinates and monitors our global fixed-odds betting activity and payout policy on a real-time basis. Our significant controls and real-time management of odds setting and payout exposure seek to minimize our payout risk on the approximately 47% of our total revenue that is subject to payout risk, and we have a long track record managing payout risk. See "Business—Our Products and Services—Services—Risk Management (for Sports Betting Games)." We also enter into risk exchange agreements with major international betting operators when possible to further reduce our exposure to any one potential outcome. In addition, we believe our payout risk is naturally hedged due to the size of our sports books, global reach across numerous jurisdictions and different betting preferences between these jurisdictions.

Our typical cash management procedures require retail partners to collect the cash from the players and pay back small and medium winnings, withhold their commissions set by the central system and deposit the appropriate amounts to our accounts, usually on a weekly basis. We generally receive a letter of guarantee or small cash deposits as collateral from each agent to secure minimal exposure. We also have rigorous and comprehensive internal controls and compliance procedures that follow international best practices for cash management as well as legal and regulatory compliance. This includes procedures to monitor transactions, maintain key back-up procedures and regular contingency planning as well as internal audits and procedures to detect money laundering. Under our licensed operations, responsibility for cash management rests solely with our retail partners, whom we

monitor daily for correct cash deposits to our accounts. All of these procedures are facilitated in part by our central monitoring and control system which tracks all of our operations through our Lotos Open System ("Lotos"). We also cooperate with FIFA to share our expertise in the detection of match-fixing, and we became the first international lottery vendor that was certified according to the World Lottery Association Security Control Standard.

Insurance Coverage

We believe that we have commercially-reasonable insurance coverage with respect to errors and omission insurance, product and environmental liability, property insurance, business interruption insurance and other insurance. Furthermore, we consider the insurance coverage level relating to our directors and officers (D&O insurance) to be economically reasonable.

Litigation and Administrative Proceedings

Although we are a party to various claims, legal actions and administrative proceedings arising in the ordinary course of business, some of which are described below, we believe, on the basis of information presently available to us, that the ultimate disposition of these matters will not likely have a material adverse effect on our consolidated financial position or results of operations. For additional information relating to litigation and administrative proceedings, see the Notes to the audited consolidated financial statements included in this Offering Memorandum.

Polish Authorities—Betting Shops Licenses

In 2012, the Polish Customs Authority conducted an audit of six betting shops and determined that violations of Polish gaming law had occurred in relation to the implementation of a loyalty program by Totolotek Totomix S.A. ("Totolotek"), a subsidiary of Intralot. The Ministry of Finance subsequently revoked Totolotek's sports betting licenses. Totolotek has appealed in administrative court and proceedings are pending. Nevertheless, in December 2012, new licenses relating to all of these shops were issued and are still in force, and Totolotek has continued operations. Management of Totolotek and their legal counsel in Poland believe that the outcome of their appeals will ultimately be decided in their favor.

Greek Authorities—OPAP Contract

In the context of ongoing civil litigation brought by Glory Technology Limited ("Glory") against OPAP S.A. relating to alleged non-compliance with a contractual right of first refusal held by Glory, Glory filed an in personam criminal complaint with the Athens prosecutor against certain named former managers of OPAP S.A. alleging breach of fiduciary duty by the managers. On the basis of Glory's criminal complaint, the Athens prosecutor opened formal investigations in rem for breach of fiduciary duty by the board of directors of OPAP S.A., as a corporate body. In July 2013, the investigative judge summoned Mr. Kokkalis, Mr. Antonopoulos and Mr. Papoulias, members of our board of directors, to make a defense statement in connection with the allegation that they procured the alleged breach of fiduciary duty by two former directors of OPAP S.A. in relation to the contracts signed in 2007 and renewed in 2010. Depending on the evidence presented before the investigative judge, the relevant judicial council may decide to drop the charges, order the continuation of the investigation or initiate trial proceedings. To date, no trial proceedings have been initiated. For more information, see Note 2.6 A(f) to our audited consolidated financial statements on page F-15 herein.

In relation to the above proceedings, in November 2012, Intralot S.A., Intralot International Limited and Socrates Kokkalis filed civil lawsuit in the Court of First Instance in Athens against Glory and an Athanasios Ktoridis on claims of moral damage caused by false and slanderous allegations adversely affecting the honor and reputation of the plaintiffs and unfair competition practices engaged by the named defendants. Hearing of these claims took place on March 20, 2013. A court ruling is still pending. On March 19, 2013, Glory and Athanasios Ktoridis filed counterclaims against the plaintiffs for similar claims of moral damage and unfair competitive behavior. The claim is to be heard for October 16, 2013.

Romanian Antitrust Issue

The Romanian authorities are investigating to what extent SNLR, the State Lottery, enjoys privileged tax treatment. The Romanian authorities are also investigating to what extent SNLR's

agreement with our Romanian subsidiary breaks antitrust regulations. No conclusion has been reached to date.

Proceedings Against S. Kokkalis (2002-2006)

Various legal proceedings against Socrates Kokkalis were initiated in 2002 and closed in 2006. In its final decision, the court found no evidence of wrongdoing by Mr. Kokkalis and accordingly, no convictions were made.

Government Regulation

We believe that we are in substantial compliance with all material gaming laws and regulatory requirements applicable to us. We have developed and implemented a rigorous internal compliance program in an effort to ensure that we comply with legal requirements imposed in connection with our gaming-related activities, as well as legal requirements generally applicable to all publicly traded companies. We are firmly committed to full compliance with all applicable laws to prevent the violation of one or more laws or regulations. See "Regulation."

Responsible Gaming

We have adopted "responsible gaming" as a key element of our corporate responsibility strategy. Our systems and integrated terminals monitor registered players' behaviors. We can therefore apply gambling limits and send warning messages while educating about certain gambling risks. We actively support institutions committed to researching and treating gambling problems, such as the Hohenheim University Research Center on Gambling and the Montana Council on Problem Gambling. We also cooperate with FIFA to share our expertise in the detection of match-fixing, and we became the first international lottery vendor that was certified according to the World Lottery Association Security Control Standard.

REGULATION

Overview

We operate in the gaming industry in Australia, Bulgaria, Italy, Peru and several other countries in Europe and Latin America. The gaming industry, a significant sector of economic activity in many of these countries, remains highly regulated and closely monitored by government authorities.

The following is a description of certain aspects of the current regulatory structure affecting the gaming industry, including recent changes, in the following jurisdictions: Australia, Bulgaria, Italy, Peru, Malta, the United States, Poland and Jamaica.

The Australian Gaming Market

In Victoria, Australia, we operate a public lottery and have also been appointed as the independent licensed monitor of all electronic gaming machines ("EGMs") outside the Melbourne Casino. We also provide an integrated lottery system and other information technology services to LotteryWest, the lottery corporation owned and operated by the Western Australian State Government.

Our license to operate a public lottery in Victoria commenced on June 30, 2008, and expires on June 30, 2018. Our appointment as the independent licensed monitor of all EGMs in Victoria outside the Melbourne Casino commenced on August 16, 2012, and expires on August 16, 2027. Both of these licenses were granted by the Victorian State Government. Our contract for services with LotteryWest, which expires on June 9, 2016, may be extended for 12 month terms until June 9, 2018.

Gambling in Australia is subject to national and state-level laws. National laws include the Interactive Gambling Act 2001 (Commonwealth), the National Gambling Reform Act 2012 (Commonwealth), the National Gambling Reform (Related Matters) Act (No. 1) 2012 (Commonwealth), and the National Gambling Reform (Related Matters) Act (No. 2) 2012 (Commonwealth). These laws prohibit certain types of interactive and internet gambling services and set out requirements for the operators of EGMs. In particular, the three reform laws provide for a national pre-commitment system for all EGMs and also set up a regulator to monitor and investigate compliance with national gambling regulations. The principal state-level law affecting our operations is the Gambling Regulation Act 2003 (Victoria), which regulates our public lottery and our monitoring of EGMs in Victoria.

The Bulgarian Gaming Market

The gaming industry in Bulgaria is regulated by the Gambling Act, effective from July 1, 2012, which replaced the previously effective Gambling Act from 1999. Unlike the Gambling Act from 1999, the new Gambling Act provides explicit regulation of internet gambling. Enforcement of the new Gambling Act in 2012 assumes no material changes in the regulatory framework in the near future. The Gambling Act authorizes the Government and the Minister of Finance to implement secondary regulation of the gaming industry. At present, six Ordinances have been issued on specific matters. The principal supervisory body regulating gaming in Bulgaria is the State Gambling Commission within the Minister of Finance (the "Commission"). The Commission provides a third level of regulation through general mandatory rules and requirements concerning: (i) types of gambling for which licenses are issued; (ii) unified requirements in regards to gambling halls, casinos and points of sale (i.e. types of premises, size, layout, technical equipment for control, etc); (iii) organization of work and financial supervision of gambling operators; and (iv) control systems for gambling and gaming equipment, gaming software and communication equipment for internet gaming. Rules adopted by operators may not contradict the general mandatory rules issued by the Commission and are subject to approval by the Commission. The Commission (i) issues gambling licenses under the Gambling Act and allows amendments to previously-issued licenses; (ii) exercises control over gambling, performs inspections, imposes sanctions, revokes issued licenses in case of breach by their holder; and (iii) performs other activities as prescribed by law.

We operate various lottery and betting games in Bulgaria. Our indirect subsidiary Eurofootball OOD holds a ten-year license, which was renewed on July 10, 2009, to operate betting on land-based sports and horse and dog racing.

The Italian Gaming Market

In Italy, we operate various lottery and betting games, slot machines and online gaming platforms. The gaming industry in Italy is subject to a number of laws and regulations. The principal authority administering betting and gaming in Italy is the Amministrazione Autonoma dei Monopoli di Stato (the "AAMS''), which sits within the Customs Agency (Agenzia delle Dogane e dei Monopoli).

All the public functions in relation to the regulation applicable to the gaming sector in Italy are carried out by one regulatory authority, AAMS. Italian law also provides that AAMS can exercise its activities through the instrument of a "public concession,'' which constitutes more than a "license'' as it entails the delegation of public powers from the authority (in this case, AAMS) to the dealer.

All games are subject to limitations pursuant to the anti-money laundering Law no. 231/2007, which requires the identification and verification of players for any operations equal to or greater than €1,000 (both betting and winnings). This law contemplates that amounts equal to or greater than €1,000 shall not be paid cash, but only by means of traceable payment methods.

Gaming operators may exercise their activities in relation to particular games in Italy only by obtaining a public concession awarded through a public tender. Under decrees issued by AAMS, gaming operators have to receive several licenses and authorizations to operate games, including public concession, which is subject to capital requirements and financial guarantees, the certification and testing of the gaming platform and a license granted by the police for each point of sale. AAMS regulates, among other things, the sector of the VLTs and AWPs, limiting their winnings to no less than 85% and 75% respectively of total wagered amounts and requiring that the terminals are connected to a data network operated by AAMS.

In respect of sports betting and horse betting, the betting offer is subject to certain limitations, including that it must be included in the so-called *palinsesti* released by AAMS and included in the type of bets authorized by AAMS. No limitations on pay-out in respect of sports bets are specified by law.

In respect of remote games, it is compulsory to make certain tools available to players on the website for self-control over their own game. For remote skill games with money winnings, the participation right to the gaming session must include additional sessions and cannot be higher than 250 Euros. For remote games of chance with money winnings at fixed-odds (except for lotto) and remote cards games with money winnings other than tournaments, the opening stake to participate in the gaming session must include further additional transfers of gaming accounts or of possible bonuses and cannot be higher than €1,000.

VLTs may only be installed at dedicated venues and are subject to certain physical specifications according to law. The ceiling price for a single game must be equal to €10 with a minimum stake of €0.50. The ceiling jackpot for each room must be equal to €100,000 (one hundred thousand/00). The percentage of the stakes allocated to winnings relevant to each game offered cannot be lower than 85%.

AWPs (or NEW SLOT) are not restricted to placement in certain areas. However, installation is subject to certain physical specifications according to law. In respect of every single complete cycle of AWP games, a percentage not lower than 75% must be allocated to winnings.

We have obtained the necessary concessions and licenses from the AAMS and other authorities to operate lottery and betting games, slot machines and online gaming platforms in Italy. We entered into a concession agreement on April 2, 2007, with AAMS for the retail of the following public games: (i) fixed-odds betting; (ii) fixed-odds horse race betting; (iii) non-totalizator sports betting; (iv) totalizator horse race betting; (v) sporting forecast competitions; (vi) V7 (totip); (vii) national horse races events; (viii) remote skill games (which include skill, poker, casino, etc); and (ix) virtual games. On March 20, 2013, we obtained the concession to operate AWP machines and VLTs in Italy for a period of nine years.

The Peruvian Gaming Market

In Peru, we operate lottery and sports betting games through a retail network and an online gaming platform, in addition to providing software and hardware to casinos and slot machine operators.

Lottery in Peru is subject to the General Law of Lottery, among other laws, which grants to public charities the right to operate lottery games themselves or through a third operator. We have signed

collaboration agreements with two different charities, the Charity of Jaen and the Charity of Huancayo, and have obtained licenses from them both to develop and operate lottery games in Peru. Under the collaboration agreements with both charities, we reimburse 5% of the total sales of each lottery game to the charity license holder. Pursuant to our contract with the charities, monthly meetings are held to provide relevant detailed information about the performance of the business. Betting on horse racing is subject to law 10345 which grants the right to organize horse races exclusively to The Jockey Club.

In the case of lottery games, the company is obliged to make a payment of 10% of the awarded prize to the state according to Legislative Decree 776—Municipal Taxation Law. Minimum payout amounts and maximum wagers are not set by law, but rather established internally as part as of the regulation of each game. In the case of sports betting, there is no specific regulation, and no tax is applied.

The operation of casinos and slot machines in Peru is regulated by the Law for Casino Games and Slot Machines, among other laws, which restrict these operations to validly authorized locations. The operation of casino games and slot machines as well as the import of hardware related to these operations is regulated by the Ministry of Trade and Tourism of Peru through the Direction of Casinos and Slots Machines. We have obtained the necessary licenses from the Ministry of Trade and Tourism to provide gaming and information technology services to gaming venues, and to import and sell slot machines. The company is not liable for any kind of tax payment due to the nature of the contribution agreement that the company has established with the casino halls. Minimum payout of the slot machines is set by the Law for Casino Games and Slot Machines to 85% of the credits played. Minimum average gaming times and the number of gaming machines that we may install are not restricted by law.

The Maltese Gaming Market

In Malta, we operate three national lottery games (Super 5, Saturday Lotto and Grand Lottery) as well as the following additional games: U*BET Fixed Odds Betting, U*BET Horseracing with ATG Swedish Horse Racing and GBI British and Irish Horseracing, Bingo 75, Quick Keno and Scratchers Instant Games.

The lottery in Malta was privatized through a bidding process in 2004, whereby Maltco (which we have a 73.0% stake in) was awarded an eight-year license to operate National Lottery Games in Malta. Upon expiry of this license in 2012, Maltco were awarded a ten-year license to operate our games, which expires on July 4, 2022.

The gaming industry in Malta is subject to the 1998 Gaming Act and the 2001 Lotteries & Other Games Act as well as a number of regulations issued under the aforementioned acts, including the 2004 Remote Gaming Regulations and the 2011 Gaming Devices Regulations. The principal authority administering the gaming industry in Malta is the Lotteries and Gaming Authority. The Lotteries and Other Games Act, 2001 sets out various obligations for the licensee of the National Lottery. There are age restrictions for players, and Maltco's rules state that only those aged 18 and over may play its games. All persons selling Maltco's games must be in possession of a permit issued by the LGA prior to commencing their operations. The principal beneficiaries of gaming proceeds are the Government of Malta, the LGA and the operators.

In addition to the above, gaming legislation promotes a number of funds, such as the National Lottery Good Causes Fund and the Responsible Gaming Fund. Maltco is required to make an annual contribution of €50,000 to the Responsible Gaming Fund. Maltco is also required to procure and annually renew a bank guarantee of €4,000,000 in favor of the LGA to secure its obligations, and must pay annual license fees to the LGA.

In respect of Maltco's lottery games, the gaming duty due to the Government of Malta is 20% of gross turnover. Also in respect of additional games with a fixed prize guaranteed by the operator, excluding betting (but inclusive of games where the prizes are capped) and excluding Keno, the gaming duty due is 20% of gross turnover. In respect of instant lottery games (including scratch cards but excluding Quick Keno, the gaming duty due is 12.5% on the gross turnover. In respect of additional games with a prize dependent on the total amount played (pool prize), gaming duty due is 25% of the net turnover. For additional games including sports betting, horse racing and Keno, the gaming duty due is 25% of the net turnover. Gaming duty is paid on a monthly basis.

Under its license, Maltco may operate all games from a maximum of 240 agents' POS dedicated exclusively to selling all its games. In addition, Maltco may operate certain games (excluding Saturday Lotto, Super 5, U*Bet Fixed Odds Betting and U*Bet Horse Racing) from a maximum of 350 sellers' POS including cafeterias, bars, restaurants, bookstores, hotels, Malta International Airport, Malta—Gozo passenger ships, places of entertainment, and shops. Maltco also has the ability to appoint street vendors to sell Scratchers Instant Tickets and Grand Lottery Tickets. Agents, sellers and street vendors are paid a commission from Maltco, which varies for each game up to a maximum of 10%. Agents, sellers and street vendors also receive a 2% commission for cashing out prizes under €5,000. Prizes in excess of €5,000 must be cashed out from Maltco's Head Office. Agents, sellers and street vendors are required to record any transactions above €2,000 in line with applicable anti-money laundering and anti-terrorism laws.

The maximum wagers in respect of Maltco's games are as follows: for Lotto, €62,016 per coupon (excluding consecutive draws); for Super 5, €124,032 per coupon (excluding consecutive draws); for Keno, €5,000 per coupon; for Grand Lottery, €10 per ticket; for Scratchers, €1-€5 depending on the ticket price; and for Bingo 75, €3 per ticket.

For Super 5, the minimum payout ratio is 45% of sales. For U*BET Horse Racing ATG, the maximum payout amount is the maximum multiplier times the column price. For U*BET Horse Racing GBI, the payout ratio is 70% to 74% based on the type of bet, the column price and the minimum stake. A maximum stake of €25 per column also applies in respect of certain bets. For Swedish Horse Racing, the payout ratio is 70% to 80% for certain bets depending on the category of bet and take-out, and 65% to 75% for certain other bets based on the bet type and column price.

The United States Gaming Market

In the United States, we operate as a lottery systems and services provider to ten lotteries. The regulation of gaming in the United States, including lotteries, is by and large a function of the States. Federal laws regulate four primary areas: unlawful gambling, anti-money laundering and prohibited internet gaming, sports wagering and Indian gaming. The principal gaming authorities in the United States include State lottery boards or commissions for the lottery, State gaming control boards or commissions for "traditional style" gaming and sports wagering (and sometimes the VLT environment), as well as the National Indian Gaming Commission.

We do not hold licenses from any gaming authority in the United States, as our relationships with the lotteries are contractual.

The Polish Gaming Market

In Poland, we operate fixed odds betting games, pool games and AWPs. Pollot Sp. z o.o. is an AWP operator with 210 AWPs, and Totolotek S.A. is a sports betting POS network operator with 389 POS. The gaming industry in Poland is subject to a number of laws and regulations, which include the Gaming Act, the Customs Services Act, the Anti-Corruption and Anti-Money Laundering Act, the Personal and Data Protection Act and the Act on Provision of Services via the internet. The principal authorities regulating gaming in Poland include the Ministry of Finance (the main regulator), the Customs Office Chambers and Customs Offices.

We hold licenses to operate mutual sport betting and pool games in our network of 389 points of sale in Poland. These six year licenses were granted by the Ministry of Finance on November 30, 2012 and they will expire on November 30, 2018. We also hold 12 licenses to operate 210 AWPs in Poland through Pollot. Four of these licenses will expire in mid-year 2014 and the remaining eight in mid-year 2015. In addition, Ministry of Finance approval is required for every change or modification of gaming regulation.

Betting licenses are required in respect of people and animals (fixed odds betting and pool) and are issued for six-year durations. AWPs must be licensed, and the new Gaming Act, effective since January 1, 2010, does not permit the issuance of new licenses. A Ministry of Finance permit is required for every POS within the retail sports betting network, and a Ministry of Finance exam and certificate is required for every POS employee, sales person and bookmaker, with three-year validity. The gaming tax in respect of people is 12% on turnover; in respect of animals, it is 2.5% on turnover. In respect of AWPs, there is a flat tax of EUR 500/AWP/month. In general, advertising relating to gaming is not permitted.

For fixed odds betting and pool games, maximum wagers are €12,500 per coupon for 1-14 events on one coupon, and €25,000 per coupon for 15-32 events on one coupon, and €50,000 per coupon for coupons played as a system. Minimum wagers for fixed odds betting are not specified by law. Minimum and maximum payout are not regulated by law in respect of fixed odds betting games. In respect of pool games, by law the payout is set at a minimum of 50% while the wager is at the discretion of the operator; however, game regulations specifying precise payout and wagers must be approved by the regulator. In respect of pool games the value of maximum winnings depend on the jackpot accumulated in the pool, the sum of paid-in bets, the number of events correctly indicated by players and the number of players who have correctly indicated the same results. In respect of greyhound dog racing, the operator can freely adjust the payout, rates and wagers. Player winnings in an amount below €500 from a single bet are exempt from personal income tax, while all winnings above this amount are taxed. The operator is required to keep a register of players who have won €5,000 or more in a given day. By regulation, there may be a maximum of three AWPs in one location, and there must be a minimum payout equal to 75%, as verified by Customs Chambers.

Internet betting has been legal in Poland since July 2012. In June 2013, the Ministry of Finance granted a six-year internet betting license to Totolotek. Under this license, which was announced in July 2013, Totolotek will offer fixed-odds betting and sports pool games over the internet to players in Poland, with plans to introduce live betting as well. Totolotek expects to commence interactive operations under this new license in the fourth quarter of 2013.

The Jamaican Gaming Market

The principal law regulating the gaming industry in Jamaica is the Betting, Gaming & Lotteries Act. Specific regulations governing particular areas of gaming have been issued under the Betting, Gaming & Lotteries Act. Licenses are required to operate lottery-type games and other games of chance. These licenses are granted and monitored by the Betting Gaming and Lotteries Commission (the "BGLC"), which regulates the operations of licensees and is the principal gaming authority in Jamaica. The BGLC has the power to impose sanctions for breaches of the Betting Gaming & Lotteries Act, the regulations issued under it and the terms of the licenses issued by the BGLC.

Lottery Operations

Supreme Ventures Limited ("SVL"), through its subsidiary Prime Sports Limited ("PSL"), holds a license to lottery-type games and other games of chance. The games marketed by SVL are "Lotto," "Cash Pot," "Lucky 5," "Dollaz!," "Pick 3," "Pick 2," "Pick 4," "WinQuick" and "Super Lotto."

SVL's license remains in force until January 10, 2033, and may be renewed subject to compliance with the terms and conditions of the license. An extension is subject to an additional cumulative investment by 2018 of US$5,000,000 by PSL together with SVL, GTECH and Intralot. The BGLC must be informed as and when these investments occur.

SVL must comply with certain license terms, including, among others: maintenance of a dedicated trust account for the deposit of all monies accruing from its sales for the payment of prizes, statutory liabilities and its contributions to Culture, Health, Arts, Sports and Education ("CHASE") and the BGLC arising from sales; ensuring that sufficient and appropriate measures are taken to exclude illegal participation in gaming activities by minors; ensuring that permitted activities are not conducted at any location which the BLC has not approved; payment of certain contributions to CHASE (3.65% of the weekly ticket sales from all permitted activities, and 50% of the value of all unclaimed prizes arising from weekly ticket sales from all permitted activities); payment of certain contributions to the BGLC (1.8% of weekly ticket sales arising from all permitted activities, and 50% of the value of all unclaimed prizes arising from weekly ticket sales from all permitted activities); payment to the BGLC annual license fees of JMD 2.4 million; and payment to the Government of Jamaica lottery tax (20% of weekly net revenues for Lucky 5, Cash Pot, Pick 2, Pick 3 and Pick 4 and Instant Game; 25% of weekly net revenues for Dollaz! and 25% of sales net of prizes for Lotto and Super Lotto). Contributions, fees and taxes may be subject to change by the BGLC after a certain period.

The BGLC may suspend, vary or revoke the license granted and may impose other lawful penalties pursuant to an investigation held under the provisions of the Betting, Gaming and Lotteries Act in certain circumstances, including if information given to the BGLC by SVL is found to be materially false, if there has been a material change in SVL's circumstances which the BGLC relied upon in

connection with the grant of the license, or if there is an uncured breach of standard operating procedures or the conditions of the license.

Gaming Operations

The operation of gaming lounges of chance in Jamaica is governed by and regulated under the Betting, Gaming and Lotteries Act. Licenses required to operate lounges and "amusement machines" are granted and monitored by the BGLC, which regulates the operations of approved locations and machines. Lounge licenses are referred to as "prescribed premises" licenses and are granted annually.

The regulations under the Betting, Gaming and Lotteries Act require the licensee to pay a gross profit tax of 6.5% of meter net wins on a monthly basis to the Government of Jamaica. In addition, the licensee must make a monthly contribution of 1% of meter net wins to the CHASE Fund, and a contribution of 2.5% of meter net wins to the BGLC. Annual fees of JMD 4,000 per gaming machine, JMD 1,000 per licensing disc machine and JMD 1,000 per premises are also payable.

Sports Betting Operations

The BGLC grants "bookmaker's permits" pursuant to the regulations under the Betting, Gaming and Lotteries Act. The permit is subject to certain conditions as described below and is in force for two years. Our current permit is in force from April 1, 2013 to March 31, 2015.

The holder of a bookmaker's permit is required to pay a tax of 7% of gross profit (sales net of prizes) to the Government of Jamaica. In addition, the holder is required to pay 1% of gross profit to the BGLC and contribute 1% of gross profit to the CHASE Fund. In addition, under the Betting Gaming and Lotteries Act and regulations thereunder, SVL is required to maintain a performance bond guarantee from a bank to support certain of its financial obligations. Its current JMD 25,000,000 bond is available for four years, expiring in April 2015.

Sports betting agents are required to pay certain license fees to the BGLC. The agent fee is JMD 10,000 per year. A betting agency/office permit is JMD 10,000 per location per year. The terminal operator fee is JMD 4,000 per location per year. In addition, SVL's bookmaker's permit is JMD 200,000 per year and follow-up inspection and re-inspection is JMD 20,000 per visit.

MANAGEMENT

Intralot Finance Luxembourg S.A.

Board of Directors

The following table sets forth certain information concerning the members of the board of directors of Intralot Finance Luxembourg S.A.

Name	Year of Birth	Position
Ioannis Pantoleon	1965	Chairman, Executive Board Member
Johannes Laurens de Zwart	1967	Executive Board Member
Fabrice Rota	1975	Executive Board Member

The members of the board of directors can be contacted at the Issuer's business address: 46A avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The following is biographical information for each of the members of the board of directors of Intralot Finance Luxembourg S.A.

Ioannis Pantoleon has been chairman of the Issuer's board of directors since its establishment and has also served as general director of finance and business development of Intralot S.A. since 2003. He holds a degree in economics from the Economic University of Athens and a Master's degree in financial management and accounting from the University of Manchester (UMIST). Prior to his current position, Mr. Pantoleon also worked in Intralot S.A.'s financial management division and served as the contracts director. Previously, he also worked at Intracom and Sigma Securities S.A. where he served as a corporate finance executive.

Johannes Laurens de Zwart has been a member of the Issuer's board of directors since its establishment and has also worked in senior positions at international corporate services providers in Luxembourg, Curacao and the Netherlands. He has previous work experience as a tax advisor for audit and tax advisory firms in the Netherlands. Mr. de Zwart holds a degree in tax law from the University of Leiden.

Fabrice Rota has been a member of the Issuer's board of directors since its establishment and also has experience leading a legal team serving private equity firms, institutional clients and individuals for TMF Luxembourg S.A., a leading international corporate services provider. Mr. Rota was appointed Director of Client Services, Private Equity and Structured Finance Services, at TMF Luxembourg S.A. with effect from March 1, 2013. Previously, he worked within the corporate department and corporate desk at Société Européenne de Banque SA (Intesa-San Paolo). Mr. Rota holds a degree in international trade from the University of Metz.

Intralot S.A.

Board of Directors

The following table sets forth certain information concerning the members of the board of directors of Intralot S.A.

Name	Year of Birth	Position
Socrates Kokkalis	1939	Chairman, Executive Board Member
Constantinos Antonopoulos	1953	Vice chairman and CEO, Executive Board Member
Andreas Papoulias	1962	Executive Board Member; CEO of Intralot Interactive
Fotios Mavroudis	1952	Managing director for Europe and North Africa Region, Executive Board Member
Dimitrios Klonis	1953	Non-executive Board Member
Dimitrios Chatzigrigoriadis	1937	Non-executive Independent Board Member
Anastasios Tsoufis	1953	Non-executive Independent Board Member
Sotirios Filos	1936	Non-executive Independent Board Member
Petros Souretis	1969	Non-executive Board Member

The members of the board of directors can be contacted at the Company's business address: 64, Kifissias Ave. & 3, Premetis Str., 151 25 Athens, Greece. The following is biographical information for each of the members of the board of directors of Intralot S.A.

Socrates Kokkalis serves as chairman and executive member of the board of directors of Intralot S.A. He received an MSc degree in physics and electronics from Humbolt University of Berlin, Germany, in 1963. Mr. Kokkalis is the founder of Intralot S.A and has served as chairman of the board of directors since its establishment. He is also the founder and chairman of Intracom S.A. In 1997, he was acclaimed a John Harvard Fellow after establishing the Kokkalis Program at the Kennedy School of Government at Harvard University, United States. In 1998, Mr. Kokkalis founded the Kokkalis Foundation, a non-profit organization with a focus on educational and regional development issues.

Constantinos Antonopoulos serves as executive vice chairman of the board of directors and CEO of Intralot S.A. Mr. Antonopoulos is a founding member and shareholder of Intralot S.A. He graduated in 1976 from the National Technical University of Athens with a degree in electrical engineering. He continued his studies at the University of Manchester (UMIST), England and received a MSc degree in systems reliability. He is also the chairman of many Intralot Group companies and a member of the board of directors of Intracom Holdings. He launched his career by joining Greek industrial enterprises, such as the Hellenic and Eleusis Shipyards, and held a succession of managerial positions at the Ministry of Finance and the Ministry of Industry.

Andreas Papoulias serves as executive member of the board of directors of Intralot S.A. as well as CEO of Intralot Interactive. He has a BA and MA in mathematics and theoretical physics from Trinity College, Cambridge University and an MSc in computer systems engineering from the University of Edinburgh. Mr. Papoulias started his professional career in 1985 as a software engineer within the ENI group where he continued as project manager. He has also worked as deputy manager in the development programs department of the Intracom group. He served as deputy general manager of Intralot S.A. from 1993 until 1999 and has also previously served as COO of Intralot S.A. and as general manager of Betting Company S.A.

Fotios Mavroudis serves as executive member of the board of directors of Intralot S.A. He has also served as managing director for the Europe and North Africa Region of Intralot S.A. since 2009, and he previously served as director of international operations of Intralot S.A. Mr. Mavroudis has also served as deputy general manager of Intralot S.A. In addition, since 1999, he has served as General Manager of Instant Lottery S.A. Mr. Mavroudis studied mechanical engineering at the National Technical University of Athens and received an MBA at the University of Clayton, United States. Prior to joining Intralot S.A., Mr. Mavroudis held a succession of management positions in the consulting, manufacturing and durable goods sectors.

Dimitrios Klonis serves as non-executive member of the board of directors of Intralot S.A. He holds an MSc and a PhD degree in economics from the University of London and a BSc degree in economics from Athens University of Economics and Business. Dr. Klonis joined the Intracom group in 1994 as deputy general manager of corporate finance and administration and has been the Intracom group's CEO since October 1995. He has served as member of the board of the directors of Intralot S.A. since October 1995, and between March 2004 and February 2006 he served as vice chairman. Since February 2011, he has also served as vice-chairman of the board and deputy CEO of Intracom Holdings. In addition, he is a member of the board of several other companies within the Intracom group.

Dimitrios Chatzigrigoriadis serves as non-executive independent member of the board of directors of Intralot S.A. He is a graduate of law from the University of Athens and completed his postgraduate studies in London. He is also a member of the audit and compliance committee as well as a member of the remuneration committee of Intralot S.A., and he is a member of the board of directors of Intracom Holdings.

Anastasios Tsoufis serves as non-executive independent member of the board of directors of Intralot S.A. and was appointed to the board of Intralot S.A. in 2004. He is a graduate of law from the University of Athens. He is also a member of the audit and compliance committee as well as a member of the remuneration committee of Intralot S.A.

Sotirios Filos serves as non-executive independent member of the board of directors of Intralot S.A. He holds a Bachelor's degree in economics from the Economic University of Athens. He is chairman of the audit and compliance committee as well as chairman of the remuneration committee within Intralot S.A. He also serves as non-executive independent member of the board of Intracom Holdings. He is an economist and has experience in accounting and internal control.

Petros Souretis serves as non-executive member of the board of directors of Intralot S.A. He holds a civil engineering degree from Aristotelio University of Thessaloniki, an MSc in "Structures of Hazards" from City University in London and an international MBA degree from the University of Economics of Athens. He serves as an executive member of the board of directors and CEO of Intrakat S.A. and currently also holds, and has previously held, various other executive positions at Intrakat group companies. Until 2006, Mr. Souretis served on the board of directors of Intracom Bulgaria AD, Intralban ShA and Aitheras Energy.

Senior Management

The following table sets forth certain information concerning the members of the senior management of Intralot S.A.

Name	Year of Birth	Position
Socrates Kokkalis	1939	Chairman, Executive Board Member
Constantinos Antonopoulos	1953	CEO
Evangelia Bouligaraki	1970	General Director of Games and Marketing
Konstantinos Farris	1963	General Technical Director Systems
Ioannis Katakis	1957	General Director of Strategy
Fotis Mavroudis	1952	Board of Directors member; Managing Director for Europe and North Africa Region
Ioannis Pantoleon	1965	General Director, Finance and Business Development
Andreas Papoulias	1962	Board of Directors member; CEO of Intralot Interactive
George Plakas	1958	General Technical Director of POS Solutions

The members of the senior management can be contacted at the Company's business address: 64, Kifissias Ave. & 3, Premetis Str., 112 57 Athens, Greece.

Socrates Kokkalis serves as chairman and executive member of the board of directors of Intralot S.A. He received an MSc degree in physics and electronics from Humbolt University of Berlin, Germany, in 1963. Mr. Kokkalis is the founder of Intralot S.A and has served as chairman of the board of directors since its establishment. He is also the founder and chairman of Intracom S.A. In 1997, he was acclaimed a John Harvard Fellow after establishing the Kokkalis Program at the Kennedy School of Government at Harvard University, United States. In 1998, Mr. Kokkalis founded the Kokkalis Foundation, a non-profit organization with a focus on educational and regional development issues.

Constantinos Antonopoulos serves as executive vice chairman of the board of directors and CEO of Intralot S.A. Mr. Antonopoulos is a founding member and shareholder of Intralot S.A. He graduated in 1976 from the National Technical University of Athens with a degree in electrical engineering. He continued his studies at the University of Manchester (UMIST), England and received a MSc degree in systems reliability. He is also the chairman of many Intralot Group companies and a member of the board of directors of Intracom Holdings. He launched his career by joining Greek industrial enterprises, such as the Hellenic and Eleusis Shipyards, and held a succession of managerial positions at the Ministry of Finance and the Ministry of Industry.

Evangelia Bouligaraki serves as general director of games and marketing for Intralot S.A. She holds an MSc degree with a major in consumer psychology and a minor in ergonomics from the Universiteit Gent. Ms. Bouligaraki has previously worked at Procter & Gamble, Wella, Sarantis, Research International and KPMG in Belgium, Switzerland and Greece. She has experience in strategy development, consumer and market knowledge, marketing management and category management in fast moving consumer goods and consulting.

Konstantinos Farris serves as general technical director of systems of Intralot S.A. He holds a degree in computer engineering and information technologies from the Technical University of Patras as well as a Master's degree in databases and data mining from the University of Manchester in the United Kingdom. From 1997 to 2003, Mr. Farris was the technical director of Intralot S.A. Prior to 1997, he was also head of the wagering systems department and deputy manager of the wagering systems division.

Ioannis Katakis serves as general director of strategy of Intralot S.A. He has a BSc and a MSc in electronic engineering from Sheffield University and a PhD in bioengineering from the University of Strathclyde. Mr. Katakis was appointed deputy general manager of Intralot S.A. in June 1998 and deputy general commercial manager in 2004. He has also previously worked as deputy director in the management of development programs at Intracom and was the founding member and previously the general director of Eurocom Expertise S.A.

Fotios Mavroudis serves as executive member of the board of directors of Intralot S.A. He has also served as managing director for the Europe and North Africa Region of Intralot S.A. since 2009, and he previously served as director of international operations of Intralot S.A. Mr. Mavroudis has also served as deputy general manager of Intralot S.A. In addition, since 1999, he has served as General Manager of Instant Lottery S.A. Mr. Mavroudis studied mechanical engineering at the National Technical University of Athens and received an MBA at the University of Clayton, United States. Prior to joining Intralot S.A., Mr. Mavroudis held a succession of management positions in the consulting, manufacturing and durable goods sectors.

Ioannis Pantoleon has been chairman of the Issuer's board of directors since establishment and has also served as general director of finance and business development of Intralot S.A. since 2003. He holds a degree in economics from the Economic University of Athens and a Master's degree in financial management and accounting from the University of Manchester (UMIST). Prior to his current position, Mr. Pantoleon also worked in Intralot S.A.'s financial management division and served as the contracts director. Previously, he also worked at Intracom and Sigma Securities S.A. where he served as a corporate finance executive.

Andreas Papoulias serves as executive member of the board of directors of Intralot S.A. as well as CEO of Intralot Interactive. He has a BA and MA in mathematics and theoretical physics from Trinity College, Cambridge University and an MSc in computer systems engineering from the University of Edinburgh. Mr. Papoulias started his professional career in 1985 as a software engineer within the ENI group where he continued as project manager. He has also worked as deputy manager in the development programs department of the Intracom group. He served as deputy general manager of

Intralot S.A. from 1993 until 1999 and has also previously served as COO of Intralot S.A. and as general manager of Betting Company S.A.

George Plakas serves as general technical director of POS solutions of Intralot S.A. He has a BSc degree in control systems from Coventry University and an MSc degree in electrical and electronics from Aston University in Birmingham, United Kingdom. Mr. Plakas previously worked at Intracom S.A. as team leader in the VLSI department and R&D deputy manager as well as department manager of lottery and POS systems.

Remuneration of the Members of the Board of Directors and Senior Management of Intralot S.A.

The aggregate compensation of the members of the board of directors and senior management of Intralot S.A. for the year ended December 31, 2012 was €3,460,726. In addition, we provide stock options to members of our management, and certain members of our board and certain of our senior management hold shares in our stock. See "Principal Shareholders."

Committees

Audit and Compliance Committee

The audit and compliance committee is responsible for supervisory responsibilities with regard to financial reporting and information, and compliance of the Intralot Group with the legislative and regulatory operational framework and audit system procedures. The audit and compliance committee convenes at least four times per year and as necessary. The current members of the audit and compliance committee are Sotirios Filos, Dimitrios Chatzigrigoriadis and Anastasios Tsoufis.

The finance committee is a sub-committee of the audit and compliance committee and comprises the chief financial officer, director of finance, accounting director, subsidiaries and business development director and other executives within the finance department. The finance committee is responsible for managing the exposure to certain financial risks.

Remuneration Committee

The remuneration committee is responsible for determining the employee remuneration policy, including incentive bonuses, stock options and employee loyalty incentive programs, and recommending remuneration levels for executives, managers and senior executives to the board of directors of the Company. The remuneration committee convenes at least once per year and as its chairman deems necessary. The current members of the remuneration committee are Sotirios Filos, Dimitrios Chatzigrigoriadis and Anastasios Tsoufis.

PRINCIPAL SHAREHOLDERS

Issuer

The Issuer is a direct wholly-owned subsidiary of Intralot Global Securities B.V. which is a direct wholly-owned subsidiary of Intralot S.A. The subscribed share capital of Intralot Finance Luxembourg S.A. amounts to €31,000, divided into 31 shares of €1,000 nominal value each.

Intralot S.A.

The issued share capital of Intralot S.A. amounts to €47,688,516.30, divided into 158,961,721 fully paid-up shares of €0.30 nominal value each. All shares of Intralot S.A. are listed on the Main Market of the Athens Exchange. Intralot S.A. shares are common registered shares with voting rights.

The following table sets forth information regarding (i) each person that Intralot S.A. believes beneficially holds more than 5% of the outstanding shares of Intralot S.A.'s common stock and (ii) all directors and executive officers of Intralot S.A. as a group, as of March 31, 2013:

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned	Percentage of Common Stock Outstanding	Shares according to Latest Public Disclosure
Socrates Kokkalis[(1)]	31,800,000	20.0%	31,800,000
Konstantinos Dimitriadis	13,030,000	8.2%	13,030,000
Novomatic AG	12,133,569	7.6%	8,061,888
Nakula Management LTD	10,357,768	6.5%	8,252,490

(1) Socrates Kokkalis is chairman and executive board member of Intralot S.A. In addition, other directors and senior management of Intralot S.A. beneficially hold a percentage of outstanding shares of Intralot S.A.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In the past, we have entered into, and expect to enter into in the future, contractual arrangements with our principal shareholders or companies controlled by them. We also acquire goods and services from, or sell goods and services to, various related parties in the course of our ordinary business. In particular, from time to time we procure hardware and software services from Intracom Holdings Group, which is our affiliate under common control with our major shareholder, Socrates Kokkalis and which provides us with certain subcontracting services in support of the Romanian state lottery and is also a minor supplier of IT services to us. We also procure construction services from Intrakat S.A. See "Management" and "Principal Shareholders." In the year ended December 31, 2012, our income from Intracom Holdings Group was €4.5 million and our expenses were €15.1 million. In addition, as of December 31, 2012, our receivables from Intracom Holdings Group were €6.9 million and our payables were €18.5 million. We believe that our prior and existing transactions and arrangements have been negotiated on an arm's length basis and contain market terms. However, there is the possibility that we could have obtained better terms from third parties. In respect of our sales of goods and services to related parties, the outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for such receivables.

DESCRIPTION OF OTHER INDEBTEDNESS

The following is a summary of the material terms of our principal financing arrangements. The following summaries do not purport to describe all of the applicable terms and conditions of such arrangements and are qualified in their entirety by reference to the actual agreements.

Syndicated Facilities Agreement

General

Intralot Finance UK PLC as Original Borrower, Intralot S.A. as Parent and Guarantor and Intralot Iberia Holdings S.A.U., Intralot Holdings International Limited, Intralot de Peru S.A.C., Gaming Solutions International S.A.C. and Bilot EOOD, the Issuer and Subsidiary Guarantors as Guarantors, Citigroup Global Markets Limited, Emporiki Bank of Greece, S.A., Alpha Bank A.E., Societe Generale S.A. and HSBC Bank plc as mandated lead arrangers and Alpha Bank A.E., Emporiki Bank of Greece, S.A., Cyprus Branch, HSBC Bank plc, Societe Generale S.A., National Bank of Greece S.A., London Branch, Citicorp North America, Inc., EFG Eurobank Ergasias S.A., London Branch, Piraeus Bank S.A., London Branch, Agricultural Bank of Greece S.A., Frankfurt Branch, Barclays Bank PLC, BNP Paribas Ireland, Hellenic Bank Public Company Limited as Original Lenders and HSBC Bank plc as Agent entered into an amendment of the Syndicated Facilities Agreement originally dated June 15, 2012 on June 17, 2013. The effectiveness of the amendment to the Syndicated Facilities Agreement is subject to customary conditions precedent. The Company expects to satisfy those conditions precedent and for the amendment to become effective on or prior to the Issue Date.

The Syndicated Facilities Agreement provides for borrowings in (i) a term facility (the "Term Facility") up to an aggregate of €150 million on a committed basis and (ii) in a revolving facility (the "Revolving Facility") up to an aggregate of €150 million on a committed basis. Loans from the Revolving Facility may be borrowed, repaid and reborrowed at any time. Loans from the Term Facility may be borrowed and repaid once.

As of March 31, 2013, €263.8 million was drawn under the Syndicated Facilities Agreement. On a *pro forma* basis after giving effect to the issuance of the Notes and the application of the proceeds therefrom (see "Use of Proceeds"), as of March 31, 2013, €80.0 million would have been drawn under the Syndicated Facilities Agreement.

Maturity and Amortization

Each loan made under the Term Facility must be repaid in full on December 21, 2014. Each loan made under the Revolving Facility must be repaid on the last day of each interest period. Borrowings under the Revolving Facility must be repaid in full on or prior to December 21, 2014.

Interest Rate

The interest rate on loans under both the Term Loan Facility and the Revolving Facility is the aggregate of the applicable margin, EURIBOR and mandatory costs (if any). The margin may range from 5.00% to 6.00% per annum and is calculated by reference to the leverage ratio. As of March 31, 2013, the applicable margin was 5.5%.

Guarantee

The obligations of the Original Borrower are unconditionally guaranteed by all of the Guarantors of the Notes and the Issuer.

Covenants

The Syndicated Facilities Agreement contains customary information undertakings, general undertakings and financial covenants. Set forth below is a brief description of such customary covenants, all of which are subject to customary exceptions and qualifications.

Information Undertakings

The information undertakings require provision of customary financial and other information in relation to the Intralot Group and each obligor, including financial statements, compliance certificates and others documents reasonably requested by any finance party.

General Undertakings

The general undertakings cover the following restrictions and covenants: (i) procurement, compliance and maintenance of all authorizations required under law; (ii) compliance with laws in the jurisdiction of incorporation of each obligor and all other jurisdictions where each obligor carries on its business; (iii) compliance with a negative pledge; (iv) restriction on disposals of assets; (v) restrictions on merger; (vi) restrictions on change of business; (vii) maintenance of insurance; (viii) maintenance of all licenses and authorizations; (ix) restrictions on financial indebtedness; (x) restrictions on obligors as creditors; (xi) maintenance of pari passu ranking; (xii) a redemption and discharge in full of the 2013 Convertible Bond no later than December 20, 2013 and any debt refinancing the 2013 Convertible Bond to mature not earlier than six months after the final maturity date of the Syndicated Facilities Agreement and a prohibition on the prepayment or redemption of such refinancing debt unless a Termination Event occurs (see "Summary—Transactions—Escrow Arrangements"); (xiii) restrictions on dividends and share capital return except the minimum dividend required under Greek law; (xiv) restriction on deposits held with Greek banks; (xv) restrictions on acquisitions; (xvi) accession of additional guarantor(s) if the aggregate earnings before interest, tax, depreciation and amortization and aggregate total assets of the guarantors represent less than 65% of the consolidated EBITDA and total assets of the Intralot Group; (xvii) no amendments to the Escrow Agreement; (xviii) no acquisition of the 2013 Convertible Bond for aggregate consideration greater than the aggregate amounts payable in respect of the 2013 Convertible Bond at its stated maturity plus the amount of any intervening coupon payments; and (xix) all Guarantors of the Notes also to accede as guarantors under the Syndicated Facilities Agreement of the Syndicated Facilities Agreement and a prohibition on the prepayment or redemption of such refinancing debt unless a Termination Event occurs (see "Summary—Transactions—Escrow Arrangements"). The covenant described in paragraph (xii) and the covenants described in paragraphs (xvii) to (xix) will apply only once the conditions precedent to the amendment to the Syndicated Facilities Agreement are satisfied.

Financial Covenants

The Parent shall ensure that: (i) the leverage ratio in respect of each relevant period ending on or prior to December 31, 2013 shall not exceed 3.25:1 and in respect of each relevant period ending on or after March 31, 2014, shall not exceed 3.0:1 (the leverage ratio may be increased to a maximum of 3.5:1 for a limited period when an Intralot Group member makes a material investment and the majority lenders consent to a leverage ratio increase); (ii) the ratio of consolidated EBITDA to consolidated net finance charges for any relevant period beginning after December 31, 2012 and ending on or after March 31, 2013 shall equal or exceed 4.0:1; (iii) the ratio of consolidated total net debt on each testing date to consolidated tangible equity on that testing date shall not exceed 2.75:1; (iv) the aggregate capital expenditure shall not exceed a specified amount for each financial year ranging from €50 million to €145 million, subject to the provision that any amount which is not utilized in that specified financial year may be carried forward to the subsequent financial year. This financial covenant is calculated and tested quarterly on a rolling twelve month basis by reference to the consolidated annual, half-year and quarterly financial statements.

Events of Default

The Syndicated Facilities Agreement provides for customary events of default including: (i) failure to pay any sum when due subject to a three business day grace period for delays caused by administrative or technical error or a disruption event; (ii) breach of any financial covenant; (iii) failure to comply with any provision of the finance documents other than those relating to non-payment and financial covenants subject to a 21 calendar day remedy period if capable of remedy; (iv) misrepresentation; (v) cross-default in relation to a material group member subject to a €35 million threshold; (vi) insolvency or insolvency proceedings in relation to a material group member; (vii) creditors' process subject to a €15 million threshold and if not discharged within thirty days; (viii) unlawfulness; (ix) repudiation of a finance document; (x) material adverse change; (xi) legal or administration proceedings pending or threatened; (xii) change of control; (xiii) cessation of business; (xiv) balance of escrow account is less than amount required to effect the reduction in the 2013 Convertible Bond unless the deficit is less than €5 million; (xv) breach of the Escrow Agreement which is not remedied within five business days; and (xvi) a termination event under the Escrow Agreement. The events of default described in paragraphs (xiv) to (xvi) apply only from the Issue Date.

Governing Law

The Syndicated Facilities Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Alpha Bank Facility Agreement

General

Intralot Finance UK PLC as Borrower, Intralot S.A. as Parent and Guarantor and Intralot Global Holdings as Guarantor, Alpha Bank A.E. as arranger, Alpha Bank A.E., London Branch as Agent and Alpha Bank A.E. as Lender entered into the Alpha Facility Agreement on June 7, 2013. The effectiveness of the Alpha Facility Agreement is subject to customary conditions precedent. The Company expects to satisfy those conditions precedent on or prior to the Issue Date.

The Alpha Bank Facility Agreement provides for borrowings in a term facility (the "Alpha Bank Facility") up to an aggregate of €62.5 million on a committed basis. The loan under the Alpha Bank Facility may be borrowed and repaid once.

As of the Issue Date, €62.5 million was drawn under the Alpha Bank Facility Agreement. On a *pro forma* basis after giving effect to the issuance of the Notes and the application of the proceeds therefrom (see "Use of Proceeds"), as of the Issue Date, €42.5 million would have been drawn under the Alpha Bank Facility Agreement.

Maturity and Amortization

The loan made under the Alpha Bank Facility must be repaid in full on December 31, 2015. The Borrower is required to make scheduled amortization payments on the loan on July 31, 2013, June 30, 2014 and semi-annually thereafter. The amount of each required amortization payment varies between €2.5 million and €27.5 million and the amortization payments together fully amortize the loan.

Interest Rate

The interest rate on the loan under the Alpha Bank Facility is the aggregate of the applicable margin, EURIBOR and mandatory costs (if any). The margin is 4.75% per annum.

Guarantee

All obligations of the Borrower are unconditionally guaranteed by the Parent and Intralot Global Holdings B.V.

Covenants

The Alpha Bank Facility Agreement contains customary information undertakings, general undertakings and financial covenants. These covenants are substantially similar to the covenants contained in the Syndicated Facilities Agreement, which are summarized above, except that (i) there is no general undertaking requiring the accession of additional guarantors, (ii) there is no restriction on deposits held with Greek banks, (iii) there is no restriction on aggregate capital expenditure, (iv) there is no restriction on amendments to the Escrow Agreement, (v) there is no restriction on the consideration for the acquisition of the 2013 Convertible Bond and (vi) there is no requirement that all Guarantors of the Notes also accede as guarantors under the Alpha Bank Facility Agreement.

Events of Default

The Alpha Bank Facility Agreement provides for customary events of default, which are subject to customary materiality. These events of default are substantially similar to the events of default contained in the Syndicated Facilities Agreement, and summarized above, except that there are no events of default relating to the Escrow Agreement or the balance of the escrow account.

Governing Law

The Alpha Bank Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Bank of Valletta Facility Agreement

General

Maltco Lotteries Limited as Customer and Bank of Valletta as the Bank entered into a bilateral facility agreement on July 4, 2012 (as amended and restated from time to time). The Bank of Valletta Facility Agreement provides for a term loan in the amount of €20 million, an overdraft facility to assist with the cashflow of the business in the amount of €5 million, a general banking facility to assist with the opening of documentary credits in line with projected capex in the amount of €300,000.

As of March 31, 2013, €14.1 million was drawn under the Bank of Valletta Facility Agreement.

Repayment and Maturity

The term loan is repayable in equal monthly installments inclusive of interest. Once the term loan has been repaid the overdraft will be converted into a term loan repayable over the remaining term of the facility up to the eighth anniversary of the license.

Interest Rate

The interest rate on the loans is six month EURIBOR plus 2.65%. The six month EURIBOR is subject to a floor of 2.45%.

Security

Security is provided over all of the Customer's assets.

Guarantee

Guarantees are provided by Associated Supplies Limited, Intralot S.A. and The Players Group Limited.

Events of Default

The Bank of Valletta Facility Agreement provides for customary events of default including: (i) failure to pay any sum when due; (ii) breach of obligations, undertakings, representations or warranties under the loan (iii) any other indebtedness of the Customer is not paid when due; (iv) modification of consents and authorizations required for performance of obligations under the loan; (v) creditor action which is not discharged within 7 days; (vi) suspension of payments or entry into negotiation or process with creditors in relation to reconstruction of debts; (vii) insolvency of the Customer; (viii) seizure of assets by or under the authority of the government; (ix) change of control; (x) illegality; (xi) repudiation of documents relating to the loan; (xii) material adverse change in the financial condition of the Customer; and (xiii) material adverse effect on the ability of the Customer to perform obligations under the loan.

Covenants

The Bank of Valletta Facility Agreement requires the Customer to give the Bank full details and all information relating to its business and financial position as requested by the Bank from time to time.

The Customer undertakes not to (i) transfer or charge any invoices, debts or receivables or (ii) grant any further security in respect of its assets.

Governing Law

The Bank of Valletta Facility Agreement is governed by Maltese law and any dispute is subject to the exclusive jurisdiction of the Maltese courts.

Bank of America Facility Agreement

General

Intralot Inc as Borrower and Bank of America N.A. as Bank entered into a bilateral facility agreement on February 9, 2010 (as amended and restated from time to time). The Bank of America

Facility Agreement provides for borrowings from a revolving line of credit up to an aggregate amount of U.S.$12.5 million (the "Facility No. 1").

During the availability period the Borrower may repay and reborrow amounts at any time. The Borrower may also request that the Bank issue standby letters of credit with a maximum maturity of 365 days. The total aggregate amount which can be borrowed is reduced by any standby letters of credit that have been issued.

Availability Period

The line of credit is available from February 9, 2010 until September 15, 2013.

Interest Rate

The interest rate on the loans is BBA LIBOR Daily Floating Rate plus 2.75% percentage points. Interest is payable on the last day of each month.

Cash Collateral

If the Borrower exceeds the commitment amount for Facility No. 1 or an event of default occurs under the Bank of America Facility Agreement, the Borrower must on demand deposit collateral with the Bank an amount in U.S. dollars equal to the aggregate undrawn amount of all outstanding letters of credit and any amounts drawn under any letters of credit not yet reimbursed.

The Bank has security over a broad range of the Borrower's assets.

Guarantee

Delaware law-governed guarantees of all obligations of the Borrower under the Bank of America Facility Agreement are provided by Intralot S.A. and Intralot Finance UK PLC, subject to caps in relation to cash management services and credit and debit card services.

Covenants

General Undertakings

The general undertakings cover the following restrictions and covenants: (i) use of proceeds only for prescribed purposes; (ii) change of ownership; (iii) change of business and merger or dissolution; (iv) creation of any new financial indebtedness; (v) notices to the Bank; (vi) insurance; (vii) compliance with laws; (viii) books and records; (ix) audit; (x) provision of liquidated damages reports to the Bank; and (xi) cooperation with the Bank.

For a period of thirty consecutive days during the period from September 15, 2012 until the Facility No. 1 expiration date the Borrower must repay the loans such that the aggregate amount of all loans and the face amount of all outstanding letters of credit is below U.S.$9.5 million.

Information Undertakings

The information undertakings require the provision of annual and quarterly financial statements in relation to the Borrower as well as other documents reasonably requested by the Bank.

Financial Covenants

The Borrower must maintain at the last day of each fiscal quarter a ratio of (i) senior funded debt to (ii) adjusted EBITDA of no more than 2.25:1.

Events of Default

The Bank of America Facility Agreement provides for customary events of default including: (i) failure to pay any sum when due subject to a five day grace period; (ii) breach of other arrangements with the Bank; (iii) cross-default in relation to any of the other facilities of the Borrower's related entities or affiliates, including in relation to the 2013 Convertible Bond; (iv) false information; (v) bankruptcy; (vi) appointment of receivers; (vii) failure to provide cash collateral; (viii) lawsuit is filed or judgment is given against the Borrower subject to a U.S.$5 million threshold; (ix) a material adverse change occurs; (x) government action materially adversely affects the ability of

Borrower to repay; (xi) default under related documents, (xii) termination of state lottery contract, (xiii) failure to comply with the leverage ratio; (xiv) other breach of the agreement which is not remedied within 30 days; and (xv) the Bank no longer having an enforceable first lien or security interest in any property given as security for the Bank of America Facility Agreement.

Governing Law

The Bank of America Facility Agreement is governed by the laws of the State of Georgia.

April Sale-and-Leaseback Transactions

In April 2013, the Group raised an amount of €35.9 million through a sale-and-leaseback contract with a third-party provider in relation to electronic and other equipment used in the business of the Group.

DESCRIPTION OF THE NOTES

The definitions of certain terms used in this description are set forth under the subheading "—Certain Definitions." In this description, the term "Issuer" refers only to Intralot Finance Luxembourg S.A., a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg which has been organized as a special purpose finance subsidiary to facilitate the offering of the Notes; the term "Dutch Holdco" refers only to Intralot Global Securities B.V., a corporation organized under the laws of the Netherlands and the immediate parent company of the Issuer; and the term "Company" refers only to Intralot S.A.—Integrated Lottery Systems and Services, a public limited liability company organized under the laws of the Hellenic Republic and the immediate parent company of Dutch Holdco. The term "Notes" refers also to "book-entry interests" in the Notes, as defined herein.

The Issuer will issue and the Guarantors will guarantee the Notes offered hereby under an indenture to be dated on or about August 8, 2013 (the "Indenture"), among the Issuer, the Guarantors, and Deutsche Trustee Company Limited, as trustee (the "Trustee"), in a transaction that is not subject to the registration requirements of the Securities Act. See "Transfer Restrictions." The terms of the Notes include those set forth in the Indenture. The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The gross proceeds of the offering of the Notes sold on the Issue Date will be used by the Company as set forth in this Offering Memorandum under the caption "Use of Proceeds." To facilitate the repayment of the 2013 Convertible Bond, the initial purchasers will deposit a portion of the proceeds of this offering of the Notes into an escrow account (the "Escrow Account") pursuant to an escrow agreement (the "Escrow Agreement") dated the Issue Date between, among others, the Issuer, the Trustee, HSBC Bank plc, as facility agent under the Forward Start Facilities, and Citibank, N.A., London Branch, as Escrow Agent (the "Escrow Agent"). The Escrow Agreement, including the conditions to the release of the Escrowed Property (as defined below), are more fully described below under "—Escrow of Proceeds; Special Mandatory Redemption."

The following description is a summary of the material provisions of the Indenture. It does not however, restate the Indenture in its entirety, and where reference is made to particular provisions of the Indenture, such provisions, including the definitions of certain terms, are qualified in their entirety by reference to all of the provisions of the Notes and the Indenture. You should read the Indenture because it contains additional information and because it and not this description defines your rights as a holder of the Notes. A copy of the Indenture may be obtained from the Issuer upon request or, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange, and the rules of the Luxembourg Stock Exchange so require, from the specified office of the Paying Agent in Luxembourg.

Brief Description of the Notes and the Guarantees

The Notes

The Notes will be general obligations of the Issuer and will:

- be guaranteed by the Company and the Subsidiary Guarantors;
- rank equally in right of payment with any existing and future Debt of the Issuer that is not subordinated in right of payment to the Notes;
- rank senior in right of payment to any existing and future Debt of the Issuer that is subordinated in right of payment to the Notes; and
- be effectively subordinated in right of payment to any existing and future Debt of the Issuer that is secured by liens, to the extent of the value of the assets securing such Debt.

The Company Guarantee

The Company Guarantee of the Notes will be a general obligation of the Company and will:

- rank equally in right of payment with any existing and future Debt of the Company that is not subordinated in right of payment to the Company Guarantee, including the Company's obligations under the Forward Start Facilities;

- rank senior in right of payment to any existing and future Debt of the Company that is subordinated in right of payment to the Company Guarantee; and
- be effectively subordinated in right of payment to any existing and future Debt of the Company that is secured by liens, to the extent of the value of the assets securing such Debt.

The Subsidiary Guarantees (including the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee)

Each Subsidiary Guarantee of the Notes will be a general obligation of the relevant Subsidiary Guarantor and will:

- rank equally in right of payment with any existing and future Debt of the relevant Subsidiary Guarantor that is not subordinated in right of payment to such Subsidiary Guarantee, including the relevant Subsidiary Guarantor's obligations under the Forward Start Facilities;
- rank senior in right of payment to any existing and future Debt of the relevant Subsidiary Guarantor that is subordinated in right of payment to such Subsidiary Guarantee; and
- be effectively subordinated in right of payment to any existing and future Debt of the relevant Subsidiary Guarantor that is secured by liens, to the extent of the value of the assets securing such Debt.

Not all of the Restricted Subsidiaries of the Company will guarantee the Notes. As of and for the last twelve months ended March 31, 2013, the Issuer and the Guarantors together represented 67.6% of our Consolidated EBITDA and 67.8% of our consolidated total assets. As of March 31, 2013, on an actual and *pro forma* basis the non-Guarantor Restricted Subsidiaries of the Company (other than the Issuer) had €24.7 million of debt outstanding. In the event of the insolvency, bankruptcy, liquidation or reorganization of any of our non-Guarantor Restricted Subsidiaries (other than the Issuer), such non-Guarantor Restricted Subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us.

As of the date of this Offering Memorandum, all of the Company's Subsidiaries are "Restricted Subsidiaries." However, under the circumstances described below under the subheading "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries," we will be permitted to designate certain of our Restricted Subsidiaries as "Unrestricted Subsidiaries." Unrestricted Subsidiaries will not be subject to the restrictive covenants in the Indenture and will not guarantee the Notes.

Release of the Company Guarantee, the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee

Subject to the following paragraph, each of the Company Guarantee, the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee is a continuing guarantee and shall (a) remain in full force and effect until payment in full of all of the relevant Guarantor's obligations under the relevant Guarantee, (b) be binding upon the relevant Guarantor and its successors and (c) inure to the benefit of, and be enforceable by, the Trustee and its successors and assigns.

Each of the Company Guarantee, the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee will be released:

(1) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge"; or

(2) upon the full and final payment and performance of all obligations under the Notes and the Indenture.

Release of the Subsidiary Guarantees (other than the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee)

Subject to the following paragraph, each Subsidiary Guarantee of the relevant Subsidiary Guarantor (other than the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee) is a continuing guarantee and shall (a) remain in full force and effect until payment in full of all of such Subsidiary Guarantor's obligations under the Subsidiary Guarantee, (b) be binding upon such Subsidiary Guarantor and its successors and (c) inure to the benefit of, and be enforceable by, the Trustee and its successors and assigns.

The Subsidiary Guarantee of a Subsidiary Guarantor (other than the Dutch Holdco Guarantee and the Intralot Global Holdings Guarantee) will be released:

(1) in connection with any sale or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the covenant set forth under the heading "—Repurchase at the Option of Holders—Sales of Certain Assets";

(2) in connection with any sale or other disposition of Capital Stock of that Subsidiary Guarantor, including any holding company thereof, to a Person that is not (either before or after giving effect to such transaction) the Company or a Restricted Subsidiary, if the sale or other disposition does not violate the covenant set forth under the heading "—Repurchase at the Option of Holders—Sales of Certain Assets" and the Subsidiary Guarantor ceases to be a Restricted Subsidiary as a result of the sale or other disposition;

(3) if the Company designates any Subsidiary Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of the Indenture;

(4) upon such Subsidiary Guarantor consolidating with, merging into or transferring all of its properties and assets to the Issuer or another Guarantor in accordance with the applicable provisions of the Indenture, and as a result of, or in connection with, such transaction such Subsidiary Guarantor winding down, dissolving or otherwise ceasing to exist;

(5) upon legal defeasance, covenant defeasance or satisfaction and discharge of the Indenture as provided below under the captions "—Legal Defeasance and Covenant Defeasance" and "—Satisfaction and Discharge"; or

(6) upon the full and final payment and performance of all obligations under the Notes and the Indenture.

Limitation of Guarantees

Certain Guarantees will be limited in accordance with applicable law with respect to maintenance of share capital, corporate benefit, fraudulent conveyance and other legal restrictions applicable to the Guarantors and their respective shareholders, directors and general partners. For a description of certain of these limitations, please see "Limitations on Validity and Enforceability of the Guarantees and Certain Insolvency Laws Considerations."

In addition, the obligations of the Intralot Gaming Services Pty Ltd ("IGS") will be limited to the amount calculated as the aggregate at such time of all assets of IGS which would be considered assets of IGS in accordance with generally accepted accounting standards in Australia, minus the aggregate at such time of all liabilities of IGS (including indebtedness payable on demand) which would be treated as a liability of IGS in accordance with generally accepted accounting standards in Australia (but excluding IGS's obligations to pay any money under the accession letter pursuant to which it agrees to guarantee certain obligations under the Syndicated Facilities, the purchase agreement relating to the Notes or the Indenture.

Principal, Maturity and Interest

The Issuer will offer the Notes offered hereby in an aggregate principal amount of €325,000,000. Subject to the covenant described under "—Certain Covenants—Limitation on Debt," the Issuer may issue additional notes ("Additional Notes") from time to time after this offering. Any Additional Notes will be identical in all respects to the Notes offered hereby (other than any one or more of their issue date, issue price, first interest payment date and amount of first interest payment), provided that no Additional Notes will utilize the same International Securities Identification Number or Common Code as Notes already issued unless such Additional Notes are fungible with such Notes for U.S. federal income tax purposes. The Notes and any Additional Notes that are subsequently issued will be treated as a single class for all purposes of the Indenture, including waivers, amendments, redemptions and offers to purchase. Unless the context otherwise requires, the term "Notes" is used herein to refer to both the Notes and the Additional Notes. The Notes will mature on August 15, 2018. The redemption price of the Notes at maturity will equal 100% of the principal amount of the Notes.

Interest on the Notes offered hereby will accrue at the rate of 9.750% per annum and will be payable semi-annually in arrear on February 15 and August 15, commencing on February 15, 2014. The

Issuer will make each interest payment to the holders of record on the immediately preceding February 1 and August 1.

Interest on the Notes will accrue from the Issue Date. Interest will be computed on the basis of a 360-day year comprising twelve 30-day months.

Form of Notes

The Notes will be issued on the issue date for the Notes offered hereby only in registered form without coupons and only in minimum denominations of €100,000 or any integral multiple of €1,000 in excess thereof.

The Notes will be initially represented by one or more global notes (the "Global Notes"). The Global Notes will be deposited with a common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream") and registered in the Notes register in the name of a nominee of such common depositary. Ownership of interests in the Global Notes, referred to as "book-entry interests," will be limited to persons that have accounts with Euroclear or Clearstream Banking or their respective participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream Banking and their participants. The terms of the Indenture will provide for the issuance of certificated registered Notes in certain circumstances. See "Book-Entry; Delivery and Form."

The Issuer will also maintain a registrar (the "Registrar") for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange. The Issuer will also maintain a transfer agent (the "Transfer Agent"). The initial Registrar will be Deutsche Bank Luxembourg S.A. The initial Transfer Agent will be Deutsche Bank Luxembourg S.A. The Registrar and the Transfer Agent will maintain a register (the "Register") reflecting ownership of Definitive Registered Notes (as defined under "Book-Entry, Delivery and Form") outstanding from time to time and will make payments on and facilitate the transfer of Definitive Registered Notes on behalf of the Issuer and a copy of the Register will be sent to the Issuer on the Issue Date and promptly after any change to the holders of the Notes made by the Registrar, with such copy held by the Issuer at its registered office. In case of discrepancies between the Register and the register held by the Issuer at its registered office, the register held by the Issuer at its registered office shall prevail for Luxembourg law purposes.

The Issuer may change the Paying Agents, the Registrars or the Transfer Agents without prior notice to the holders of Notes. For so long as the Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer will publish a notice of any change of Paying Agent, Registrar or Transfer Agent in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, post such notice on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Transfer

The Global Notes may be transferred in accordance with the Indenture. All transfers of book-entry interests between participants in Euroclear or Clearstream Banking will be effected by Euroclear or Clearstream Banking pursuant to customary procedures and subject to applicable rules and procedures established by Euroclear or Clearstream Banking and their respective participants. See "Book-Entry; Delivery and Form."

The Notes will be subject to certain restrictions on transfer, as described under "Transfer Restrictions."

Escrow of Proceeds; Special Mandatory Redemption

On the Issue Date, the Issuer will enter into the Escrow Agreement pursuant to which the common depositary will deposit directly with the Escrow Agent an amount of the proceeds of the offering of the Notes sufficient to repay 100% of the outstanding principal amount of the 2013 Convertible Bond, plus the prepayment premia and all current and future accrued but unpaid interest to the maturity date of the 2013 Convertible Bond. The amount deposited into the Escrow Account is referred to as the "Escrowed Property." On the Issue Date, the Company expects to use a portion of the Escrowed Property, following the delivery of the Officer's Certificate mentioned below, to pay the

purchase price, plus accrued and unpaid interest, of the amount of the 2013 Convertible Bond that will be accepted for payment by Intralot Luxembourg S.A. in the Tender Offer.

The Escrow Agent may release Escrowed Property to Intralot Luxembourg S.A., the correspondent banks of Euroclear and/or Clearstream or the paying agent in respect of the 2013 Convertible Bond (the "Release") if the Escrow Agent shall have received from the Issuer an Officer's Certificate to the effect that either: (i) the payment is required to settle on-market bond repurchases of the 2013 Convertible Bond, or (ii) the payment is required to settle repurchases of the 2013 Convertible Bond made pursuant to a tender offer; or (iii) the payment is required to settle the outstanding principal amount of the 2013 Convertible Bond and all accrued interest, fees, costs, expenses and prepayment premia and other costs in respect of the 2013 Convertible Bond on its final maturity date, and (iv) as at the date of such Officer's Certificate and concurrently with the settlement date for the repurchase or redemption that is the subject of such Officer's Certificate, there is no (x) insolvency event in respect of the Issuer, the Company or any Material Company or any group of Subsidiaries that would together constitute a Material Company; or (y) failure to pay any interest or principal due under the Notes when due (taking into account any applicable grace periods (each of conditions (x) and (y) being a "Termination Event").

If a Termination Event occurs (the date of the occurrence of any such event being the "Escrow Termination Date"), the Issuer will redeem the Notes (the "Special Mandatory Redemption") at a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and Additional Amounts, if any, from the Issue Date (the "Special Mandatory Redemption Price") (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date). If the amount required to effect a Special Mandatory Redemption on any Special Mandatory Redemption Date, as defined below, exceeds the amount of the then current balance of the Escrow Account, the Trustee will select the Notes to be purchased on a pro rata basis. We presently expect that the amount of the then current balance of the Escrow Account will not be sufficient to meet the obligations of the Issuer under a Special Mandatory Redemption.

Notice of any Special Mandatory Redemption will be mailed by the Company, within one Business Day following the Escrow Termination Date, to the Trustee, the Escrow Agent, the facility agent under the Forward Start Facilities and each registered holder of the Notes, and will provide that the Notes shall be redeemed on a date that is no later than the fifth Business Day after such notice is mailed (the "Special Mandatory Redemption Date"). On the Special Mandatory Redemption Date, the Escrow Agent shall pay to the Paying Agent for payment to each holder of the Notes the Special Mandatory Redemption Price for such holder's Notes and, concurrently with such payment, shall deliver any excess Escrowed Property (if any) to the facility agent under the Forward Start Facilities for application against the outstanding amounts under the Forward Start Facilities.

If at the time of such Special Mandatory Redemption, the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and its rules so require, the Issuer will notify the Luxembourg Stock Exchange that the Special Mandatory Redemption has occurred and any relevant details relating to such Special Mandatory Redemption.

Payments on the Notes; Paying Agent

The Issuer will make all payments, including principal of, or premium, if any, and interest on, the Notes, at its office or through a paying agent (the "Paying Agent") in London, England that it will maintain for these purposes. The initial Paying Agent will be Deutsche Bank AG, London Branch. The Issuer may change the Paying Agent without prior notice to the holders of the Notes. In addition, the Company or any of its Restricted Subsidiaries may act as Paying Agent in connection with the Notes other than in connection with a defeasance of the Notes described under the caption "—Legal Defeasance and Covenant Defeasance" or for the purposes of effecting a redemption described under "—Optional Redemption" or an offer to purchase the Notes described under either "—Repurchase at the Option of Holders—Change of Control" or "—Repurchase at the Option of Holders—Sales of Certain Assets." The Issuer will make payments on the Global Notes to, or to the order of, the common depositary or its nominee as the registered holder of the Global Notes. The Issuer will make all payments in same-day funds. Payments will be subject in all cases, to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of "—Additional Amounts," in the place of payment, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") or otherwise

imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or (without prejudice to the provisions of "—Additional Amounts") an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement).

The Issuer undertakes that it will maintain a Paying Agent in a member state of the European Union that is not obligated to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

No service charge will be made for any registration of transfer or exchange of the Notes, but the Issuer may require payment of a sum sufficient to cover any agency fee or similar charge payable in connection with any such registration of transfer or exchange of Notes.

Additional Amounts

All payments made by the Issuer on the Notes, by a Guarantor on its Guarantee and by any successor person to the Issuer or any Guarantor (a "Successor Person") (each a "Payer"), will be made free and clear of and without withholding or deduction for, or on account of, any present or future taxes, duties, levies, imposts, assessments or other governmental charges (including, without limitation, penalties, interest and other liabilities related thereto) of whatever nature (collectively, "Taxes") imposed or levied by or on behalf of any jurisdiction or any political subdivision or governmental authority thereof or therein having the power to tax where such Payer is incorporated, organized, engaged in business for tax purposes or otherwise resident for tax purposes or from or through which the Payer makes a payment on the Notes or its Guarantee (each, a "Relevant Taxing Jurisdiction"), unless the Payer is required to withhold or deduct such taxes by law. If the Payer is required to withhold or deduct any amount for, or on account of, Taxes imposed or levied on behalf of a Relevant Taxing Jurisdiction from any payment made under or with respect to the Notes or Guarantee, the Payer will pay additional amounts ("Additional Amounts") as may be necessary to ensure that the net amount received by each holder of the Notes (including Additional Amounts) after such withholding or deduction will be not less than the amount the holder would have received if such Taxes had not been required to be withheld or deducted.

The Payer will not be required to make any payment of Additional Amounts for or on account of:

(1) any Taxes that are imposed or levied by a Relevant Taxing Jurisdiction by reason of (a) the holder's or a beneficial owner's connection with such Relevant Taxing Jurisdiction (other than the mere receipt or holding of Notes or by reason of the receipt of payments in respect thereunder or the exercise or enforcement of any rights under the Notes, the Indenture or any Guarantee) or (b) the presentation of a Note (where presentation is required) for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever occurs later, except to the extent that the beneficial owner or holder thereof would have been entitled to Additional Amounts had the Notes been presented for payment on any day during such 30-day period;

(2) any estate, inheritance, gift, sales, transfer, personal property or similar Tax;

(3) any Tax which is payable other than by withholding or deduction from payments made under or with respect to the Notes or Guarantee;

(4) any Taxes that are imposed or withheld by reason of the failure by the holder or the beneficial owner of the Notes, following the Issuer's written request addressed to the holder or otherwise provided to the holder or beneficial owner (and made at a time that would enable the holder or beneficial owner acting reasonably to comply with that request) to provide certification, information, documents or other evidence concerning the nationality, residence or identity of the holder or such beneficial owner or to make any valid or timely declaration or similar claim or satisfy any other reporting requirements relating to such matters, whether required or imposed by statute, treaty, regulation or administrative practice of the Relevant Taxing Jurisdiction, as a precondition to exemption from, or reduction in the rate of withholding or deduction of, Taxes imposed by the Relevant Taxing Jurisdiction;

(5) any withholding or deduction in respect of any Taxes which is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of November 26-27, 2000, on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(6) any Tax that is imposed on or with respect to a Note presented for payment on behalf of a holder or beneficial owner who would have been able to avoid such withholding or deduction by presenting the relevant Note to another Paying Agent in a member state of the European Union.

Nor will Additional Amounts be paid with respect to any payment made under or with respect to the Notes or any Guarantee in the case of a holder who is a fiduciary, a partnership, a limited liability company or other than the sole beneficial owner of such payment, to the extent that such payment is required by the laws of the Relevant Taxing Jurisdiction to be included in the income, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, a member of that partnership, an interest holder in that limited liability company or a beneficial owner and such person would not have been entitled to the Additional Amounts had it been the holder of the Note or Guarantee.

The Payer will (i) make such withholding or deduction required by applicable law and (ii) remit the full amount withheld or deducted to the relevant taxing authority in accordance with applicable law.

At least 30 calendar days prior to each date on which any payment under or with respect to the Notes or any Guarantee is due and payable, if the Payer will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 30th day prior to the date on which payment under or with respect to the Notes is due and payable, in which case it will be paid promptly thereafter), the Issuer will deliver to the Trustee an Officer's Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Paying Agent to pay such Additional Amounts to holders on the relevant payment date. The Trustee will, without further enquiry, be entitled to rely absolutely on each such Officer's Certificate as conclusive proof that such payments are necessary. The Issuer will promptly publish a notice in accordance with the provisions set forth in "—Notices" stating that such Additional Amounts will be payable and describing the obligation to pay such amounts.

Within a reasonable time, the Payer will provide the Trustee, to provide to the holders, certified copies of tax receipts evidencing the payment by the Payer of any Taxes imposed or levied by a Relevant Taxing Jurisdiction in such form as provided in the normal course by the taxing authority imposing such Taxes and as is reasonably available to the Payer. If, notwithstanding the efforts of the Payer to obtain such receipts, the same are not obtainable, the Payer will provide the Trustee with other evidence reasonably satisfactory to the Trustee of such payments by the Payer.

In addition, the Issuer and the Guarantors will pay and indemnify the holders for (i) any present or future stamp, issue, registration, court documentation, excise or property taxes, or other similar taxes, charges and duties, including interest and penalties with respect thereto, imposed by or in any Relevant Taxing Jurisdiction in respect of the execution, issue, delivery or registration of the Notes, the Indenture, the Guarantees or any other document or instrument referred to thereunder (other than a transfer of the Notes other than the initial resale by the initial purchasers) and any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of the Notes, the Guarantees or any other such document or instrument following the occurrence of any Event of Default with respect to the Notes or (ii) any stamp, court or documentary taxes (or similar charges or levies) imposed with respect to the receipt of any payments with respect to the Notes or the Guarantees (limited, solely in the case of taxes attributable to the receipt of any payments with respect thereto, to any such taxes imposed in a Tax Jurisdiction that are not excluded under clauses (1), (2) or (4) through (6) above or any combination thereof).

Whenever the Indenture or this "Description of Notes" refers to, in any context, the payment of principal, premium, if any, interest or any other amount payable under or with respect to any Note (including payments thereof made pursuant to any Guarantee), such reference includes the payment of Additional Amounts, if applicable.

The preceding provisions will survive any termination, defeasance or discharge of the Indenture.

Optional Redemption

Optional Redemption prior to August 15, 2016 upon Equity Offering

At any time prior to August 15, 2016, the Issuer may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes, upon not less than 30 nor more than 60 days' prior notice, mailed by first class mail to each holder's registered address, at a redemption price of 109.750% of the principal amount of the Notes to be redeemed, plus accrued and unpaid interest and Additional Amounts, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), with the net cash proceeds of one or more Equity Offerings of the Company; *provided* that:

(1) at least 65% of the aggregate principal amount of Notes issued under the Indenture remains outstanding immediately after the occurrence of such redemption (excluding Notes held by the Company and its Subsidiaries); and

(2) the redemption occurs within 90 days of the date of the closing of such Equity Offering.

Optional Redemption prior to August 15, 2016

At any time prior to August 15, 2016, the Issuer may redeem on any one or more occasions all or a part of the Notes, upon not less than 30 nor more than 60 days' prior notice, mailed by first class mail to each holder's registered address, at a redemption price equal to 100% of the principal amount of Notes to be redeemed plus the Applicable Premium as of, and accrued and unpaid interest and Additional Amounts, if any, to, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest due on any interest payment date occurring on or prior to the redemption date).

Optional Redemption on or after August 15, 2016

On or after August 15, 2016, the Issuer may on any one or more occasions redeem all or a part of the Notes upon not less than 30 nor more than 60 days' prior notice, mailed by first class mail to each holder's registered address, at the redemption prices (expressed as percentages of their principal amount at maturity) set forth below plus accrued and unpaid interest and Additional Amounts, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve month period beginning on August 15 of the years indicated below:

Year	Percentage
2016	104.875%
2017 and thereafter	100.000%

Redemption upon Changes in Withholding Tax

The Issuer may, at its option, redeem the Notes, in whole but not in part, at any time upon giving not less than 30 nor more than 60 days' notice to the holders (which notice will be irrevocable and given in accordance with the procedures described in "—Notices") at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest thereon, if any, to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date), premium, if any, and Additional Amounts, if any, then due and which will become due on the date of redemption as a result of the redemption or otherwise, if the Issuer determines in good faith that (i) the Payer is, or on the next date on which any amount would be payable in respect of the Notes, would be, obligated to pay Additional Amounts (as defined above under "—Additional Amounts") in respect of the Notes or a Guarantee pursuant to the terms and conditions thereof, which the Payer cannot avoid by the use of reasonable measures available to it (including making payment through a Paying Agent located in another jurisdiction) or (ii) the Company is obligated to withhold or deduct any amount in respect of Taxes from such amount payable which the Company cannot avoid by the use of reasonable measures available to it, and which amount the Company is required to pay to a Relevant Taxing Jurisdiction and is not entitled to have refunded, credited or offset against another tax that is required to be paid by the Company or a related person, in each case, as a result of:

(a) any change in, or amendment to, the laws (or in the case of amounts described in (ii) above, treaties) or any regulations or rulings promulgated thereunder of any Relevant Taxing

Jurisdiction (as defined above under "—Additional Amounts") affecting taxation which becomes effective on or after the date of the Indenture or, if a Relevant Taxing Jurisdiction has changed since the date of the Indenture, the date on which the then current Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture (or, in the case of a Successor Person, after the date of assumption by the Successor Person of the Company's obligations or after the date it delivers a supplemental indenture, as the case may be); or

(b) any change in the official application, administration or interpretation of the laws (or in the case of amounts described in (ii) above, treaties), regulations or rulings of any Relevant Taxing Jurisdiction, (including a holding, judgment or order by a court of competent jurisdiction), on or after the date of the Indenture or, if a Relevant Taxing Jurisdiction has changed since the date of the Indenture, the date on which the then current Relevant Taxing Jurisdiction became a Relevant Taxing Jurisdiction under the Indenture (or, in the case of a Successor Person, after the date of assumption by the Successor Person of the Company's obligations or after the date it delivers a supplemental indenture, as the case may be) (each of the foregoing clauses (a) and (b), a "Change in Tax Law").

Notwithstanding the foregoing, the Issuer may not redeem the Notes under this provision if (i) a Relevant Taxing Jurisdiction changes under the Indenture and (ii) the Payer is obligated to pay Additional Amounts as a result of a Change in Tax Law of the then current Relevant Taxing Jurisdiction which change, at the time the latter became a Relevant Taxing Jurisdiction under the Indenture, was officially announced by the Relevant Taxing Jurisdiction.

Notwithstanding the foregoing, no such notice of redemption will be given (a) earlier than 90 days prior to the earliest date on which the Payer would be obligated to make such payment of Additional Amounts or withholding if a payment in respect of the Notes or Guarantee, as the case may be, were then due and (b) unless at the time such notice is given, the obligation to pay Additional Amounts remains in effect.

Prior to the publication or where relevant, mailing of any notice of redemption pursuant to the foregoing, the Issuer will deliver to the Trustee:

(a) an Officer's Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing the conditions precedent to the redemption right of the Issuer have occurred (including that such obligation to pay such Additional Amounts cannot be avoided by the Payer taking reasonable measures available to it); and

(b) an opinion of independent tax advisors of recognized standing qualified under the laws of the Relevant Taxing Jurisdiction and reasonably satisfactory to the Trustee to the effect that the Payer is or would be obligated to pay such Additional Amounts as a result of a Change in Tax Law.

The Trustee will, without further investigation, be entitled to rely on such Officer's Certificate and opinion of tax advisors as conclusive proof that the conditions precedent to the right of the Issuer so to redeem have occurred.

Mandatory Redemption; Offers to Purchase; Open Market Purchases

Except pursuant to "—Escrow of Proceeds; Special Mandatory Redemption," the Issuer is not required to make any mandatory redemption or sinking fund payments with respect to the Notes. However, under certain circumstances, the Issuer may be required to offer to purchase the Notes as described under the captions "—Repurchase at the Option of Holders—Change of Control" and "—Repurchase at the Option of Holders—Sales of Certain Assets." We may, at any time and from time to time, purchase Notes in the open market or otherwise.

Repurchase at the Option of Holders

Change of Control

If a Change of Control occurs, each holder of Notes will have the right to require the Issuer (or the Company, if the Company makes the purchase offer referred to below) to repurchase all or any part (equal to €100,000 or any integral multiple of €1,000 in excess thereof) of that holder's Notes pursuant to an offer (a "Change of Control Offer") on the terms set forth in the Indenture. In the Change of Control Offer, the Issuer or the Company will offer a payment in cash equal to 101% of the

aggregate principal amount of Notes repurchased plus accrued and unpaid interest and Additional Amounts, if any, on the Notes repurchased, to the date of purchase (a "Change of Control Payment") (subject to the rights of holders of record on the relevant record date to receive interest due on the relevant interest payment date). Within 30 days following any Change of Control, the Issuer or the Company will (i) cause the Change of Control Offer to be published, if at the time of such notice the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and its rules so require, in a leading newspaper having a general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or, to the extent and in the manner permitted by such rules, on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*); and (ii) mail the Change of Control Offer to each registered holder. The Change of Control Offer will describe the transaction or transactions that constitute the Change of Control and will offer to repurchase Notes on the date (the "Change of Control Payment Date") specified therein, which date will be no earlier than 30 days and no later than 60 days from the date such notice is mailed, pursuant to the procedures required by the Indenture and described in such notice. The Issuer and the Company will comply with the requirements of any securities laws and the regulations thereunder (including Rule 14e-1 under the Exchange Act) to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Change of Control provisions of the Indenture by virtue of such conflict.

On the Change of Control Payment Date, the Issuer or the Company will, to the extent lawful:

(1) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;

(2) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions of Notes properly tendered; and

(3) deliver or cause to be delivered to the Registrar the Notes properly accepted together with an Officers' Certificate (on which the Trustee will rely absolutely) stating the aggregate principal amount of Notes or portions of Notes being purchased by the Issuer.

The Paying Agent will promptly mail (or otherwise cause to be paid) to each holder of Notes properly tendered the Change of Control Payment for such Notes, and the Registrar will promptly authenticate and mail (or cause to be transferred by book entry) to each holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; *provided* that each new Note will be in a principal amount of €100,000 or any integral multiple of €1,000 in excess thereof.

The provisions described above that require the Issuer or the Company to make a Change of Control Offer following a Change of Control will be applicable whether or not any other provisions of the Indenture are applicable. Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the holders of the Notes to require that the Issuer or the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The Issuer and the Company will not be required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Issuer or the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer. The Issuer and the Company also will not be required to make a Change of Control Offer following a Change of Control if the Issuer has already issued a redemption notice in respect of all of the Notes in the manner and in accordance with the provisions described under "—Optional Redemption" and thereafter redeems all of the Notes pursuant to such notice. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

The definition of Change of Control includes the direct or indirect sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the

phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of Notes to require the Issuer or the Company to repurchase its Notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Company and its Restricted Subsidiaries taken as a whole to another person or group may be uncertain.

Sales of Certain Assets

The Company will not, and will not permit any Restricted Subsidiary to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Equity Interests issued or sold or otherwise disposed of;

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

  (a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the relevant transferor (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or to any Guarantee) that are assumed by the transferee of any such assets pursuant to a customary novation, indemnity or similar agreement that releases or indemnifies the Company or such Restricted Subsidiary from further liability;

  (b) any securities, notes or other obligations received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents within 90 days following the closing of the Asset Sale, to the extent of the cash or Cash Equivalents received in that conversion;

  (c) any Capital Stock or assets of the kind referred to in clauses (3), (4) or (5) of the next paragraph of this covenant;

  (d) Debt (other than Subordinated Debt) of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Sale, to the extent that the Company and each other Restricted Subsidiary are released from any guarantee of such Debt in connection with such Asset Sale; and

  (e) consideration consisting of Debt of the Issuer or any Guarantor received from Persons who are not the Company or any Restricted Subsidiary.

Within 360 days after the receipt of any Net Proceeds from an Asset Sale, the Company or such Restricted Subsidiary may apply those Net Proceeds at its option:

(1) to prepay, repay, purchase or redeem the Notes pursuant to an offer to all holders of Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase (a "Notes Offer");

(2) to prepay, repay, purchase or redeem (i) any Debt incurred under clause (1), clause (2)(ii) or clause (2)(iii) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Debt," (ii) unless included in clause (2)(i) of this covenant, to prepay, repay, purchase or redeem Pari Passu Debt that is not Public Debt at a price of no more than 100% of the principal amount of such Pari Passu Debt plus accrued and unpaid interest to the date of such prepayment, repayment, purchase or redemption, (iii) any Debt that is secured by a Lien on assets or property and, if the Debt repaid is revolving credit borrowings, correspondingly reduce commitments with respect thereto, and (iv) any Debt of a Restricted Subsidiary that is not a Guarantor;

(3) to make a capital expenditure;

(4) to acquire other assets, other than Capital Stock, not classified as current assets under IFRS that are used or useful in the business of the Company;

(5) to acquire all or substantially all of the assets, or any Capital Stock, of another Permitted Business, if, after giving effect to any such acquisition, the Permitted Business is or becomes a Restricted Subsidiary; or

(6) any combination of the foregoing,

provided that if the Company or such Restricted Subsidiary, as the case may be, has entered into a binding commitment in definitive form within such 360-day period to so apply such Net Proceeds with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days following the expiration of the aforementioned 360-day period (an "Acceptable Commitment"), such binding commitment shall be treated as a permanent application of such Net Proceeds; *provided further* that if any Acceptable Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied and after such initial 360-day period, then such Net Proceeds shall constitute Excess Proceeds.

Pending the final application of any Net Proceeds, the Company may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by the Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds €15.0 million, the Issuer or the Company will make an offer to purchase (an "Asset Sale Offer") from all holders of Notes and from the holders of other Pari Passu Debt that contains similar asset sale provisions, to the extent required by the terms thereof, the maximum principal amount of Notes and such other Pari Passu Debt that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount of the Notes to be purchased plus accrued and unpaid interest and Additional Amounts, if any, to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and other Pari Passu Debt tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds or if the aggregate principal amount of Notes tendered pursuant to a Notes Offer exceeds the amount of Net Proceeds so applied, the Trustee will select the Notes and such other Pari Passu Debt, if applicable, to be purchased on a pro rata basis. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

The Issuer and the Company will comply with the requirements of any securities laws and the regulations thereunder (including Rule 14e-1 under the Exchange Act) to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer or a Notes Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of the Indenture, the Issuer and the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations under the Asset Sale provisions of the Indenture by virtue of such conflict.

The exercise by the holders of Notes of their right to require the Company or the Issuer to repurchase the Notes upon a Change of Control or an Asset Sale could cause a default under agreements governing the Company's other Debt, due to the financial effect of such repurchases on the Company. The Company's or Issuer's ability to pay cash to the holders of Notes upon a repurchase may also be limited by the Company's then existing financial resources. See "Risk Factors—We may not have the ability to raise the funds necessary to finance the change of control offer required by the Indenture."

Selection and Notice

If less than all of the Notes are to be redeemed at any time, the Trustee will select the Notes for redemption as follows:

(1) if the Notes are listed on any securities exchange, in compliance with the requirements of the securities exchange on which the Notes are listed; or

(2) if such securities exchange has no such requirements or the Notes are not listed on any securities exchange, on a *pro rata* basis, by lot or by such method as the Trustee deems fair and appropriate, in each case subject to compliance with mandatory provisions of Luxembourg law.

No Notes of €100,000 or less can be redeemed in part. Notices of redemption will be mailed by first class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address, except that redemption notices may be mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the

Notes or a satisfaction and discharge of the Indenture. Notices of redemption may be made subject to conditions precedent.

For Notes which are represented by global certificates held on behalf of Euroclear or Clearstream, notices may be given by delivery of the relevant notices to Euroclear or Clearstream for communication to entitled account holders in substitution for the aforesaid mailing. In addition, if and for so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and its rules so require, the Issuer will publish notices (including with respect to optional redemptions or repurchases at the option of the holders) in a leading newspaper having general circulation in Luxembourg (currently expected to be the *Luxemburger Wort*) or on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*) and will inform the Luxembourg Stock Exchange of the outstanding principal amount of the Notes then in issue.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note will state the portion of the principal amount of that Note that is to be redeemed. A new Note in principal amount equal to the unredeemed portion of the original Note will be issued in the name of the holder of Notes upon cancelation of the original Note. Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, interest ceases to accrue on Notes or portions of them called for redemption.

Certain Covenants

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly:

(1) declare or pay any dividend or make any other payment or distribution (whether made in cash, securities or other property) on account of the Company's or any Restricted Subsidiary's Equity Interests (including, without limitation, any payment in connection with any merger or consolidation involving the Company or any Restricted Subsidiary) or to the direct or indirect holders of the Company's or any Restricted Subsidiary's Equity Interests in their capacity as such (other than dividends or distributions payable (i) solely in Equity Interests (other than Disqualified Stock) of the Company, (ii) to the Company or any Restricted Subsidiary or (iii) in the case of a Restricted Subsidiary, to all holders of Equity Interests of such Restricted Subsidiary on a pro rata basis or on a basis that results in the receipt by the Company or a Restricted Subsidiary of dividends or distributions of greater value than the Company or such Restricted Subsidiary would receive on a pro rata basis);

(2) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any Equity Interests of a direct or indirect parent of the Company held by persons other than the Company or a Restricted Subsidiary or any options, warrants or other rights to acquire such Equity Interests;

(3) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value, any Subordinated Debt (excluding any intercompany Debt between or among the Company and any Restricted Subsidiary), except (i) a payment of interest or principal at the Stated Maturity thereof or (ii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement of Subordinated Debt purchased in anticipation of satisfying a sinking fund obligation, principal installment or scheduled maturity, in each case due within one year of the date of such purchase, repurchase, redemption, defeasance or other acquisition or retirement; or

(4) make any Restricted Investment,

(all such payments and other actions set forth in these clauses (1) through (4) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving *pro forma* effect to such Restricted Payment:

(1) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;

(2) the Company would, after giving *pro forma* effect to such Restricted Payment as if such Restricted Payment had been made at the beginning of the applicable four-quarter period,

have been permitted to incur at least €1.00 of additional Debt pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described below under the caption "—Limitation on Debt"; and

(3) such Restricted Payment, together with the aggregate amount of all other Restricted Payments made by the Company and its Restricted Subsidiaries after the date of the Indenture (excluding Restricted Payments permitted by clauses (2), (3), (4), (5), (8), (9), (11) and (12) of the next succeeding paragraph), is equal to or less than the sum of, without duplication:

  (a) 50% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing immediately prior to the Issue Date to the end of the Company's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit), *plus*

  (b) 100% of the aggregate net cash proceeds and the Fair Market Value of marketable securities received by the Company since the Issue Date (i) as a contribution to its common equity capital, (ii) from the issue or sale of Equity Interests (other than Disqualified Stock and Excluded Contributions) of the Company, or (iii) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Company that have been converted into or exchanged for Equity Interests (other than Disqualified Stock) of the Company (other than, in the case of (ii) or (iii), above, Equity Interests (or Disqualified Stock or debt securities) (A) sold to a Subsidiary of the Company or (B) acquired using funds borrowed from the Company or any Subsidiary until and to the extent such borrowing is repaid), *plus*

  (c) to the extent that any Unrestricted Subsidiary designated as such after the Issue Date is redesignated as a Restricted Subsidiary or is merged or consolidated into the Company or a Restricted Subsidiary, or all of the assets of such Unrestricted Subsidiary are transferred to the Company or a Restricted Subsidiary, the Fair Market Value of the property received by the Company or such Restricted Subsidiary or the Company's Restricted Investment in such Subsidiary as of the date of such redesignation, merger, consolidation or transfer of assets, to the extent such Investments reduced the Restricted Payments capacity under this clause (c) and were not previously repaid or otherwise reduced, *plus*

  (d) to the extent that any Restricted Investment that was made after the Issue Date (x) is sold, disposed of or otherwise cancelled, liquidated or repaid, 100% of the aggregate amount received in cash and the Fair Market Value of the marketable securities received by the Company or any Restricted Subsidiary (other than from a Person that is the Company or a Restricted Subsidiary), or (y) made in an entity that subsequently becomes a Restricted Subsidiary, 100% of the Fair Market Value of the Restricted Investment of the Company and its Restricted Subsidiaries as of the date such entity becomes a Restricted Subsidiary, *plus*

  (e) 100% of any cash dividends or distributions received by the Company or a Restricted Subsidiary after the Issue Date from an Unrestricted Subsidiary, to the extent that such dividends or distributions were not otherwise included in the Consolidated Net Income of the Company for such period.

The preceding provisions will not prohibit:

(1) the payment of any dividend or the consummation of any redemption within 60 days after the date of declaration of the dividend or giving of the redemption notice, as the case may be, if at the date of declaration or notice the dividend or redemption payment would have been permitted by the Indenture;

(2) cash payments in lieu of issuing fractional shares pursuant to the exercise of options or warrants or the exchange or conversion of any exchangeable or convertible securities or in connection with any stock dividend, distribution, stock split, reverse stock split, merger, consolidation, amalgamation or other business combination;

(3) the making of any Restricted Payment in exchange for, or out of the net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of, Equity Interests

of the Company (other than Disqualified Stock and Excluded Contributions) or from the substantially concurrent contribution of common equity capital to the Company; provided that the amount of any such net cash proceeds that are utilized for any such Restricted Payment will be excluded from clause (3)(b) of the preceding paragraph;

(4) the defeasance, redemption, repurchase, repayment or other acquisition or retirement for value of Subordinated Debt with the net cash proceeds from an incurrence of Permitted Refinancing Debt;

(5) the repurchase of Capital Stock deemed to occur upon the exercise of stock options if such Capital Stock represents a portion of the exercise price thereof;

(6) payments of distributions to dissenting shareholders pursuant to applicable law in connection with or in contemplation of a merger, consolidation or transfer of assets that complies with the covenant described under "—Certain Covenants—Merger, Consolidation or Sale of Assets";

(7) (a) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company or any Restricted Subsidiary held by any current or former officer, director, employee or consultant of the Company or any of its Restricted Subsidiaries pursuant to any equity subscription agreement, stock option agreement, restricted stock grant, shareholders' agreement or similar agreement and (b) advances or loans to (i) any future, present or former officer, director, employee or consultant of the Company or a Restricted Subsidiary to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock), or any obligation under a forward sale agreement, deferred purchase agreement or deferred payment arrangement pursuant to any management equity plan or stock option plan or any other management or employee benefit or incentive plan or other agreement or arrangement or (ii) any management equity plan, employee benefit trust or stock option plan or any other management or employee benefit or incentive plan or unit trust or the trustees of any such plan or trust to pay for the purchase or other acquisition for value of Equity Interests of the Company (other than Disqualified Stock); *provided* that the total aggregate amount of Restricted Payments made under this clause (7) does not exceed €2.0 million in any calendar year with unused amounts from such calendar year (but not including unused amounts from any prior calendar year) being available for use during the immediately succeeding calendar year;

(8) payments pursuant to any tax sharing agreement or arrangement among the Company and its Subsidiaries and other Persons with which the Company or any of its Subsidiaries is required or permitted to file a consolidated tax return or with which the Company or any of its Restricted Subsidiaries is part of a group for tax purposes; *provided, however*, that such payments do not exceed the amount of tax that the Company and its Subsidiaries would owe on a stand-alone basis and the related tax liabilities of the Company and its Subsidiaries are relieved by the payment of such amounts to a relevant taxing authority;

(9) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Stock of the Company or any Preferred Stock of any Restricted Subsidiary issued on or after the Issue Date in accordance with the covenant described below under the caption "—Limitation on Debt";

(10) repurchases of Subordinated Debt (other than those held by Affiliates of the Company) at a purchase price not greater than (i) 101% of the principal amount of such Subordinated Debt and accrued and unpaid interest thereon in the event of a Change of Control or (ii) 100% of the principal amount of such Subordinated Debt and accrued and unpaid interest thereon in the event of an Asset Sale, in each case plus accrued interest, in connection with any change of control offer or asset sale offer required by the terms of such Debt, but only if:

    (a) in the case of a Change of Control, the Company has first complied with and fully satisfied its obligations under the provisions described under "—Repurchase at the Option of Holders—Change of Control"; or

    (b) in the case of an Asset Sale, the Company has complied with and fully satisfied its obligations in accordance with the covenant under the heading "—Repurchase at the Option of Holders—Sales of Certain Assets";

(11) the payment of any Securitization Fees and purchases of Securitization Assets and related assets pursuant to a Securitization Repurchase Obligation in connection with a Qualified Securitization Financing;

(12) Restricted Payments made with Excluded Contributions; or

(13) any other Restricted Payment, *provided* that the total aggregate amount of Restricted Payments made under this clause (13) does not exceed €30.0 million.

Unsecured Debt shall not be deemed to be subordinate or junior to secured Debt by virtue of its nature as unsecured Debt.

The amount of a proposed Restricted Payment if not made in cash will be the Fair Market Value on the date of the Restricted Payment of the assets or securities proposed to be transferred or issued by the Company or Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

Limitation on Debt

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (collectively, "incur") any Debt (including Acquired Debt); *provided*, *however*, that the Company and its Restricted Subsidiaries may incur Debt if at the time of such incurrence,

(i) the Fixed Charge Coverage Ratio for the Company's most recently ended four full fiscal quarters for which internal consolidated financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would have been at least 2.25 to 1.00, determined on a *pro forma* basis after giving effect to the incurrence of such Debt and the application of the net proceeds therefrom; and

(ii) to the extent such Debt is Senior Debt, the Consolidated Senior Leverage Ratio for the Company's most recently ended four full fiscal quarters for which internal consolidated financial statements are available immediately preceding the incurrence of such Debt, taken as one period, would have been less than 3.25 to 1.00, determined on a *pro forma* basis after giving effect to the incurrence of such Senior Debt and the application of the net proceeds therefrom.

The first paragraph of this covenant will not prohibit the incurrence of any of the following items of Debt (collectively, "Permitted Debt"):

(1) the incurrence by the Company or any Restricted Subsidiary of Debt under Credit Facilities in an aggregate principal amount at any time outstanding under this clause (1) not to exceed €265.0 million; plus, in the case of any refinancing of any Debt permitted under this clause (1) or any portion thereof, the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing less the aggregate amount since the Issue Date by which commitments under the Forward Start Facilities are reduced, *provided however* that in no event shall such reduction reduce the availability under this clause (1) to less than €200.0 million;

(2) the incurrence by the Company or any Restricted Subsidiary of (i) Existing Debt, (ii) Existing Local Credit Facilities Debt and (iii) Existing Forward Start Facilities Debt;

(3) the incurrence (x) by the Issuer of Debt represented by the Notes (other than Additional Notes) and (y) by the Guarantors of Debt represented by the Guarantees;

(4) the incurrence by the Company or any Restricted Subsidiary of Permitted Refinancing Debt in exchange for, or the net proceeds of which are used to refund, refinance or replace Debt (other than intercompany Debt between the Company and any Restricted Subsidiary or between any Restricted Subsidiaries) that was permitted to be incurred under the first paragraph above under the caption "—Limitation on Debt" or clauses (2)(i), (3), (4) or (13) of this paragraph;

(5) the (i) incurrence by the Company or any Restricted Subsidiary of intercompany Debt between the Company and any Restricted Subsidiary or between any Restricted Subsidiaries; or (ii) issuance by any Restricted Subsidiary to the Company or to any other Restricted Subsidiary of shares of Preferred Stock; *provided*, *however*, in each case, that (x) any subsequent issuance or transfer of Equity Interests that results in any such Debt being held by a Person other than the Company or a Restricted Subsidiary and (y) any sale or other transfer of any such Debt to a Person that is not either the Company or a Restricted Subsidiary will be deemed, in each case, to constitute an incurrence of such Debt or issuance of Preferred Stock, as the case may be, by the Company or such Restricted Subsidiary, as the case may be, that

was not permitted by this clause (5); *provided further* that any Debt owed by the Issuer or any Guarantor where the payee is not the Issuer or the Guarantor must be unsecured and expressly subordinated to the prior payment in full in cash of all obligations of the Issuer or such Guarantor with respect to the Notes or its Guarantee, as the case may be;

(6) the incurrence by the Company or any Restricted Subsidiary of Hedging Obligations entered into not for speculative purposes;

(7) the guarantee by the Company or a Restricted Subsidiary of Debt of the Company or a Restricted Subsidiary that was permitted to be incurred by another provision of this covenant, provided that if the Debt being guaranteed is subordinated to or *pari passu* with the Notes or a Guarantee, then the guarantee must be subordinated or *pari passu*, as applicable, to the same extent as the Debt guaranteed;

(8) the incurrence of Debt by the Company or any Restricted Subsidiary arising from (i) the honoring by a bank or other financial institution of a check, draft or similar instrument inadvertently drawn against insufficient funds in the ordinary course of business; *provided* that such Debt is extinguished within five Business Days of incurrence, (ii) performance, bid, surety, judgment, appeal or similar bonds, instruments or obligations in the ordinary course of business and, in each case, not in connection with the borrowing of or obtaining of advances of credit, (iii) completion guarantees provided or letters of credit obtained by the Company or any Restricted Subsidiary in the ordinary course of business and, in each case, not in connection with the borrowing of or obtaining of advances of credit or (iv) any customary cash management, cash pooling or netting or setting off arrangements;

(9) the incurrence by the Company or any Restricted Subsidiary of Debt arising from guarantees to suppliers, lessors, licensees, government authorities, contractors, franchisees or customers and incurred in the ordinary course of business;

(10) the incurrence by the Company or any Restricted Subsidiary of Debt in respect of workers' compensation and claims arising under similar legislation, or pursuant to self-insurance obligations, VAT and other tax guarantees and not in connection with the borrowing of money or the obtaining of advances or credit;

(11) the incurrence by the Company or any Restricted Subsidiary of Debt represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation or improvement of property, plant or equipment or other assets used or useful in the business of the Company or any of its Restricted Subsidiaries, whether through the direct purchase of such property, plant or equipment or other assets or the Capital Stock of any Person owning such property, plant or equipment or other assets (including any Debt deemed to be incurred in connection with such purchase), in an aggregate principal amount at any time outstanding, including all Permitted Refinancing Debt incurred to renew, refund, refinance, replace, defease or discharge any Debt incurred pursuant to this clause (11), not to exceed the greater of €30.0 million and 3.0% of Total Assets;

(12) the incurrence by the Company or any of its Restricted Subsidiaries of Debt arising from agreements of the Company or any of its Restricted Subsidiaries providing for customary indemnification, obligations in respect of earnouts or other adjustment of purchase price or, in each case, similar obligations, in each case, incurred or assumed in connection with the disposition of any business, assets or Capital Stock of a Subsidiary, provided that the maximum aggregate liability in respect of all such Debt shall at no time exceed the gross proceeds, including the Fair Market Value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;

(13) Debt of a Person outstanding on the date on which such Person becomes a Restricted Subsidiary or is acquired by the Company or a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with (including pursuant to any acquisition of assets and assumption of related liabilities) the Company or a Restricted Subsidiary in accordance with the Indenture (other than Debt incurred (a) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by or was

merged into the Company or a Restricted Subsidiary or (b) otherwise in connection with, or in contemplation of, such acquisition); provided, however, with respect to this clause (13) that at the time of the acquisition or other transaction pursuant to which such Debt was deemed to be incurred, (x) the Company would have been able to incur at least €1.00 of additional Debt pursuant to the Consolidated Senior Leverage Ratio set forth in the first paragraph of this covenant after giving *pro forma* effect to the incurrence of such Debt pursuant to this clause (13) or (y) the Consolidated Senior Leverage Ratio would not be more than it was immediately prior to giving *pro forma* effect to the incurrence of such Debt pursuant to this clause (13);

(14) Debt represented by Guarantees of any Management Advances;

(15) Debt incurred in any Qualified Securitization Financing; and

(16) the incurrence by the Company or any of its Restricted Subsidiaries of additional Debt in an aggregate principal amount (or accreted value, as applicable) at any time outstanding under this clause (16), not to exceed €35.0 million.

Notwithstanding the foregoing:

(1) the Company's Restricted Subsidiaries that are not the Issuer or a Guarantor may not, directly or indirectly, incur Debt pursuant to (a) the first paragraph of this covenant, (b) clause (1) or (16) of the second paragraph of this covenant or (c) any Permitted Refinancing Debt in respect of Debt referred to in the foregoing clause (a) or this clause (c) in an aggregate principal (or accreted value, as applicable) at any time outstanding greater than €60.0 million; and

(2) for so long as Greece is rated below Ba2 by Moody's, the Company and its Restricted Subsidiaries organized in Greece may not incur Debt pursuant to (a) the first paragraph of this covenant, (b) clause (1), (2), (11), (13) (but only to the extent that the Person becoming a Restricted Subsidiary or being acquired or merged is organized in Greece) or (16) of the second paragraph of this covenant or (c) any Permitted Refinancing Debt in respect of Debt referred to in the foregoing clause (a), (b) or this clause (c).

To the extent any Restricted Subsidiary that is not a Guarantor is a joint obligor with respect to any Debt, the entire amount of such Debt will be considered Debt of a Restricted Subsidiary that is not a Guarantor for purposes of this covenant.

The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Debt in the form of additional Debt with the same terms, and the payment of dividends on Disqualified Stock or Preferred Stock in the form of additional shares of the same class of Disqualified Stock or Preferred Stock will not be deemed to be an incurrence of Debt or an issuance of Disqualified Stock or Preferred Stock for purposes of this covenant; *provided*, in each such case, that the amount thereof is included in Fixed Charges of the Company as accrued or paid.

For purposes of determining compliance with this "Limitation on Debt" covenant, the outstanding principal amount of any particular Debt, including any obligations arising under any related guarantee, Lien, letter of credit or similar instrument, will be counted only once, and in the event that an item of proposed Debt meets the criteria of more than one of the categories of Permitted Debt described in clauses (1) through (16) above, or is entitled to be incurred pursuant to the first paragraph of this covenant, the Company will be permitted to classify such item of Debt on the date of its incurrence, or later reclassify all or a portion of such item of Debt, in any manner that complies with this covenant, and will only be required to include the amount and type of such Debt in one of such clauses and will be entitled to divide and classify an item of Debt in more than one of the types of Debt described above under the caption "—Limitation on Debt"; *provided*, *however*, that Debt constituting the Forward Start Facilities Debt will be deemed to have been incurred in reliance on the exceptions provided by clause (1) and clause (2)(iii) of the definition of Permitted Debt and may not be reclassified.

For purposes of determining compliance with any euro-denominated restriction on the incurrence of Debt, the euro-equivalent principal amount of Debt denominated in a different currency shall be utilized, calculated based on the relevant currency exchange rate in effect on the date such Debt was incurred, in the case of term Debt, or first committed, in the case of Debt incurred under a revolving credit facility; *provided*, *however*, that (i) if such Debt denominated in non-euro currency is subject to an agreement designed to protect against fluctuations in currency exchange rates with respect to euro

the amount of such Debt expressed in euro will be calculated so as to take account of the effects of such agreement; and (ii) the euro-equivalent of the principal amount of any such Debt outstanding on the Issue Date shall be calculated based on the relevant currency exchange rate in effect on the Issue Date. The principal amount of any refinancing Debt incurred in the same currency as the Debt being refinanced will be the euro-equivalent of the Debt refinanced determined on the date such Debt was originally incurred, except that to the extent that:

(1) such euro-equivalent was determined based on an agreement designed to protect against fluctuations in currency exchange rates, in which case the refinancing Debt will be determined in accordance with the preceding sentence; and

(2) the principal amount of the refinancing Debt exceeds the principal amount of the Debt being refinanced, in which case the euro-equivalent of such excess will be determined on the date such refinancing Debt is being incurred.

Notwithstanding any other provision of this covenant, the maximum amount of Debt that the Company or any Restricted Subsidiary may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.

The amount of any Debt outstanding as of any date will be:

(1) in the case of any Debt issued with original issue discount, the amount of the liability in respect thereof determined in accordance with IFRS;

(2) the principal amount of the Debt, in the case of any other Debt; and

(3) in respect of Debt of another Person secured by a Lien on the assets of the specified Person, the lesser of:

    (a) the Fair Market Value of such assets at the date of determination; and

    (b) the amount of the Debt of the other Person.

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien of any kind securing Debt upon any of its property or assets, now owned or hereafter acquired, or any income, profits or proceeds therefrom except Permitted Liens, unless the Issuer's obligations in respect of the Notes, the obligations of the Guarantors under the Guarantees and all other amounts due under the Indenture are equally and ratably secured with the obligation or liability secured by such Lien until such time as such obligations are no longer secured by a Lien.

Any such Lien thereby created in favor of the holders of the Notes or any such Guarantee pursuant to the preceding paragraph will be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien to which it relates.

Limitation on Layered Debt

Neither the Issuer nor the Guarantors will incur, create, issue, assume, guarantee or otherwise become liable for any Debt that is subordinate or junior in any respect in right of payment to any other Debt and senior in right of payment to the Notes or its Guarantee, as the case may be, *provided*, however, that no Debt will be deemed to be subordinated or junior in right of payment to any other Debt of the Issuer or any Guarantor solely by virtue of being unsecured or by virtue of being secured on a junior priority basis or by virtue of the application of waterfall or other payment ordering provisions affecting different tranches of Debt under Credit Facilities.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(1) pay dividends, in cash or otherwise, or make any other distributions on its Capital Stock, or with respect to any other interest or participation in, or measured by, its profits, to the

Company or any Restricted Subsidiary, or pay any Debt owed to the Company or any Restricted Subsidiary;

(2) make loans or advances to the Company or any Restricted Subsidiary; or

(3) transfer any of its properties or assets to the Company or any Restricted Subsidiary *provided* that (x) the priority of any preferred stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill period to) loans or advances made to the Company or any Restricted Subsidiary to other Debt incurred by the Company or any Restricted Subsidiary, shall not be deemed to constitute such an encumbrance or restriction.

However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of:

(1) agreements in effect on the Issue Date in the form existing on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in those agreements on the Issue Date;

(2) applicable law, rule or regulation or order or by the terms of any licenses, concessions, franchises or permits;

(3) the Notes, the Indenture, the Guarantees, the Escrow Agreement and the Forward Start Facilities or by other agreements governing Debt that the Company or any Restricted Subsidiary incurs, *provided* that the encumbrances or restrictions imposed by such other agreements are not materially more restrictive, taken as a whole, than the restrictions imposed by the Notes, the Indenture, the Guarantees, the Escrow Agreement and the Forward Start Facilities as of the Issue Date;

(4) any encumbrances or restrictions created under any agreements or instruments with respect to Debt of the Company or any Restricted Subsidiary permitted to be incurred subsequent to the Issue Date pursuant to the provisions of "—Limitation on Debt," including encumbrances or restrictions imposed by Debt permitted to be incurred under Credit Facilities or any guarantees thereof in accordance with such covenant; provided that such encumbrances or restrictions taken as a whole are not materially less favorable to the holders of the Notes than (i) the encumbrances and restrictions, taken as a whole, contained in the Indenture, Notes, Guarantees and Forward Start Facilities, in each case, as in effect on the Issue Date (as determined in good faith by the Company) or (ii) is customary in comparable financings (as determined in good faith by the Company) and the Company determines that any such encumbrance or restriction will not materially affect the ability of the Issuer to make any anticipated principal or interest payments on the Notes;

(5) any agreement or instrument governing Debt or Capital Stock of a Person acquired by the Company or any Restricted Subsidiary as in effect at the time of such acquisition (except to the extent such Debt or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(6) customary non-assignment and similar provisions in contracts, leases and licenses entered into in the ordinary course of business;

(7) purchase money obligations for property acquired in the ordinary course of business and Capital Lease Obligations that impose restrictions on that property, *provided* that such encumbrances or restrictions are of the nature described in clause (3) of the preceding paragraph;

(8) any agreement for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale or other disposition;

(9) Permitted Refinancing Debt, *provided* that the restrictions contained in the agreements governing such Permitted Refinancing Debt are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Debt being refinanced;

(10) Liens securing Debt otherwise permitted to be incurred under the provisions of the covenant described above under the caption "—Limitation on Liens" that limit the right of the debtor to dispose of the assets subject to such Liens;

(11) provisions providing for customary limitations on the disposition or distribution of assets or property contained in joint venture agreements, asset sale agreements, sale and leaseback agreements, stock sale agreements, shareholder agreements and other similar agreements entered into by the Company or a Restricted Subsidiary in the ordinary course of business; (including agreements entered into in connection with a Restricted Investment), which limitations are applicable only to the assets that are the subject of such agreements and *provided* that the Company determines that any such encumbrance or restriction will not materially affect the ability of the Issuer to make any anticipated principal or interest payments on the Notes;

(12) restrictions on cash or other deposits or net worth imposed by customers or suppliers or required by insurance, surety or bonding companies, in each case, under contracts entered into in the ordinary course of business;

(13) any Qualified Securitization Financing;

(14) any mortgage financing or mortgage refinancing that imposes restrictions on the real property securing such Debt; and

(15) any encumbrance or restriction existing under any agreement that extends, renews, refinances or replaces the agreements containing the encumbrances or restrictions in the foregoing clauses (1) through (14), or in this clause (15); *provided* that the terms and conditions of any such encumbrances or restrictions are no more restrictive in any material respect than those under or pursuant to the agreement so extended, renewed, refinanced or replaced.

Merger, Consolidation or Sale of Assets

The Company may not, directly or indirectly: (1) consolidate or merge with or into another Person (whether or not the Company is the surviving Person); or (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, unless:

(1) either: (i) the Company is the surviving Person; or (ii) the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made:

   (a) is an entity organized or existing under the laws of any member state of the European Union, Switzerland or the United States, any state of the United States or the District of Columbia; and

   (b) assumes all the obligations of the Company under the Company Guarantee and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(3) the Company or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition has been made, as the case may be, will:

   (a) on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least €1.00 of additional Debt pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Limitation on Debt" or the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

(b) have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an opinion of independent counsel (on each of which the Trustee will be entitled to rely absolutely), each stating that such consolidation, merger, sale, assignment, conveyance, transfer, lease or other disposition, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Company Guarantee constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms, subject to customary qualifications.

The Issuer may not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of its property in any one transaction or series of related transactions, unless:

(1) the Person formed by or surviving any such consolidation or merger (if other than the Issuer) or to which such sale, transfer, assignment, lease, conveyance or other disposition has been made:

(a) is an entity organized or existing under the laws of Luxembourg, the Netherlands or the United Kingdom; and

(b) assumes all the obligations of the Issuer under the Notes, the Indenture and the Escrow Agreement pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(3) the Issuer or the Person formed by or surviving any such consolidation or merger (if other than the Issuer), or to which such sale, assignment, transfer, conveyance or other disposition has been made will:

(a) on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least €1.00 of additional Debt pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Limitation on Debt" or the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

(b) have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an opinion of independent counsel (on each of which the Trustee will rely absolutely), each stating that such consolidation or merger, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms, subject to customary qualifications.

Dutch Holdco may not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of its property in any one transaction or series of related transactions; *provided*, *however*, that Dutch Holdco may consolidate, amalgamate or merge with or into another Person if:

(1) the Person formed by or surviving any such consolidation or merger (if other than Dutch Holdco):

(a) is an entity organized or existing under the laws of Luxembourg, the Netherlands or the United Kingdom; and

(b) assumes all the obligations of Dutch Holdco under the Dutch Holdco Guarantee and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction, no Default or Event of Default exists;

(3) Dutch Holdco or the Person formed by or surviving any such consolidation or merger (if other than Dutch Holdco) will:

   (a) on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least €1.00 of additional Debt pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Limitation on Debt" or the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

   (b) have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an opinion of independent counsel (on each of which the Trustee will be entitled to rely absolutely), each stating that such consolidation or merger, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms, subject to customary qualifications.

Intralot Global Holdings B.V. may not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or otherwise dispose of all or substantially all of its property in any one transaction or series of related transactions, unless:

(1) either (i) Intralot Global Holdings B.V. is the surviving Person; or (ii) the Person formed by or surviving any such consolidation, amalgamation or merger (if other than Intralot Global Holdings B.V.) or to which such sale, transfer, assignment, lease, conveyance or other disposition has been made:

   (a) is an entity organized or existing under the laws of Luxembourg, the Netherlands or the United Kingdom; and

   (b) assumes all the obligations of Intralot Global Holdings B.V. under the Intralot Global Holdings Guarantee and the Indenture pursuant to agreements reasonably satisfactory to the Trustee;

(2) immediately after giving effect to such transaction, no Default or Event of Default exists; and

(3) Intralot Global Holdings B.V. or the Person formed by or surviving any such consolidation or merger (if other than Intralot Global Holdings B.V.) or to which such sale, assignment, transfer, conveyance or other disposition has been made, as the case may be, will:

   (a) on the date of such transaction after giving *pro forma* effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, be permitted to incur at least €1.00 of additional Debt pursuant to the Fixed Charge Coverage Ratio test set forth in the first paragraph of the covenant described above under the caption "—Limitation on Debt" or the Fixed Charge Coverage Ratio would not be less than it was immediately prior to giving effect to such transaction; and

   (b) have delivered to the Trustee, in form and substance reasonably satisfactory to the Trustee, an Officers' Certificate and an opinion of independent counsel (on each of which the Trustee will be entitled to rely absolutely), each stating that such consolidation or merger, and if a supplemental indenture is required in connection with such transaction, such supplemental indenture, complies with the requirements of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied and that the Indenture and the Notes constitute legal, valid and binding obligations of the continuing person, enforceable in accordance with their terms, subject to customary qualifications.

A Guarantor (other than the Company, Dutch Holdco, Intralot Global Holdings B.V. and a Guarantor whose Guarantee is to be released in accordance with the Indenture) may not merge, consolidate or amalgamate with or into any other Person or sell, transfer, assign, lease, convey or

otherwise dispose of all or substantially all of its property in any one transaction or series of related transactions unless either:

(1) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than that Guarantor) assumes all the obligations of that Guarantor under its Guarantee and the Indenture pursuant to a supplemental indenture reasonably satisfactory to the Trustee; or

(2) the Net Proceeds of such sale or other disposition are applied in accordance with the applicable provisions of the Indenture.

The Company may also not, directly or indirectly, lease all or substantially all of its properties or assets, in one or more related transactions, to any other Person.

Clauses (2) and (3) of the first, second, third and fourth paragraphs of this covenant will not apply to any merger or consolidation of the Company or any Restricted Subsidiary into an Affiliate solely for the purpose of reincorporating the Company or such Restricted Subsidiary in another jurisdiction. This covenant will not apply to any Restricted Subsidiary consolidating with, merging with or into or transferring, leasing or otherwise disposing of all or part of its properties and assets to the Issuer or a Guarantor.

Maintenance of Double DutchCo Structure

(1) The Company will not sell, assign, convey, transfer, lease or otherwise dispose of the Capital Stock of Dutch Holdco (including, without limitation, by way of merger or consolidation) and will not otherwise cease to own and hold directly 100% of the outstanding Capital Stock of Dutch Holdco; and

(2) The Company or any successor Person will not cause or permit Dutch Holdco to sell, assign, convey, transfer, lease or otherwise dispose of the Capital Stock of Intralot Global Holdings B.V., the Issuer or any respective successor Person (including, without limitation, by way of merger or consolidation) and will not otherwise cause or permit Dutch Holdco to cease to own and hold directly 100% of the outstanding Capital Stock of either Intralot Global Holdings B.V. or the Issuer,

provided, *however*, the foregoing will not prohibit the redomiciliation of the Company or any of its Restricted Subsidiaries to Luxembourg, the Netherlands, the United Kingdom, the United States, any state of the United States or the District of Columbia.

Centre of Main Interests and Establishments

Each of the Issuer, Intralot Global Holdings B.V. and Dutch Holdco will procure, for the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings, as amended (the "Regulation"), that its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in its respective jurisdiction of incorporation and that it has no "establishment" (as that term is used in Article 2(h) of the Regulation) in any other jurisdiction. Without prejudice to the generality of the preceding clause, each of the Issuer, Intralot Global Holdings B.V. and Dutch Holdco will: (i) hold all meetings of its Board of Directors in its respective jurisdiction of incorporation (with a majority of the participating directors to attend such meetings physically, respectively, in such jurisdiction) unless the urgency of the matters to be considered at the meeting make a physical meeting impracticable; (ii) keep any share register, note register, corporate books and account records of the Issuer, Intralot Global Holdings B.V. and Dutch Holdco in its respective jurisdiction of incorporation; and (iii) otherwise administer its interests in its respective jurisdiction of incorporation of the Issuer, Intralot Global Holdings B.V. and Dutch Holdco, respectively, for the purpose of the Regulation.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary (other than the Issuer) to be an Unrestricted Subsidiary (a "Designation") if that Designation would not cause a Default. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the Fair Market Value of the Company's interest in the Subsidiary so designated will be deemed to be an Investment made as of the time of the Designation and will reduce either (i) the amount available for Restricted Payments under the covenant described above under the caption "—Limitation on Restricted Payments" or

(ii) the amount available for Permitted Investments, as determined by the Company. That Designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Board of Directors of the Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary (a "Redesignation") if the Redesignation would not cause a Default and if all Liens and Debt of such Unrestricted Subsidiary outstanding immediately following such Redesignation would, if incurred at that time, have been permitted to be incurred for all purposes of the Indenture.

Any Designation will be evidenced to the Trustee by filing with the Trustee a copy of the Board resolution giving effect to such Designation and an Officers' Certificate (on which the Trustee will be entitled to rely absolutely) certifying that such Designation complied with the preceding conditions and was permitted by the covenant described above under the caption "—Limitation on Restricted Payments." If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture, and any Debt of such Person will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Debt is not permitted to be incurred as of such date under the covenant described under the caption "—Limitation on Debt," the Company will be in default of such covenant.

Limitation on Transactions with Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company or such Restricted Subsidiary (each, an "Affiliate Transaction") involving aggregate payments or consideration in excess of €2.0 million, unless:

(1) the Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable arm's length transaction by the Company or such Restricted Subsidiary, as the case may be, with a Person who is not an Affiliate of the Company or any of its Restricted Subsidiaries; and

(2) the Company delivers to the Trustee:

  (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million, a resolution of the Board of Directors of the Company set forth in an Officers' Certificate (on which the Trustee will be entitled to rely absolutely) certifying that such Affiliate Transaction complies with this covenant and that such Affiliate Transaction has been approved by a majority of the members of the Board of Directors of the Company disinterested in such Affiliate Transaction; and

  (b) with respect to (i) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €25.0 million or (ii) any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of €15.0 million in which there are no disinterested members of the Board of Directors of the Company, an opinion issued by an accounting, appraisal or investment banking firm of international standing stating that such Affiliate Transaction is fair to the Company or Restricted Subsidiary, as the case may be, from a financial point of view.

The following items will not be deemed to be Affiliate Transactions and, therefore, will not be subject to the provisions of the prior paragraph:

(1) any employment agreement, collective bargaining agreement, consultant or employee benefit arrangements with any employee, officer or director of the Company or any Restricted Subsidiary, including under any stock option, stock appreciation rights, stock incentive or similar plans, entered into in the ordinary course of business;

(2) payment of reasonable and customary fees and reimbursements of expenses (pursuant to indemnity arrangements or otherwise) of officers, directors or employees of the Company or any Restricted Subsidiary;

(3) transactions in the ordinary course of business with a Person (other than an Unrestricted Subsidiary) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an Equity Interest in, or controls, such Person;

(4) transactions between the Company or any of its Restricted Subsidiaries and any Person, a director of which is also a director of the Company or any direct or indirect parent of the Company; *provided*, *however*, that such director abstains from voting as a director of the Company or such direct or indirect parent, as the case may be, on any matter involving such other Person;

(5) transactions between or among the Company and/or its Restricted Subsidiaries;

(6) any contribution to the capital of the Company in exchange for Capital Stock of the Company (other than Disqualified Stock and Preferred Stock);

(7) pledges of Equity Interests of Unrestricted Subsidiaries;

(8) any Restricted Payments not prohibited by the "—Limitation on Restricted Payments" covenant described herein (but not, for the avoidance of doubt, the making of an Investment that is a Permitted Investment);

(9) any Permitted Investments (other than Permitted Investments described in clauses (3), (10), (19) and (20) of the definition thereof);

(10) any agreement or arrangement of the Company and/or its Restricted Subsidiaries as in effect on the Issue Date or any amendment thereto after the Issue Date (so long as any such amendment is not, as determined in good faith by the Company, disadvantageous in any material respect to the holders of the Notes) or any transaction contemplated thereby or similar in nature thereto;

(11) any payments or other transactions pursuant to a tax sharing agreement between the Company and any other Person or a Restricted Subsidiary of the Company and any other Person with which the Company or any of its Restricted Subsidiaries is part of a group for tax purposes or any tax advantageous group contribution made pursuant to applicable legislation; *provided*, *however*, that any such tax sharing or arrangement and payment does not permit or require payments in excess of the amounts of tax that would be payable by the Company and its Restricted Subsidiaries on a stand-alone basis;

(12) Management Advances;

(13) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services or providers of employees or other labor, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture that are fair to the Company or the Restricted Subsidiaries, in the reasonable determination of the members of the Board of Directors of the Company or the senior management thereof, or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated Person;

(14) any issuance of Equity Interests (other than Disqualified Stock) of the Company to Affiliates of the Company; and

(15) any transaction effected as part of a Qualified Securitization Financing.

Additional Guarantors

The Company will not permit any Restricted Subsidiary that is not a Guarantor, directly or indirectly, to guarantee, assume or in any manner become liable with respect to any other Debt of the Issuer or any Guarantor unless such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture providing for the Guarantee of the payment of the Notes by such Restricted Subsidiary, which Guarantee will be senior to or *pari passu* with such Restricted Subsidiary's guarantee of such other Debt.

If any Restricted Subsidiary that is not a Guarantor (excluding the non-Guarantor Restricted Subsidiaries that were in existence on the Issue Date) is determined to be a Material Company as of the last day of its most recently completed fiscal year beginning with the fiscal year ended December 31, 2013 (and as determined on the basis of the audited consolidated financial statements of the Company for such fiscal year), the Company will cause such Restricted Subsidiary to become a

Guarantor and to execute a supplemental indenture within 60 days of the date of determination, having regard to applicable formalities, local practices and substantive provisions of applicable law.

The Company will not be obligated to cause any Restricted Subsidiary to guarantee the Notes pursuant to the preceding paragraphs to the extent that (a) such Guarantee could reasonably be expected to give rise to or result in (i) any violation of applicable law or regulation, or any court order, ruling or judgment that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary, (ii) any liability for the officers, directors or shareholders of such Restricted Subsidiary or (iii) any significant current or future cost, expense, liability or obligation (including any tax) other than reasonable out-of-pocket expenses and other reasonable expenses incurred in connection with any governmental or regulatory filings or (b) such Restricted Subsidiary is prohibited or restricted from providing such Guarantee as a result of general corporate or contractual restrictions applicable to such Restricted Subsidiary, in each case after the Company has used its commercially reasonable efforts (without requiring the Company to procure any change in jurisdiction of organization of such Restricted Subsidiary or the purchase of any minority shareholder interest in such Restricted Subsidiary) to enable such Restricted Subsidiary to provide such Guarantee.

The first paragraph of this covenant will not be applicable to any guarantees of any Restricted Subsidiary (a) existing on the date of the Indenture or pursuant to an extension, amendment, modification, refinancing, replacement, exchange or renewal of any such guarantee existing on the date of the Indenture; *provided* that any such extension, amendment, modification, refinancing, replacement, exchange or renewal, taken as a whole, is not materially more disadvantageous to the holders of the Notes than the original guarantee as in effect on the date of the Indenture or (b) given to a bank or trust company having combined capital and surplus and undivided profits of not less than €250 million, whose debt has a rating, at the time such guarantee was given, of at least BBB+ or the equivalent thereof by Fitch, Inc., BBB+ or the equivalent thereof by S&P and at least Baa1 or the equivalent thereof by Moody's, in connection with the operation of cash management programs established in the ordinary course of business for the benefit of the Company or any of the Restricted Subsidiaries.

Each additional Guarantee will be limited as necessary to recognize certain defenses generally available to guarantors (including those that relate to fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, capital maintenance or similar laws, regulations or defenses affecting the rights of creditors generally) or other considerations under applicable law.

Guarantee by Maltco Lotteries Limited

The Company will use, and will cause each of its Restricted Subsidiaries to use, its best efforts (including, without limitation, by holding board meetings as necessary and exercising its voting power) to cause Maltco Lotteries Limited, a company organized under the laws of Malta, to execute and deliver a supplemental indenture providing for a Guarantee of the payment of the Notes (using commercially reasonable efforts to minimize any limitations on such Guarantee as is reasonably practicable but subject to the limitations set out in the following sentence) no later than September 30, 2013. The Company and its Restricted Subsidiaries will not be obligated to cause Maltco Lotteries Limited to issue a Guarantee pursuant to this covenant to the extent that such Guarantee could reasonably be expected to give rise to or result in (a) any violation of applicable law or regulation, or any court order, ruling or judgment or (b) any liability for the officers, directors or shareholders of the Company or any Restricted Subsidiary, in each case that cannot be avoided or otherwise prevented through measures reasonably available to the Company or such Restricted Subsidiary.

Payments for Consent

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration to or for the benefit of any holder of Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement. Notwithstanding the foregoing, the Company and its Restricted Subsidiaries shall be permitted, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture, to exclude holders of Notes in any jurisdiction where (A)(i) the solicitation of such consent, waiver or

amendment, including in connection with an offer to purchase for cash, or (ii) the payment of the consideration therefor would require the Company or any Restricted Subsidiary to file a registration statement, prospectus or similar document under any applicable securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Company in its sole discretion determines (acting in good faith) would be materially burdensome (it being understood that it would not be materially burdensome to file the consent document(s) used in other jurisdictions, any substantially similar documents or any summary thereof with the securities or financial services authorities in such jurisdiction); or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Limitation on Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, engage in any business other than a Permitted Business, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Limitation on Issuer Activities

Notwithstanding anything contained in the Indenture, the Issuer shall not engage in any business activity or undertake any other activity, except any activity (1) related to the offering, sale, issuance and servicing, listing, purchase, redemption, amendment, exchange, refinancing, incurring or retirement of the Notes, the incurrence of Debt represented by the Notes (including any Additional Notes) or other Debt of the Issuer permitted under the Indenture, lending or otherwise advancing the proceeds thereof (including pursuant to the Intercompany Proceeds Loans) and any other activities in connection therewith; (2) undertaken with the purpose of, and directly related to, fulfilling any other obligations under any Debt of the Issuer (including, without limitation, the Notes) permitted under the Indenture (including for the avoidance of doubt, any repurchase or purchase, repayment, redemption or prepayment of such Debt); (3) undertaken with the purpose of, and related to, fulfilling the obligations of the Issuer under any document (including the Escrow Agreement) relating to the Notes (including Additional Notes) (4) related to the making of Restricted Payments in accordance with the covenants described under the caption "—Limitation on Restricted Payments"; (5) related to the granting of Liens over its assets to secure the Debt of any Restricted Subsidiary if the grant of such Liens were otherwise permitted under the covenant described under the caption "—Limitation on Liens"; (6) related or to the establishment and/or maintenance of the Issuer's corporate existence or otherwise complying with applicable law; (7) related to investing amounts received by the Issuer (other than amounts corresponding to required payments under the Notes) in such manner not otherwise prohibited by the Indenture; (8) involving the provision of administrative services; (9) related to any purchase agreement, and/or any other document entered into in connection with the issuance of the Notes or any other Debt permitted under the Indenture and (10) other activities not specifically enumerated above that are *de minimis* in nature.

Reports

So long as any Notes are outstanding, the Company will furnish to the Trustee the following reports in electronic form for delivery to holders of the Notes:

(1) within 120 days following the end of the Company's fiscal year beginning with the fiscal year ending December 31, 2013, information including "Selected Financial Information," "Management's Discussion and Analysis of Operating Results and Financial Condition" and "Business" sections with scope and content substantially equivalent to the corresponding sections of this Offering Memorandum (after taking into consideration any changes to the business and operations of the Company after the Issue Date), information regarding the Company's share capital and any material contracts to which the Company or its Restricted Subsidiaries are party other than contracts entered into in the ordinary course of business, and audited consolidated income statements, balance sheets and cash flow statements and the related notes thereto for the Company for the two most recent fiscal years and, in each case in accordance with IFRS, together with an audit report thereon;

(2) within 60 days (or in the case of the quarter ending June 30, 2013, 90 days) following the end of the first three fiscal quarters in each fiscal year of the Company beginning with the fiscal quarter ending June 30, 2013, quarterly reports containing unaudited balance sheets,

statements of income, and statements of cash flows for the Company on a consolidated basis, in each case for the quarterly period then ended and the corresponding quarterly period in the preceding fiscal year, in each case prepared in accordance with IFRS, together with a "Management's Discussion and Analysis of Operating Results and Financial Condition" section for such quarterly period and condensed footnote disclosure; and

(3) promptly from time to time after the occurrence of a material acquisition, disposition or restructuring, or any senior management change at the Company or any change in auditors, a report containing a description of such event and, in the case of a material acquisition or disposition (including, without limitation, any acquisition or disposition that, individually or in the aggregate when considered with all other acquisitions or dispositions that have occurred since the beginning of the most recently completed fiscal year or quarter, as the case may be, as to which such annual or quarterly report, as the case may be, relates, represent greater than 20% of the Consolidated EBITDA or consolidated revenues or consolidated assets of the Company on a *pro forma* basis, in each case unless *pro forma* information has been provided in a previous report pursuant to clause (1) or (2) above), a *pro forma* consolidated balance sheet and statement of operations of the Company giving effect to the acquisition or disposition to the extent practicable utilizing available information.

If any of the Company's Subsidiaries are Unrestricted Subsidiaries and such Subsidiaries are Significant Subsidiaries, then the annual and quarterly financial information referred to above will include a reasonably detailed presentation, either on its face or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Company's Unrestricted Subsidiaries.

In addition, the Company will furnish to the holders and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act so long as the Notes are not freely transferable under the Securities Act by Persons who are not "affiliates" under the Securities Act.

Within 10 Business Days after furnishing the Trustee the annual and quarterly reports required by clauses (1), and (2) above, the Company will hold a conference call to discuss such reports and the results of operations for the relevant reporting period. The Company will make available all reports referred to in this section at the offices of the principal Paying Agent, and on the Company's website at *www.intralot.com* and, if and so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules and regulations of the Luxembourg Stock Exchange so require, at the specified office of the Paying Agent in Luxembourg or to the extent and in the manner required by such rules, post such reports on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Company's website does not form part of this Offering Memorandum.

Suspension of Covenants when Notes Rated Investment Grade

If on any date following the Issue Date:

(1) the Notes have achieved Investment Grade Status; and

(2) no Default or Event of Default has occurred and is continuing on such date,

then, beginning on that day and continuing until such time, if any, at which the Notes cease to have Investment Grade Status (such period, the "Suspension Period"), the covenants specifically listed under the following captions in this Offering Memorandum will no longer be applicable to the Notes and any related default provisions of the Indenture will cease to be effective and will not be applicable to the Issuer and its Restricted Subsidiaries:

(1) "—Repurchase at the Option of Holders—Sales of Certain Assets";

(2) "—Certain Covenants—Limitation on Restricted Payments";

(3) "—Certain Covenants—Limitation on Debt";

(4) "—Certain Covenants—Limitation on Layered Debt";

(5) "—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries";

(6) "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries";

(7) "—Certain Covenants—Limitation on Transactions with Affiliates";

(8) "—Certain Covenants—Additional Guarantors";

(9) "—Certain Covenants—Centre of Main Interests and Establishments";

(10) "—Certain Covenants—Maintenance of Double DutchCo Structure" and

(11) clause (3)(a) of the first, second, third and fourth paragraphs of the covenant described under "—Certain Covenants—Merger, Consolidation or Sale of Assets."

Such covenants will not, however, be of any effect with regard to the actions of the Company and its Restricted Subsidiaries properly taken during the continuance of the Suspension Period; *provided* that (i) with respect to the Restricted Payments made after any such reinstatement, the amount of Restricted Payments will be calculated as though the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" had been in effect prior to, but not during, the Suspension Period; (ii) all Debt incurred, or Disqualified Stock or Preferred Stock issued, during the Suspension Period will be classified to have been incurred or issued pursuant to clause (2) of the second paragraph of the caption "—Certain Covenants—Limitation on Debt;" (iii) any transactions with Affiliates entered into after such reinstatement pursuant to an agreement entered into during any Suspension Period shall be deemed to be permitted pursuant to clause (10) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Transactions with Affiliates;" (iv) any encumbrance or restriction on the ability of any Restricted Subsidiary that is not a Guarantor to take any action described in clauses (1) through (3) of the first paragraph of the covenant described under "—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries" that becomes effective during any Suspension Period shall be deemed to be permitted pursuant to clause (1) of the second paragraph of the covenant described under "—Certain Covenants—Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;" and (v) no Restricted Subsidiary shall be required to comply with the covenant described under "—Certain Covenants—Additional Guarantors" after such reinstatement with respect to any guarantee entered into by such Restricted Subsidiary during any Suspension Period. Upon the occurrence of a Suspension Period, the amount of Excess Proceeds shall be reset at zero.

There can be no assurance that the Notes will ever achieve or maintain an Investment Grade Status.

Events of Default and Remedies

Each of the following is an Event of Default:

(1) default for 30 days in the payment when due of interest on, or Additional Amounts with respect to, the Notes;

(2) default in payment when due (at maturity, upon redemption or otherwise) of the principal of, or premium, if any, on the Notes;

(3) failure by the Company or any Restricted Subsidiary to comply with the provisions described under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets";

(4) failure by the Company or any Restricted Subsidiary for 60 days after written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the Notes to comply with any of the other agreements or obligations in the Indenture (other than a default in performance, or breach, of a covenant or agreement which is specifically set out in clauses (1), (2) or (3) above);

(5) default under any mortgage, indenture or instrument under which there is or may be issued or by which there is or may be secured or evidenced any Debt for money borrowed by the Company or any Restricted Subsidiary (or the payment of which is guaranteed by the Company or any Restricted Subsidiary) whether such Debt or guarantee now exists, or is created after the date of the Indenture, if that default:

   (a) is caused by a failure to pay principal of such Debt at the Stated Maturity thereof prior to the expiration of the grace period provided in such Debt on the date of such default

and such failure to make any payment has not been waived or the maturity of such Debt has not been extended (a "Payment Default"); or

(b) results in the acceleration of such Debt prior to its express maturity,

and, in each case, the principal amount of any such Debt, together with the principal amount of any other such Debt under which there has been a Payment Default or the maturity of which has been so accelerated, aggregates €25.0 million or more;

(6) failure by the Company or any Restricted Subsidiary to pay final judgments by a court or courts of competent jurisdiction aggregating in excess of €25.0 million (in excess of amounts which the Company's or such Restricted Subsidiary's insurance providers have agreed to pay under applicable policies), which judgments are not paid, discharged or stayed for a period of 60 days;

(7) except as permitted by the Indenture, the Notes or any Guarantee are held in any judicial proceeding to be unenforceable or invalid or cease for any reason to be in full force and effect or any Guarantor, the Issuer, or any Person acting on behalf of the Issuer or any Guarantor, will deny or disaffirm its obligations under the Notes or its Guarantee;

(8) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any Restricted Subsidiary that is a Significant Subsidiary or group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; and

(9) failure by the Company to consummate the Special Mandatory Redemption as described under the caption "—Escrow of Proceeds; Special Mandatory Redemption."

In the case of an Event of Default specified in clause (8), above, all outstanding Notes will become due and payable immediately without further action or notice. If any other Event of Default occurs and is continuing, the holders of at least 25% in principal amount of the then outstanding Notes may, and the Trustee, upon the request of such number of holders, will (*provided* it has been indemnified and/or secured and/or pre-funded to its satisfaction), declare all of the Notes to be due and payable immediately.

Holders of the Notes may not independently enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any of its trusts or powers.

At any time after a declaration of acceleration under the Indenture, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the holders of a majority in aggregate principal amount of the outstanding Notes, by written notice to the Company and the Trustee, may rescind such declaration and its consequences if:

(1) the Issuer has paid or deposited with the Trustee a sum sufficient to pay:

(a) all overdue interest and Additional Amounts on all Notes then outstanding;

(b) all unpaid principal of and premium, if any, on any outstanding Note that has become due otherwise than by such declaration of acceleration and interest thereon at the then current rate borne by the Notes;

(c) to the extent that payment of such interest is lawful, interest upon overdue interest and overdue principal at the then current rate borne by the Notes; and

(d) all sums paid or advanced by the Trustee under the Indenture and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel;

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and

(3) all Events of Default, other than the non-payment of amounts of principal of, premium, if any, and any Additional Amounts and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived.

No such rescission will affect any subsequent default or impair any right consequent thereon.

The holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture except a continuing Default or Event of Default in the payment of interest or Additional Amounts on, or the principal of, the Notes.

No holder of any of the Notes has any right to institute any proceedings with respect to the Indenture or any remedy thereunder, unless the holders of at least 25% in aggregate principal amount of the outstanding Notes have made a written request, and offered indemnity and/or security and/or pre-funding satisfactory to the Trustee, to the Trustee to institute such proceeding as Trustee under the Notes and the Indenture, the Trustee has failed to institute such proceeding within 30-Business Days after receipt of such notice and the Trustee within such 30-Business Day period has not received directions inconsistent with such written request by holders of a majority in aggregate principal amount of the outstanding Notes. Such limitations do not, however, apply to a suit instituted by a holder of a Note for the enforcement of the payment of the principal of, premium, if any, and Additional Amounts or interest on such Note on or after the respective due dates expressed in such Note.

If a Default or an Event of Default occurs and is continuing and is known to the Trustee, the Trustee will mail to each holder of the Notes notice of the Default or Event of Default within 30 Business Days after it occurs and is known to the Trustee. Except in the case of a Default or an Event of Default in payment of principal of, premium, if any, Additional Amounts or interest on any Notes, the Trustee may withhold the notice to the holders of such Notes if a committee of its trust officers in good faith determines that withholding the notice is in the interests of the holders of the Notes.

The Indenture provides that, except during the continuance of an Event of Default, the Trustee will perform only such duties as are set forth specifically in the Indenture.

The Indenture provides for the indemnification of the Trustee in connection with its actions under the Indenture.

The Trustee will not be responsible for monitoring any of the covenants or restrictions or obligations contained in the Notes or in the Indenture. The Company and the Issuer are required to deliver to the Trustee annually a statement regarding compliance with the Indenture. In all instances under the Indenture, the Trustee will be entitled to rely on any certificates, statements or opinions delivered pursuant to the Indenture absolutely and will not be obligated to enquire further as regards the circumstances then existing and will not be responsible to the holders of the Notes for so relying.

Notices

All notices to holders of the Notes will be validly given if mailed to them at their respective addresses in the register of the holders of such Notes, if any, maintained by the Registrar. In addition, if and for so long as any of the Notes are listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices with respect to the Notes listed on the Luxembourg Stock Exchange will be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the official website of the Luxembourg Stock Exchange (*www.bourse.lu*). In addition, for so long as any Notes are represented by Global Notes, all notices to holders of the Notes will be validly given if delivered to Euroclear and Clearstream, each of which will give such notices to the holders.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if such notices are mailed, such notice shall be deemed to have been given on the later of such publication and the seventh day after being so mailed. Any notice or communication mailed to a holder shall be mailed to such Person by first class mail or other equivalent means and shall be sufficiently given to him if so mailed within the time prescribed. Failure to mail a notice or communication to a holder or any defect in it shall not affect its sufficiency with respect to other holders. If a notice or communication is mailed in the manner provided above, it is duly given, whether or not the addressee receives it.

No Personal Liability of Directors, Officers, Employees and Stockholders

No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantor, as such, will have any personal liability for any obligations of the Issuer or such Guarantor under the

Notes, the Indenture, the Guarantees or the Escrow Agreement or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. The waiver may not be effective to waive liabilities under applicable securities laws.

Legal Defeasance and Covenant Defeasance

The Issuer may, at its option or at the option of the Company, and at any time, elect to have all of its obligations discharged with respect to the outstanding Notes and all obligations of the Guarantors discharged with respect to the Guarantees ("Legal Defeasance") except for:

(1) the rights of holders of outstanding Notes to receive payments in respect of the principal of, interest, premium and Additional Amounts, if any, on such Notes when such payments are due from the trust referred to below;

(2) the Issuer's obligations concerning (i) issuing temporary Notes, (ii) registering Notes, (iii) replacing mutilated, destroyed, lost or stolen Notes, (iv) maintaining an office or agency for payment, and (v) segregating and holding such payments in trust;

(3) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's and the Guarantors' obligations in connection therewith; and

(4) the Legal Defeasance provisions of the Indenture.

In addition, the Issuer may, at its option or at the option of the Company, and at any time, elect to have the obligations of the Issuer and the Guarantors released with respect to certain covenants that are described in the Indenture ("Covenant Defeasance"), and thereafter any omission to comply with those covenants will not constitute a Default or Event of Default with respect to the Notes. In the event Covenant Defeasance occurs, certain events (not including non-payment, bankruptcy and insolvency events) described under "—Events of Default and Remedies" will no longer constitute Events of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance:

(1) the Issuer or the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in euro, non-callable Government Securities, or a combination of cash in euro and non-callable Government Securities, in such amounts as will be sufficient, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, and interest, premium and Additional Amounts, if any, on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Issuer or Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(2) in the case of Legal Defeasance, the Issuer or the Company must have delivered to the Trustee an opinion of counsel of recognized standing with respect to U.S. federal income tax matters (reasonably acceptable to the Trustee) confirming that (a) the Issuer has received from, or there has been published by, the U.S. Internal Revenue Service a ruling or (b) since the date of the Indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that (and based thereon such opinion will confirm that) the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(3) in the case of Covenant Defeasance, the Issuer or the Company must have delivered to the Trustee an opinion of counsel of recognized standing with respect to U.S. federal income tax matters (reasonably acceptable to the Trustee) confirming that the beneficial owners of the outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(4) no Default or Event of Default has occurred and is continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit);

(5) such Legal Defeasance or Covenant Defeasance will not result in the trust arising therefrom constituting an "investment company" within the meaning of the U.S. Investment Company Act of 1940, as amended, unless registered thereunder or exempt therefrom;

(6) such Legal Defeasance or Covenant Defeasance, including the deposit described in clause (1), above, will not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than the Indenture) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound;

(7) the Issuer or the Company must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer or the Company with the intent of preferring the holders of Notes over the other creditors of the Issuer or the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Issuer or the Company or others; and

(8) the Issuer or the Company must deliver to the Trustee an Officers' Certificate and an opinion of counsel (and the Trustee will be entitled to rely on both absolutely), each stating that all conditions precedent relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

With respect to either Legal Defeasance or Covenant Defeasance, the Trustee will be entitled to rely absolutely on all certificates, opinions and other documents delivered to it.

Amendment, Supplement and Waiver

Except as provided in the next two succeeding paragraphs, the Indenture, the Notes and the Escrow Agreement may be modified, amended or supplemented with the consent of the holders of at least a majority in principal amount of the Notes then outstanding (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and any existing Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of a majority in principal amount of the then outstanding Notes (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, Notes).

Without the consent of each holder affected, (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes) an amendment, modification or waiver may not (with respect to any Notes held by a non-consenting holder):

(1) reduce the principal amount of Notes whose holders must consent to an amendment, supplement or waiver of provisions of the Indenture;

(2) reduce the principal (or Additional Amounts or premium, if any) of or change the Stated Maturity of the principal of, or any installment of Additional Amounts or premium, if any, or interest on, any Note or alter the provisions with respect to the redemption of the Notes (other than provisions relating to the covenants described above under the caption "—Optional Redemption");

(3) reduce the rate of or change the time for payment of interest on any Note;

(4) waive a Default or Event of Default in the payment of principal of, or interest or premium, or Additional Amounts, if any, on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(5) impair the right to institute suit for the enforcement of any payment of any Note in accordance with the provisions of such Note and the Indenture;

(6) amend, change or modify the obligation to make and consummate an Asset Sale Offer with respect to any Asset Sale in accordance with the provisions described under the caption "Repurchase at the Option of Holders—Sales of Certain Assets" covenant or the obligation to make and consummate a Change of Control Offer in the event of a Change of Control in accordance with the provisions described under the caption "Repurchase at the Option of

Holders—Change of Control," including, in each case, amending, changing or modifying any definition relating thereto;

(7) except as otherwise permitted under "—Certain Covenants—Merger, Consolidation and Sale of Assets," consent to the assignment or transfer by the Company of any of the Company's rights or obligations under the Indenture;

(8) make any Note payable in a currency other than that stated in the Notes;

(9) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of, or interest or premium or Additional Amounts, if any, on the Notes;

(10) waive a redemption payment with respect to any Note (other than a payment required by one of the covenants described above under the caption "—Repurchase at the Option of Holders");

(11) release the Issuer or any Guarantor from any of its obligations under the Notes or the Indenture, except in accordance with the terms of the Indenture; or

(12) make any change in the preceding amendment and waiver provisions.

Notwithstanding the preceding, without notice to or the consent of any holder of Notes, the Issuer, the Guarantors and the Trustee may modify, amend or supplement the Indenture, any Guarantee or the Notes:

(1) to cure any ambiguity, defect or inconsistency;

(2) to provide for uncertificated Notes in addition to or in place of certificated Notes;

(3) to provide for the assumption of the Issuer's or any Guarantor's obligations to holders of Notes in the case of a merger or consolidation or sale of all or substantially all of the Issuer's or such Guarantor's assets, as applicable;

(4) to release any Guarantor in accordance with and if permitted by the terms and limitations set forth in the Indenture and to add a Guarantor under the Indenture;

(5) to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the legal rights under the Indenture of any such holder in any material respect;

(6) to conform the text of the Indenture, the Guarantees or the Notes to any provision of this Description of Notes to the extent that such provision in this Description of Notes was intended to be a verbatim recitation of a provision of the Indenture, the Guarantees or the Notes;

(7) to provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture as of the Issue Date;

(8) to allow any Guarantor to execute a supplemental indenture and/or a Guarantee with respect to the Notes or release Guarantees in accordance with the terms of the Indenture;

(9) to secure the Notes; or

(10) to evidence and provide for the acceptance and appointment under the Indenture of a successor trustee.

The provisions relating to meetings of bondholders contained in articles 86 to 94-8 of the Luxembourg act dated August 10, 1915 on commercial companies, as amended, will not apply in respect of the Notes. No holder of Notes may initiate proceedings against the Issuer based on article 98 of the Luxembourg Companies Act 1915.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) the Issuer or the Company has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the holders, cash in euro, non-callable

Government Securities, or a combination of cash in euro and non-callable Government Securities, in such amounts as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire indebtedness on the Notes that have not, prior to such time, been delivered to the Trustee for cancelation, for principal of, premium, if any, and any Additional Amounts, if any, and accrued and unpaid interest to the date of maturity or redemption, as the case may be, and the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of Notes at maturity or on the redemption date, as the case may be; and either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer or the Company, have been delivered to the Trustee for cancelation; or

(b) all Notes that have not been delivered to the Trustee for cancelation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year;

(2) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(3) the Issuer or the Company has paid or caused to be paid all sums payable by the Issuer under the Indenture; and

(4) the Issuer has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or the redemption date, as the case may be.

In addition, the Issuer must deliver an Officers' Certificate and an opinion of counsel to the Trustee (and the Trustee will be entitled to rely on both absolutely) stating that all conditions precedent to satisfaction and discharge have been satisfied and that such satisfaction and discharge will not result in a breach or violation of, or constitute a default under, the Indenture or any other agreement or instrument to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary is bound.

Judgment Currency

The Issuer and the Guarantors, jointly and severally, will agree to indemnify the holders against any loss incurred, as incurred, as a result of any judgment or award in connection with the Indenture being expressed in a currency (the "Judgment Currency") other than the euro and as a result of any variation as between (i) the spot rate of exchange in London at which the Judgment Currency could have been converted into euro as of the date such judgment or award is paid and (ii) the spot rate of exchange at which the indemnified party converts such Judgment Currency. The foregoing will constitute a separate and independent obligation of the Issuer and the Guarantors and will continue in full force and effect notwithstanding any such judgment or order. The term "spot rate of exchange" includes any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency.

Concerning the Trustee

The Issuer, failing whom, the Company and/or any Guarantor, shall deliver written notice to the Trustee within thirty (30) days of becoming aware of the occurrence of a Default or an Event of Default. The Trustee will be permitted to engage in other transactions; however, if it acquires any conflicting interest it must eliminate such conflict within 90 days or resign as Trustee.

The holders of a majority in aggregate principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default occurs and is continuing, the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent man in the conduct of his own affairs. Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the

request of any holder of Notes, unless such holder has offered to the Trustee, and the Trustee has received, security, indemnity and/or pre-funding satisfactory to it against any loss, liability or expense.

The Issuer and the Guarantors, jointly and severally, will indemnify the Trustee for certain claims, liabilities and expenses incurred without negligence, willful misconduct or bad faith on its part, arising out of or in connection with its duties.

Additional Information

Anyone who receives this offering memorandum may obtain a copy of the Indenture without charge by writing to Intralot S.A., 64 Kifissias Avenue & 3 Premetis Street, Maroussi, Athens, Greece, Attention: General Counsel.

Prescription

Claims against the Issuer or any Guarantor for the payment of principal or Additional Amounts, if any, on the Notes will be prescribed ten years after the applicable due date for payment thereof. Claims against the Issuer or any Guarantor for the payment of interest on the Notes will be prescribed five years after the applicable due date for payment of interest.

Certain Definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for full disclosure of all such terms.

"*2013 Convertible Bond*" means the €140,000,000 aggregate principal amount of guaranteed exchangeable notes due 2013 issued by Intralot Luxembourg S.A.

"*Acquired Debt*" means, with respect to any specified Person:

(1) Debt of any other Person existing at the time such other Person is merged with or into or became a Subsidiary of such specified Person, whether or not such Debt is incurred in connection with, or in contemplation of, such other Person merging with or into, or becoming a Subsidiary of, such specified Person; and

(2) Debt secured by a Lien encumbering any asset acquired by such specified Person.

"*Affiliate*" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, "control," as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms "controlling," "controlled by" and "under common control with" have correlative meanings.

"*Applicable Premium*" means, with respect to a Note on any redemption date, the greater of:

(1) 1.0% of the principal amount of the Note; and

(2) the excess of:

    (a) the present value at such redemption date of (i) the redemption price of the Note at August 15, 2016 (such redemption price being set forth in the table appearing above under the caption "—Optional Redemption—Optional Redemption") plus (ii) all required interest payments due on the Note through August 15, 2016 (excluding accrued but unpaid interest to the redemption date), computed using a discount rate equal to the Bund Rate as of such redemption date plus 50 basis points; over

    (b) the then outstanding principal amount of the Note.

"*Asset Sale*" means:

(1) the sale, lease, conveyance or other disposition of any assets or rights; *provided* that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by the provisions of the Indenture described above under the caption "—Repurchase at the Option of Holders—Change of

Control" and/or the provisions described above under the caption "—Certain Covenants—Merger, Consolidation or Sale of Assets" and not by the provisions of the Indenture described above under "—Repurchase at the Option of Holders—Sales of Certain Assets"; and

(2) the issuance of Equity Interests in any Restricted Subsidiary or the sale of Equity Interests by the Company or any Restricted Subsidiary in any Restricted Subsidiary (in each case, other than directors' qualifying shares).

Notwithstanding the preceding, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than €10.0 million;

(2) a transfer of assets or Equity Interests between or among the Company and its Restricted Subsidiaries;

(3) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to any other Restricted Subsidiary;

(4) the sale, lease or other transfer of equipment, inventory, products, services, accounts receivable, licenses or software in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents;

(6) a Restricted Payment or Permitted Investment that is permitted by the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments";

(7) any sale or other disposition of damaged, unserviceable, worn-out or obsolete assets in the ordinary course of business;

(8) granting of Liens not prohibited by the covenant described under the caption "—Certain Covenants—Limitation on Liens";

(9) the licensing or sublicensing of intellectual property, licenses, trademarks and software, leases or subleases of other property in the ordinary course of business and which do not materially interfere with the business of the Company and its Restricted Subsidiaries taken as a whole;

(10) a surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind in the ordinary course of business;

(11) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;

(12) foreclosure, condemnation or any similar action with respect to any property or other assets;

(13) any exchange of assets (including a combination of assets and Cash Equivalents) for assets related to a Permitted Business of comparable or greater market value or usefulness to the business of the Company and its Restricted Subsidiaries as a whole, as determined in good faith by the Company; and

(14) any sale, transfer or other disposition of Securitization Assets and related assets in connection with any Qualified Securitization Financing.

"*Beneficial Owner*" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular "person" (as that term is used in Section 13(d)(3) of the Exchange Act), such "person" will be deemed to have beneficial ownership of all securities that such "person" has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition. The terms "Beneficially Owns" and "Beneficially Owned" have a corresponding meaning.

"*Board of Directors*" means:

(1) with respect to a corporation (including for the avoidance of any doubt, any Luxembourg public limited liability company *société anonyme*, the board of directors of the corporation;

(2) with respect to a partnership, the board of directors of the general partner of the partnership; and

(3) with respect to any other Person, the board or committee of such Person serving a similar function.

"*Bund Rate*" means, with respect to any redemption date, the rate per annum equal to the equivalent yield to maturity as of such redemption date of the Comparable German Bund issue, assuming a price for the Comparable German Bund Issue (expressed as a percentage of its principal amount) equal to the Comparable German Bund Price for such redemption date, where:

(a) "Comparable German Bund Issue" means the German Bundesanleihe security selected by any Reference German Bund Dealer as having a fixed maturity most nearly equal to the period from such redemption date to August 15, 2016, and that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of euro denominated corporate debt securities in a principal amount approximately equal to the then outstanding principal amount of the Notes and of a maturity most nearly equal to August 15, 2016; *provided* that if the period from such redemption date to August 15, 2016 is less than one year, a fixed maturity of one year will be used;

(b) "Comparable German Bund Price" means, with respect to any redemption date, the average of the Reference German Bund Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference German Bund Dealer Quotations, or if the Issuer obtains fewer than four such Reference German Bund Dealer Quotations, the average of all such quotations;

(c) "Reference German Bund Dealer" means any dealer of German Bundesanleihe securities appointed by the Issuer; and

(d) "Reference German Bund Dealer Quotations" means, with respect to each Reference German Bund Dealer and any redemption date, the average as determined by the Issuer of the bid and offered prices for the Comparable German Bund issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Issuer by such Reference German Bund Dealer at 3:30 p.m. Frankfurt, Germany time on the third Business Day preceding such redemption date.

"*Business Day*" means a day other than Saturday, Sunday or any other day on which banking institutions in Luxembourg, London or a place of payment under the Indenture are authorized or required by law to close.

"*Capital Lease Obligation*" means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a balance sheet (excluding the footnotes thereto) prepared in accordance with IFRS, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

"*Capital Stock*" means:

(1) in the case of a corporation (including for the avoidance of any doubt, any Luxembourg public limited liability company (*société anonyme*)), corporate stock;

(2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;

(3) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and

(4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"*Cash Equivalents*" means, at any time (i) securities issued or directly and fully guaranteed or insured by the United States government or a state that is a member state of the European Union (each, a "Member State"), Switzerland or Canada or any agency or instrumentality of either thereof (provided that the full faith and credit of the United States or such Member State, Switzerland or Canada as the case may be, is pledged in support thereof) having maturities of not more than one year from the date of acquisition; (ii) certificates of deposit, overnight deposits, time deposits, banker's acceptances and eurodollar time deposits (and similar instruments) with maturities not exceeding twelve months and overnight bank deposits, in each case, with (x) any commercial bank or trust company that

has accepted or issued such deposits or acceptances to the Company or any of its Restricted Subsidiaries as of the Issue Date or (y) any commercial bank having capital and surplus in excess of €250 million and any of a Fitch, Inc. rating of "BBB+" or better, a Moody's rating of "Baa1" or better or an S&P rating of "BBB+" or better; (iii) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (i) and (ii) above entered into with any financial institution meeting the qualifications specified in clause (ii) above; (iv) commercial paper having a rating at the time of the investment of at least one of the two highest ratings obtainable from Moody's or S&P or, if no rating is available in respect of such commercial paper, the issuer of which has, in respect of its long-term debt obligations, an equivalent rating and in each case maturing within twelve months after the date of acquisition; (v) in the case of any Restricted Subsidiary located outside the United States and the European Union, any substantially similar investment to the kinds described in clauses (i) through (iv) of this definition obtained in the ordinary course of business and with the highest rating obtainable in the applicable jurisdiction; and (vi) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (v) of this definition.

"*Change of Control*" means the occurrence of any of the following:

(1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Subsidiaries taken as a whole to any Person (including any "person" (as that term is used in Section 13(d)(3) of the U.S. Exchange Act)) other than one or more Permitted Holders;

(2) the adoption of a plan relating to the liquidation or dissolution of the Company; or

(3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that (i) any Person (including any "person" as defined above), other than the Permitted Holders, becomes Beneficial Owner, directly or indirectly, of more than 35% of the issued and outstanding Voting Stock of the Company measured by voting power rather than number of shares and (ii) the Permitted Holders do not beneficially own a larger percentage of such Voting Stock than such Person or group; or

(4) a majority of the Board of Directors of the Company shall be replaced, over a two-year period, from the directors who constituted the Board of Directors at the beginning of such period, and such replacement shall not have been approved by either the Board of Directors as constituted at the beginning of such period or by one or more Permitted Holders;

excluding in the case of clause (2) above, any consolidation, scheme of arrangement, merger or similar arrangement of the Company with or into any Person, or any consolidation, scheme of arrangement, merger or similar arrangement of any Person into or with the Company, in each case pursuant to an arrangement or transaction (i) in which immediately after such transaction, (x) no Person (including any "person" as defined above), other than the Permitted Holders, becomes Beneficial Owner, directly or indirectly, of more than 35% of the issued and outstanding Voting Stock of the Company measured by voting power rather than number of shares and (y) the Permitted Holders do not beneficially own a larger percentage of such Voting Stock than such Person or group and (ii) which is in compliance with the covenant described under "Certain Covenants—Merger, Consolidation and Sale of Assets."

"*Company*" means Intralot, S.A. and its respective successors and assigns.

"*Company Guarantee*" means the Guarantee incurred by the Company.

"*Consolidated Cash Flow*" of the Company means the Consolidated Net Income of the Company for such period plus:

(1) an amount equal to any extraordinary loss plus any net loss realized by the Company or any Restricted Subsidiary in connection with an Asset Sale, to the extent such losses were deducted in computing such Consolidated Net Income; *plus*

(2) provision for taxes based on income or profits of the Company and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was deducted in computing such Consolidated Net Income; *plus*

(3) the Fixed Charges of the Company and its Restricted Subsidiaries for such period, to the extent that any such Fixed Charges were deducted in computing such Consolidated Net Income; *plus*

(4) depreciation, amortization (including amortization of goodwill and other intangibles and deferred financing fees but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash charges and expenses (including without limitation write-downs and impairment of property, plant, equipment and intangibles and other long-lived assets and the impact of purchase accounting on the Company and its Restricted Subsidiaries for such period) (excluding any such non-cash expense to the extent that it represents an accrual of or reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of the Company and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income and except to the extent already counted in clause (1) hereof; *plus*

(5) any expenses, charges or other costs related to the issuance of any Capital Stock, or any Permitted Investment, acquisition, disposition, recapitalization or listing or the incurrence of Debt permitted to be incurred under the covenant described above under the caption "—Certain Covenants—Limitations on Debt" (including refinancing thereof) whether or not successful, including (i) such fees, expenses or charges related to any incurrence of Debt issuance and (ii) any amendment or other modification of any incurrence; *plus*

(6) the amount of any expense attributable to minority interests consisting of subsidiary income attributable to minority equity interests of third parties in any non-wholly owned Restricted Subsidiary in such period or any prior period to the extent that any such expense was deducted in computing such Consolidated Net Income, except to the extent of dividends declared or paid on, or other cash payments in respect of, Equity Interests held by such parties; *minus*

(7) non-cash items increasing such Consolidated Net Income for such period (excluding any such non-cash item of income to the extent it represents the reversal of accruals or reserves for cash charges taken in prior periods or will result in receipt of cash payments in any future period),

in each case, on a consolidated basis and determined in accordance with IFRS.

"*Consolidated EBITDA*" of a Person means the operating profit of such Person and its consolidated subsidiaries plus depreciation and amortization plus variation in provisions for trade transactions plus impairment test.

"*Consolidated Net Income*" of the Company means the aggregate of the Net Income of the Company and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with IFRS; *provided* that:

(1) the Net Income (but not loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting will be included only to the extent of the amount of dividends or distributions paid in cash to the Company or a Restricted Subsidiary and the Person's equity in a net loss of any such Person for such period will be included only to the extent such loss has been funded with cash flow from the Company or a Restricted Subsidiary during such period;

(2) solely for the purpose of determining the amount available for Restricted Payments under clause (3)(a) of the first paragraph under the caption "—Certain Covenants—Limitation on Restricted Payments," the Net Income of any Restricted Subsidiary (other than any Guarantor) will be excluded to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of that Net Income is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its stockholders, unless, in each case, such restriction has been legally waived (other than (a) restrictions pursuant to the Notes or the Indenture and (b) contractual restrictions in effect on the Issue Date with respect to the Restricted

Subsidiary and other restrictions with respect to such Restricted Subsidiary that would not otherwise materially adversely affect the ability of the Issuer to service or repay the Notes) except that the Company's equity in the Net Income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary (other than any Guarantor), to the limitation contained in this clause);

(3) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition will be excluded; and

(4) the cumulative effect of a change in accounting principles will be excluded.

"*Consolidated Senior Debt*" means, as of any date of determination, the sum of the total amount of Senior Debt of the Company and its Restricted Subsidiaries on a consolidated basis and net of (i) any cash and Cash Equivalents (except for cash and Cash Equivalents which are the proceeds of Senior Debt with respect to which the calculation of the Consolidated Senior Leverage Ratio is being made) and (ii) the aggregate amount standing to the credit of the Escrow Account at such time.

"*Consolidated Senior Leverage Ratio*" of the Company means as of any date of determination the ratio of (a) the Consolidated Senior Debt of the Company measured as of the end of the most recently ended four full fiscal quarter period for which internal financial statements are available immediately preceding the date of determination to (b) the Consolidated Cash Flow of the Company for such four-quarter period. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, repays, repurchases or redeems any Senior Debt (other than ordinary working capital borrowings) subsequent to the commencement of the period for which the Consolidated Senior Leverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Consolidated Senior Leverage Ratio is made (the "Calculation Date"), then the Consolidated Senior Leverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Senior Debt, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period; *provided however*, that the *pro forma* calculation of the Consolidated Senior Leverage Ratio shall not give effect to (i) any Senior Debt incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt or (ii) the discharge on the date of determination of any Senior Debt to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Consolidated Senior Leverage Ratio for such period:

(1) acquisitions that have been made by the Company or any Restricted Subsidiary, including through mergers or consolidations, or by any Person or any Restricted Subsidiary acquired by the Company or any Restricted Subsidiary, and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date or that are to be made on the Calculation Date will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company and may include anticipated expenses and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses disposed of prior to the Calculation Date, will be excluded;

(3) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period; and

(4) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period.

"*Credit Facilities*" means one or more debt facilities, indentures, trust deeds, note purchase agreements or other arrangements (including without limitation the facilities described in the definition of Forward Start Facilities) or commercial paper facilities with banks, insurance companies, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such lenders or to special purpose entities

formed to borrow from such lenders against such receivables), letters of credit or other forms of guarantees and assurances, or other Debt, including overdrafts, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, repaid or refinanced (and whether in whole or in part and whether or not with the original administrative agent or trustee or lenders or another administrative agent or agents or trustee or other bank or institutions and whether provided under the facilities described in the definition of Forward Start Facilities and one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term "Credit Facilities" shall include any agreement or instrument (1) changing the maturity of any Debt incurred thereunder or contemplated thereby, (2) adding Subsidiaries of the Company as additional borrowers, issuers or guarantors thereunder, (3) increasing the amount of Debt incurred thereunder or available to be borrowed thereunder or (4) otherwise altering the terms and conditions thereof.

"*Debt*" means, with respect to any Person, without duplication, any of the following items (excluding any trade payables and other accrued current liabilities incurred in the ordinary course of business):

(1) all liabilities of such Person for borrowed money (including overdrafts) or for the deferred purchase price of property or services due more than six months after such property is acquired or such services are completed;

(2) all obligations of such Person evidenced by bonds, notes, debentures or other similar instruments;

(3) all obligations, contingent or otherwise, of such Person in connection with any letters of credit, bankers' acceptances, receivables facilities or other similar facilities;

(4) all Capital Lease Obligations of such Person;

(5) all Hedging Obligations of such Person;

(6) all Debt referred to in (but not excluded from) the preceding clauses (1) through (5) of other Persons, the payment of which is secured by any Lien upon or with respect to property (including, without limitation, accounts and contract rights) owned by such Person, even though such Person has not assumed or become liable for the payment of such Debt (the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset or the principal amount of the Debt so secured);

(7) the principal component of Debt of other Persons to the extent guaranteed by such Person;

(8) all Disqualified Stock of such Person valued at the greater of its voluntary maximum fixed repurchase price or involuntary maximum fixed repurchase price plus accrued and unpaid dividends; and

(9) Preferred Stock of any Restricted Subsidiary;

provided that the foregoing indebtedness (other than letters of credit and Hedging Obligations) shall be included in this definition of Debt only if, and to the extent that, the indebtedness would appear as a liability upon a balance sheet of such Person prepared in accordance with IFRS; and *provided further* that the term "Debt" will not include (i) non-interest bearing installment obligations and accrued liabilities incurred in the ordinary course of business that are not more than 180 days past due; (ii) Debt in respect of the incurrence by the Company or any Restricted Subsidiary of Debt in respect of standby letters of credit, performance bonds, bid bonds or surety bonds provided by the Company or any Restricted Subsidiary in the ordinary course of business to the extent that such letters of credit or bonds are not drawn upon or, if and to the extent drawn upon are honored in accordance with their terms and if, to be reimbursed, are reimbursed no later than the 30th day following receipt by such Person of a demand for reimbursement following payment on the letter of credit or bond; (iii) anything accounted for as an operating lease in accordance with IFRS as at the date of the Indenture; (iv) Debt incurred by the Company or a Restricted Subsidiary in connection with a transaction where (x) such Debt is borrowed from any commercial bank having capital and surplus in excess of €500 million and a

Thomson Bank Watch Rating of "B" or better and (y) a substantially concurrent Investment is made by the Company or a Restricted Subsidiary in the form of cash deposited with the lender of such debt, or a Subsidiary or affiliate thereof, in an amount equal to such Debt; (v) for the avoidance of doubt, any contingent obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions, or similar claims, obligations or contributions or social security or wage taxes; (vi) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided*, *however*, that at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter; (vii) customer deposits and advance payments received in the ordinary course of business from customers for goods and services purchased in the ordinary course of business; and (viii) for the avoidance of doubt, Preferred Stock of the Company.

For purposes of this definition, the "maximum fixed repurchase price" of any Disqualified Stock that does not have a fixed redemption, repayment or repurchase price will be calculated in accordance with the terms of such Disqualified Stock as if such Disqualified Stock were purchased on any date on which Debt will be required to be determined pursuant to the Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Stock, such fair market value will be determined in good faith by the board of directors of the issuer of such Disqualified Stock; *provided* that if such Disqualified Stock is not then permitted to be redeemed, repaid or repurchased, the redemption, repayment or repurchase price will be the book value of such Disqualified Stock as reflected in the most recent financial statements of such Person.

"*Default*" means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

"*Disqualified Stock*" means any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, on or prior to the date that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the terms of such Capital Stock provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments."

"*Dutch Holdco Guarantee*" means the Guarantee incurred by Dutch Holdco.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*Equity Offering*" means an underwritten public offer and sale of Equity Interests (which are not Disqualified Stock) of the Company, or of any Person that directly or indirectly holds shares representing more than 50% of the voting power of the Company's outstanding Voting Stock.

"*euro*" or "€" means the single currency of participating member states of the European Monetary Union.

"*European Union*" means the European Union as constituted on April 30, 2004, specifically comprising the countries of Austria, Belgium, Denmark, France, Finland, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, Sweden and the United Kingdom, but not including any country which becomes a member of the European Union after April 30, 2004.

"*Euro Equivalent*" means, with respect to any monetary amount in a currency other than the euro, at any time for the determination thereof, the amount of euro obtained by converting such foreign currency involved in such computation into euro at the spot rate for the purchase of euros with the applicable foreign currency as quoted by Reuters at approximately 11:00 (New York City time) on the date not more than two business days prior to such determination. For purposes of determining

whether any Debt can be incurred (including Permitted Debt), any Investment can be made or any transaction described in "—Certain Covenants—Limitation on Transactions with Affiliates" covenant can be undertaken (a "Tested Transaction"), the Euro Equivalent of such Debt, Investment or transaction described in "—Certain Covenants—Limitation of Transactions with Affiliates" will be determined on the date incurred, made or undertaken and, in each case, no subsequent change in the Euro Equivalent will cause such Tested Transaction to have been incurred, made or undertaken in violation of the Indenture.

"*Exchange Act*" means the U.S. Securities Exchange Act of 1934, as amended.

"*Excluded Contributions*" means the net cash proceeds received by the Company after the Issue Date from:

(1) contributions to its common equity capital; and

(2) the sale (other than to a Subsidiary of the Company) of Capital Stock (other than Disqualified Stock) of the Company,

in each case designated as "Excluded Contributions" pursuant to an Officer's Certificate of the Company (which shall be designated no later than the date on which such Excluded Contribution has been received by the Company), the net cash proceeds of which are excluded from the calculation set forth in clause (3)(b) of the first paragraph of the covenant described under "—Certain Covenants—Limitation on Restricted Payments" hereof.

"*Existing Debt*" means Debt of the Company and its Restricted Subsidiaries in existence on the date of the Indenture (other then Debt constituting the Forward Start Facilities Debt and the Existing Local Credit Facilities Debt), until such amounts are repaid.

"*Existing Forward Start Facilities Debt*" means the Debt of the Company and its Restricted Subsidiaries in existence on the date of the Indenture under the Forward Start Facilities in an aggregate principal amount of €1.0 million.

"*Existing Local Credit Facilities Debt*" means the Debt of the Company and its Restricted Subsidiaries in existence (or committed) on the date of the Indenture under the (i) Facility Agreement dated June 7, 2013 between Intralot Finance UK PLC as Borrower, Intralot S.A. as Parent and Guarantor, Intralot Global Holdings as Guarantor, Alpha Bank A.E. as arranger, Alpha Bank A.E., London Branch as Agent and Alpha Bank A.E. as Lender, (ii) Bilateral Facility Agreement dated July 4, 2012, between, Maltco Lotteries Limited as customer, Associated Supplies Limited, Intralot S.A. and The Players Group Limited as guarantors and Bank of Valletta as the Bank, (iii) Bilateral Facility Agreement dated February 9, 2010, between Intralot Inc. as borrower, Intralot S.A. and Intralot Finance UK PLC as guarantors, and Bank of America N.A. as the Bank, (iv) Multifacility Credit Agreement dated January 3, 2012, between, among others, Supreme Ventures Limited as the borrower, the Bank of Nova Scotia Jamaica Limited as the Bank and Prime Sports (Jamaica) Limited and Supreme Venture Lotteries Limited as guarantors under two of the four facilities, (v) Cash Collateralized Loan Agreement dated December 23, 2011 among Azerinteltek Qapali Sehmdar Cemmiyeti as borrower, Akbank AG as lender and Inteltek Internet Teknoloji Yatirim ve Danismanlik Tic. A.S. as pledgor, (vi) Overdraft Facility dated February 5, 2008 by Intesa Sanpaolo S.p.A. (Roma Tiburtina branch) to Intralot Italia S.A., (vii) Overdraft Facility dated April 9, 2008 by Cariparma Credit Agricole to Intralot Italia S.A., (viii) Overdraft Facility dated November 30, 2012 by Credito Bergamasco to Intralot Italia S.A., (ix) Revolving Credit Facility Agreement, made available through promissory notes, dated May 2, 2013 between Intralot de Peru SAC as borrower and Banco de Crédito del Perú as lender, (x) Revolving Credit Facility Agreement, made available through promissory notes, dated February 27, 2013 between Gaming Solutions International SAC and El BBVA Continental as lender, (xi) Short-term Revolving Credit Agreement dated February 8, 2013 among Totolotek S.A. as borrower, Societe Generale Spólka Akcyjna as lender and Intralot S.A. as guarantor, (xii) Multipurpose Credit Limit Agreement dated November 7, 2008 among Totolotek Spólka Akcyjna as borrower, EFG Eurobank Ergasias S.A. Spólka Akcyjna Oddzial w Polsce as lender and Intralot S.A. as guarantor, and (xiii) Term Loan Facility Agreement dated March 14, 2013, and notarized on April 4, 2013, between Intralot de Peru S.A.C. as borrower and HSBC Peru S.A. as lender, each as amended and/or restated from time to time.

"*Fair Market Value*" means, with respect to any asset or property, the sale value that would be obtained in an arm's length free-market transaction between an informed and willing seller under no

compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, chief executive officer, chief financial officer or responsible accounting or financial officer of the Company (it being understood that the discounted value of any Securitization Assets (or related assets) sold, conveyed or transferred in connection with any Qualified Securitization Financing may constitute "Fair Market Value" if such discount is on customary terms for comparable financings as determined in good faith by Board of Directors, chief executive officer, chief financial officer or responsible accounting or financial officer of the Company), unless otherwise indicated.

"*Fitch*" means Fitch Ratings, Ltd. and its successors.

"*Fixed Charge Coverage Ratio*" of the Company for any period means the ratio of the Consolidated Cash Flow of the Company for such period to the Fixed Charges of the Company for such period. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, repays, repurchases or redeems any Debt (other than ordinary working capital borrowings) subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the "Calculation Date"), then the Fixed Charge Coverage Ratio will be calculated giving *pro forma* effect to such incurrence, assumption, guarantee, repayment, repurchase or redemption of Debt, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period *provided, however*, that the *pro forma* calculation of the Fixed Charge Coverage Ratio shall not give effect to (i) any Debt incurred on the date of determination pursuant to the provisions described in the definition of Permitted Debt or (ii) the discharge on the date of determination of any Debt to the extent that such discharge results from the proceeds incurred pursuant to the provisions described in the definition of Permitted Debt.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

(1) acquisitions that have been made by the Company or any Restricted Subsidiary, including through mergers or consolidations, or by any Person or any Restricted Subsidiary acquired by the Company or any Restricted Subsidiary, and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date or that are to be made on the Calculation Date, will be given *pro forma* effect (as determined in good faith by a responsible accounting or financial officer of the Company and may include anticipated expenses and cost reduction synergies) as if they had occurred on the first day of the four-quarter reference period;

(2) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses disposed of prior to the Calculation Date, will be excluded;

(3) the Fixed Charges attributable to discontinued operations, as determined in accordance with IFRS, and operations or businesses disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Company or any of Restricted Subsidiary following the Calculation Date;

(4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;

(5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and

(6) if any Debt bears a floating rate of interest, the interest expense on such Debt will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Debt if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months, or, if shorter, at least equal to the remaining term of such Debt).

"*Fixed Charges*" of the Company means the sum, without duplication, of:

(1) the consolidated interest expense (net of interest income including, without limitation, interest paid in respect of amounts standing to the credit of the Escrow Agreement) of the Company and its Restricted Subsidiaries for such period, whether paid or accrued, including, without limitation, amortization of original issue discount (but not debt issuance costs, commissions,

fees and expenses) non-cash interest payments (but excluding any non-cash interest expense attributable to the movement in the mark to market valuation of Hedging Obligations or other derivative instruments), the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net of the effect of all payments made or received pursuant to Hedging Obligations; *plus*

(2) the consolidated interest of the Company and its Restricted Subsidiaries that was capitalized during such period; *plus*

(3) any interest on Debt of another Person that is guaranteed by the Company or a Restricted Subsidiary or secured by a Lien on assets of the Company or a Restricted Subsidiary, whether or not such guarantee or Lien is called upon; *plus*

(4) the product of (a) all dividends, whether paid or accrued and whether or not in cash, on any series of Preferred Stock of the Company or any Restricted Subsidiary, other than dividends on Equity Interests payable solely in Equity Interests of the Company (other than Disqualified Stock) or to the Company or a Restricted Subsidiary, times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current statutory tax rate of the Company, expressed as a decimal, in each case, on a consolidated basis and in accordance with IFRS.

"*Forward Start Facilities*" means the €300,000,000 Forward Start Term and Revolving Facilities Agreement, dated June 15, 2012, among, *inter alios*, Intralot UK Finance UK plc, as original borrower, the Company, as parent and original guarantor, and HSBC Bank plc, as facility agent, as amended, modified, renewed, refunded, replaced or refinanced from time to time.

"*Forward Start Facilities Debt*" means the Debt of the Company and its Restricted Subsidiaries in existence on the date of the Indenture under the Forward Start Facilities.

"*Government Securities*" means direct obligations (or certificates representing an ownership interest in such obligations) of a member state of the European Union (including any agency or instrumentality thereof) for the payment of which the full faith and credit of such government is pledged.

"*guarantee*" means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Debt.

"*Guarantee*" means any guarantee of the Issuer's obligations under the Indenture and the Notes by any Guarantor. When used as a verb, "Guarantee" will have a corresponding meaning.

"*Guarantor*" means the Company and each of the Subsidiary Guarantors.

"*Hedging Obligations*" means, with respect to any specified Person, the obligations of such Person under:

(1) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements;

(2) other agreements or arrangements designed to manage interest rates or interest rate risk; and

(3) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates.

"*IFRS*" means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (or any successor board or agency) and in effect on the date hereof, or, with respect to the covenant described under the caption "—Certain Covenants—Reports" as in effect from time to time.

"*Intercompany Proceeds Loans*" means the intercompany proceeds loans made by the Issuer to certain members of the Intralot Group using the proceeds of the issuance of the Notes.

"*Intralot Global Holdings Guarantee*" means the Guarantee incurred by Intralot Global Holdings B.V.

"*Intralot Global Holdings Guarantor*" means Intralot Global Holdings B.V. and its successors and assigns.

"*Intralot Group*" means the Company and its Restricted Subsidiaries.

"*Investment Grade Status*" shall occur when the Notes are rated as follows by two of the following three Rating Agencies: Baa3 or better by Moody's, BBB- or better by S&P and/or BBB- or better by Fitch (or, if any such entity ceases to rate the Notes, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the U.S. Exchange Act selected by the Company as a replacement agency).

"*Investments*" means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the forms of loans (including guarantees or other obligations, but excluding advances or extensions of credit to customers or suppliers made in the ordinary course of business), advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), purchases or other acquisitions for consideration of Debt, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with IFRS. If the Company or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Company's Investments in such Restricted Subsidiary that were not sold or disposed of in an amount determined as provided in the final paragraph of the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments." The acquisition by the Company or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Company or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investments held by the acquired Person in such third Person in an amount determined as provided in the final paragraph of the covenants described above under the caption "—Certain Covenants—Limitation on Restricted Payments." Except as otherwise provided in the Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value and, to the extent applicable, shall be determined based on the equity value of such Investment.

"*Issue Date*" means August 8, 2013.

"*Lien*" means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction.

"*Management Advances*" means loans or advances made to, or guarantees with respect to loans or advances made to, directors, officers or employees of any Company or any Restricted Subsidiary:

(1) in respect of travel, entertainment or moving related expenses incurred in the ordinary course of business;

(2) in respect of moving related expenses incurred in connection with any closing or consolidation of any facility or office; or

(3) in the ordinary course of business and (in the case of this clause (3)) not exceeding €1.0 million in the aggregate outstanding at any time.

"*Material Company*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (1) for the most recent fiscal year, accounted for more than 5% of the Consolidated Cash Flow of the Company or (2) as of the end of the most recent fiscal year, was the owner of more than 5% of Total Assets.

"*Moody's*" means Moody's Investors Service, Inc. and its successors.

"*Net Income*" means, with respect to any specified Person, the net income (loss) of such Person, determined in accordance with IFRS and before any reduction in respect of Preferred Stock dividends, excluding, however:

(1) any gain (but not loss), together with any related provision for taxes on such gain (but not loss), realized in connection with: (a) any Asset Sale; or (b) the disposition of any securities by such Person or any Restricted Subsidiary or the extinguishment of any Debt of such Person or any Restricted Subsidiary; and

(2) any extraordinary gain (but not loss), together with any related provision for taxes on such extraordinary gain (but not loss).

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any Restricted Subsidiary in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements and all distributions and other payments required to be made to minority interest holders (other than the Company or any of its Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Sale, and amounts required to be applied to the repayment of Debt, secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with IFRS.

"*Non-Guarantor Debt*" means, with respect to any Person as of any date of determination, the sum, without duplication, of the total amount of Debt incurred or issued by the Company's Restricted Subsidiaries that are not the Issuer or a Guarantor that is (1) incurred or issued under the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Debt," (2) incurred or issued under clause (1) or (16) of the definition of Permitted Debt and (3) any Permitted Refinancing Debt in respect of the Debt referred to in the foregoing clause (1) and this clause (3).

"*Obligations*" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Debt.

"*Officer's Certificate*" means a certificate signed by a director, the principal executive officer, principal financial officer or general counsel of the Issuer or of a Guarantor, as the case may be, and delivered to the Trustee.

"*Pari Passu Debt*" means (a) with respect to the Notes, any Debt of the Issuer that ranks equally in right of payment with the Notes and (b) with respect to any Guarantee, any Debt that ranks equally in right of payment to such Guarantee.

"*Permitted Business*" of a Person means the gaming and gaming related business and other businesses necessary for, related to, incident to, connected with, ancillary or complementary to, arising out or similar to any of the foregoing or are extensions or developments of any thereof, or developed or operated to permit or facilitate the conduct of, the gaming and gaming related business.

"*Permitted Holders*" means, collectively, (i) Kokkalis Socrates, Dimitriades Konstantinos and Constantinos Antonopoulos, and (ii) any Related Person of any such Permitted Holder.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary;

(2) any Investment in cash or Cash Equivalents;

(3) any Investment by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment:

  (a) such Person becomes a Restricted Subsidiary; or

  (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary;

(4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with the covenant described above under the caption "—Repurchase at the Option of Holders—Asset Sales";

(5) any acquisition of assets solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company;

(6) any Investments received in compromise or resolution of obligations of (A) trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (B) litigation, arbitration or other disputes;

(7) Hedging Obligations permitted under clause (6) of the definition of "Permitted Debt";

(8) receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business;

(9) surety and performance bonds and workers' compensation, utility, lease, tax, performance and similar deposits and prepaid expenses in the ordinary course of business;

(10) Guarantees of Debt permitted under the covenant contained under the caption "—Certain Covenants—Limitation on Debt";

(11) Investments acquired after the Issue Date as a result of the acquisition of another Person by the Company or any Restricted Subsidiary, including by way of a merger, amalgamation or consolidation with or into the Company or any Restricted Subsidiary in a transaction that is not prohibited by the covenant described under "—Certain Covenants—Merger, Consolidation or Sale of Assets" after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, consolidation or amalgamation and were in existence on the date of such acquisition, merger or consolidation;

(12) Investments received as a result of a foreclosure by the Company or any of its Restricted Subsidiaries with respect to any secured Investment in default;

(13) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification or renewal of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (a) as required by the terms of such Investment as in existence on the Issue Date or (b) as otherwise permitted under the Indenture;

(14) Investments in the Notes (including any Additional Notes) and any other Debt of the Company or any Restricted Subsidiary;

(15) Management Advances;

(16) payroll, commission, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business;

(17) prepaid expenses, negotiable instruments held for collection and lease, utility and workers' compensation, performance and similar deposits made in the ordinary course of business by the Company or any Restricted Subsidiary;

(18) any Investment made in connection with a Qualified Securitization Financing, including Investments of funds held in accounts permitted or required by the arrangements governing such Qualified Securitization Financing or any related Debt;

(19) Investments in joint ventures of the Company or any of its Restricted Subsidiaries having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (19) that are at the time outstanding not to exceed €70.0 million; provided that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain covenants—Limitation on Restricted Payments," such

Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of Permitted Investments and not this clause; and

(20) other Investments in any Person having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (20) that are at the time outstanding not to exceed €35.0 million; *provided* that if an Investment is made pursuant to this clause in a Person that is not a Restricted Subsidiary and such Person subsequently becomes a Restricted Subsidiary or is subsequently designated a Restricted Subsidiary pursuant to the covenant described above under the caption "—Certain Covenants—Limitation on Restricted Payments," such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (3) of the definition of Permitted Investments and not this clause.

"*Permitted Liens*" means:

(1) Liens in favor of the Company or any of its Restricted Subsidiaries;

(2) Liens on property (including Capital Stock) of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated with the Company or any Restricted Subsidiary; *provided* that such Liens were in existence prior to the contemplation of such Person becoming a Restricted Subsidiary or such merger or consolidation and do not extend to any assets other than those of the Person that becomes a Restricted Subsidiary or is merged into or consolidated with the Company or the Restricted Subsidiary;

(3) Liens on property existing at the time of acquisition of the property by the Company or any Restricted Subsidiary, *provided* that such Liens were in existence prior to the contemplation of such acquisition;

(4) Liens to secure the performance of statutory obligations, surety or appeal bonds, trade contracts, insurance, performance or bid bonds, workers' compensation obligations, leases or other obligations of a like nature incurred in the ordinary course of business (other than obligations for the payment of money), including Liens to secure letters of credit issued to assure payment of such obligations;

(5) Liens existing on the Issue Date;

(6) Liens securing the Notes and the Guarantees;

(7) Liens securing Hedging Obligations;

(8) Liens securing Debt incurred pursuant to clause (11) of the definition of "Permitted Debt";

(9) Liens for taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings promptly instituted and diligently concluded, *provided* that any reserve or other appropriate provision as is required in conformity with IFRS has been made therefor;

(10) Liens securing Permitted Refinancing Debt of secured Debt incurred by the Company or a Restricted Subsidiary *provided*, that any such Lien is limited to all or part of the same property or asset (plus improvements, accessions, proceeds of dividends or distributions in respect thereof) that secured the Debt being refinanced;

(11) survey exceptions, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions (including, without limitation, minor defects or irregularities in title and similar encumbrances) as to the use of real property or Liens incidental to the conduct of the business of such Person or to the ownership of its properties that were not incurred in connection with Debt and that do not in the aggregate materially adversely affect the value of said properties or materially impair their use in the operation of the business of such Person;

(12) Liens in favor of customs and revenue authorities arising as a matter of law to secure payments of customs duties in connection with the importation of goods;

(13) any attachment, prejudgment or judgment Lien that does not constitute an Event of Default and notices of lis pendens and associated rights related to litigation being contested in good faith by appropriate proceedings and for which adequate reserves have been made;

(14) Liens arising solely by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts or other funds maintained or deposited with a depositary institution;

(15) Liens on cash, Cash Equivalents or other property arising in connection with the defeasance, discharge or redemption of Debt;

(16) interest or title of a lessor or sublessor under any operating lease;

(17) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of assets entered into in the ordinary course of business;

(18) Liens (including put and call arrangements) on Capital Stock, warrants or other securities of any Unrestricted Subsidiary that secure Debt of such Unrestricted Subsidiary;

(19) limited recourse Liens in respect of the ownership interests in, or assets owned by, any joint ventures which are not Restricted Subsidiaries securing obligations of such joint ventures;

(20) Liens on any proceeds loan made by the Company or any Restricted Subsidiary in connection with any future incurrence of Debt permitted under the Indenture and securing that Debt;

(21) Liens imposed by law, such as carriers', warehousemen's, landlord's and mechanics' Liens, in each case, incurred in the ordinary course of business;

(22) Liens on insurance policies and proceeds thereof, or other deposits, to secure insurance premium financings;

(23) Liens securing or arising by reason of any netting or set-off arrangement entered into in the ordinary course of banking or other trading activities (for the avoidance of doubt, other than in connection with any cash management programs);

(24) Liens incurred in connection with a cash management program established in the ordinary course of business;

(25) leases, licenses, subleases and sublicenses of assets in the ordinary course of business;

(26) Liens upon specific items of inventory, receivables or other goods (or the proceeds thereof) of any Person securing such Person's obligations in respect of bankers' acceptances or receivables securitizations issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment or storage of such inventory, receivables or other goods (or the proceeds thereof);

(27) (i) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any developer, landlord, contractor or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any real property leased by the Company or any Restricted Subsidiary (including those arising from progress or partial payments by a third party relating to such property or assets) and subordination or similar agreements relating thereto and (ii) any condemnation or eminent domain proceedings or compulsory purchase order affecting real property;

(28) Liens created on any asset of the Company or a Restricted Subsidiary established to hold assets of any stock option plan or any other management or employee benefit or incentive plan or unit trust of the Company or a Restricted Subsidiary securing any loan to finance the acquisition of such assets;

(29) Liens over treasury stock of the Company or a Restricted Subsidiary purchased or otherwise acquired for value by the Company or such Restricted Subsidiary pursuant to a stock buy-back scheme or other similar plan or arrangement;

(30) Liens on Securitization Assets and related assets incurred in connection with any Qualified Securitization Financing (including Liens encumbering cash deposits in bank accounts established in connection with a Qualified Securitization Financing and Liens encumbering

cash and Cash Equivalents collected from receivables that are part of or subject to a Qualified Securitization Financing);

(31) Liens created on any asset of the Company or any Restricted Subsidiary to secure (a) Debt of the Company or any Restricted Subsidiary incurred pursuant to the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Debt," (b) Debt of the Company or any Restricted Subsidiary incurred pursuant to clause (1) or (16) of the second paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Debt" or (c) any Permitted Refinancing Debt in respect of Debt incurred pursuant to the foregoing clause (a) or this clause (c), provided that such Debt incurred pursuant to the foregoing clauses (a) through (c) do not exceed in the aggregate a principal amount (or accreted value, as applicable) equal to €60.0 million less the aggregate principal amount (or accreted value, as applicable) of Non-Guarantor Debt at any time outstanding;

(32) Liens created on any asset of a Restricted Subsidiary that is not a Guarantor to secure Debt of any Restricted Subsidiary that is not a Guarantor permitted to be incurred under the covenant described under the caption "—Certain Covenants—Limitation on Debt"; and

(33) Liens on Escrowed Proceeds for the benefit of the related holders of debt securities or other Debt (or the underwriters or arrangers thereof) or on cash set aside at the time of the incurrence of any Debt or government securities purchased with such cash, in either case to the extent such cash or government securities prefund the payment of interest on such Debt and are held in an escrow account or similar arrangement to be applied for such purpose.

"*Permitted Refinancing Debt*" means any Debt of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease, exchange, discharge or refund other Debt of such Person (other than intercompany Debt); *provided* that:

(1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Debt does not exceed the principal amount (or accreted value, if applicable) of the Debt extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded (plus all accrued interest on the Debt and the amount of all fees, expenses and premiums incurred in connection therewith);

(2) such Permitted Refinancing Debt (a) has a final maturity date that is either (i) no earlier than the final maturity date of the Debt being extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded or (ii) later than the final maturity date of the Notes and (b) has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Debt being extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded;

(3) if the Debt being extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded is contractually subordinated in right of payment to the Notes, such Permitted Refinancing Debt is contractually subordinated in right of payment to, the Notes on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Debt being extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded; and

(4) such Debt is incurred either by the Issuer or by a Guarantor if the Issuer or any Guarantor was the obligor on the Debt being extended, refinanced, renewed, replaced, defeased, exchanged, discharged or refunded.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, limited liability company or government or other entity.

"*Preferred Stock*" means, with respect to any Person, Capital Stock of any class or classes (howsoever designated) of such Person which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over the Capital Stock of any other class of such Person whether now outstanding, or issued after the date of the Indenture, and including, without limitation, all classes and series of preferred or preference stock of such Person.

"*Public Debt*" means any Debt consisting of bonds, debentures, notes or other similar debt securities issued in (1) a public offering registered under the Securities Act or (2) a private placement to institutional investors that is underwritten for resale in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC for public resale.

"*Qualified Securitization Financing*" means any financing (including any factoring) pursuant to which the Company or any of its Restricted Subsidiaries may sell, convey or otherwise transfer to any other Person or grant a security interest in, any Securitization Assets (and related assets) in any aggregate principal amount equivalent to the Fair Market Value of such Securitization Assets (and related assets) of the Company or any of its Restricted Subsidiaries; provided that (a) the covenants, events of default and other provisions applicable to such financing shall be on market terms (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into, (b) the interest rate applicable to such financing shall be a market interest rate (as determined in good faith by the Company's Board of Directors or senior management) at the time such financing is entered into and (c) such financing shall be non-recourse to the Company or any of its Restricted Subsidiaries except to a limited extent customary for such transactions (as determined in good faith by the Company's Board of Directors or senior management).

"*Related Person*" with respect to any Permitted Holder means: (i) in the case of an individual, any spouse, family member or relative of such individual, any trust or partnership for the benefit of one or more of such individual and any such spouse, family member or relative, or the estate, executor, administrator, committee or beneficiaries of any thereof; or (ii) any trust, corporation, partnership or other Person for which one or more of the Permitted Holders and other Related Persons or any thereof constitute the beneficiaries, stockholders, partners or owners thereof; or Persons beneficially holding in the aggregate a majority (or more) controlling interest therein.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Group and its successors.

"*Securities Act*" means the U.S. Securities Act of 1933, as amended.

"*Securitization Assets*" means any accounts receivable, inventory, royalty, licenses, contracts or revenue streams from sales of inventory subject to a Qualified Securitization Financing.

"*Securitization Fees*" means distributions or payments made directly or by means of discounts with respect to any participation interest issued or sold in connection with, and other fees paid to a Person that is not the Company or any of its Restricted Subsidiaries in connection with any Qualified Securitization Financing.

"*Securitization Repurchase Obligations*" means any obligation of a seller of Securitization Assets in a Qualified Securitization Financing to repurchase Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, off-set or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"*Senior Debt*" means, with respect to any Person as of any date of determination, any Debt of such Person and its Restricted Subsidiaries (other than liabilities for the deferred purchase price of property or services due more than six months after such property is acquired or such services are completed and other Debt of the type specified in clauses (5) and (9) of the definition of Debt) that is (1) not subordinated in right of payment to the Notes or any Guarantee, (2) secured by Liens or (3) incurred by a Restricted Subsidiary of such Person that is not the Issuer or a Guarantor.

"*Significant Subsidiary*" means, at the date of determination, any Restricted Subsidiary that together with its Subsidiaries that are Restricted Subsidiaries (i) for the most recent fiscal year, accounted for more than 10% of the Consolidated Cash Flow of the Company or (ii) as of the end of the most recent fiscal year, was the owner of more than 10% of the Total Assets of the Company.

"*Stated Maturity*" means, with respect to any installment of interest or principal on any series of Debt, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Debt, and will not include any contingent obligations to repay, redeem

or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"*Subordinated Debt*" means Debt of the Issuer or any Guarantor that is contractually subordinated in right of payment to the Notes or the Guarantee of such Guarantor, as the case may be.

"*Subsidiary*" means, with respect to any specified Person:

(1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof);

(2) any corporation, association or other business entity of which 50% or less of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof) and such corporation, association or business entity is at the time consolidated in that Person's financial statements in accordance with IFRS;

(3) any partnership, joint venture, limited liability company or similar entity of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity;

(4) any partnership, joint venture, limited liability company or similar entity of which (a) 50% or less of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise and such partnership, joint venture, limited liability company or similar entity is at the time consolidated in that person's financial statements in accordance with IFRS, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity; and

(5) any partnership (a) the sole general partner or the managing general partner of which is such Person or a Subsidiary of such Person or (b) the only general partners of which are that Person or one or more Subsidiaries of that Person (or any combination thereof).

"*Subsidiary Guarantee*" means a Guarantee incurred by a Subsidiary Guarantor.

"*Subsidiary Guarantor*" means each of Intralot Global Securities B.V., Intralot Global Holdings B.V., Intralot Gaming Services Pty Ltd, OLTP Processamento de Transaçóes Online Ltda., Intralot do Brasil Comércio de Equipamentos e Programas de Computador Ltda., Bilot EOOD, Intralot Business Development Limited, Intralot Cyprus Global Assets Ltd, Intralot Holdings International Limited, Intralot International Limited, Intralot Operations Limited, Betting Company Cyprus Limited, Intralot Czech s.r.o., Intralot Interactive USA LLC, White Eagle Investments Limited, Intralot Finance UK PLC, Intralot Germany GmbH, Intralot Inc., Intralot Interactive S.A., Betting Organization, Operation, and Promotion Company S.A. (Betting Company S.A.), Intralot Italia S.p.A., Veneta Servizi s.r.l., Jackpot S.p.A., Intralot Gaming Machines S.p.A., Intralot Jamaica Limited, Intralot Maroc SA, Intralot Nederland B.V., Intralot de Perú S.A.C., Gaming Solutions International S.A.C., Servicios Transdata S.A.C., Pollot Sp. z o.o., Beta Rial Sp. z o.o., "Intralot" Co. Ltd., Intralot Iberia S.A., Intralot St. Lucia Limited, Lotrom S.A. and Slovenské Lotérie a.s. and any other Subsidiary of the Company that accedes to the Indenture as a Guarantor in accordance with the provisions of the

Indenture, and their respective successors and assigns, in each case, until the Guarantee of such Person has been released in accordance with the provisions of the Indenture.

"*Total Assets*" means the consolidated total assets of the Company and its Restricted Subsidiaries, as shown on the most recent balance sheet of the Company.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated as such pursuant to "—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries."

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Debt at any date, the number of years obtained by dividing:

(1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Debt, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(2) the then outstanding principal amount of such Debt.

LIMITATIONS ON VALIDITY AND ENFORCEABILITY OF THE GUARANTEES AND CERTAIN INSOLVENCY LAW CONSIDERATIONS

The validity and enforceability of the Guarantees will be subject to certain limitations on enforcement and may be limited under applicable law or subject to certain defenses that may limit their validity and enforceability. The following is a summary description of certain limitations on the validity and enforceability of the Guarantees and a summary of certain insolvency considerations in the European Union, Greece, Australia, Cyprus, Germany, Italy, Malta, Morocco, the Netherlands, Romania, Russia and the United States. For a summary description of certain insolvency law considerations in Luxembourg, the jurisdiction in which the Issuer is organized, see "Certain Luxembourg Insolvency Law Considerations with respect to the Issuer" below. In the event that any one or more of the Guarantors or any other of the Company's subsidiaries experienced financial difficulties, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or what the outcome of such proceedings would be. Applicable insolvency laws may affect the enforceability of the obligations of the Guarantors. The descriptions below are only a summary and do not purport to be complete or to discuss all of the limitations or considerations that may affect the validity and enforceability of the Subsidiary Guarantees. If additional Subsidiary Guarantees are required to be granted pursuant to the Indenture in the future, such Guarantees may also be subject to limitations on enforceability and validity, which may differ from those discussed below. See "Risk Factors—Risks Related to the Guarantees—Enforcing your rights as a Noteholder or under the Guarantees across multiple jurisdictions may prove difficult."

European Union

The Issuer and a number of the Subsidiary Guarantors are organized under the laws of member states of the European Union.

Pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (the "EU Insolvency Regulation"), the court which shall have jurisdiction to open insolvency proceedings in relation to a company is the court of the member state (other than Denmark) where the company concerned has its "centre of main interests" (as that term is used in Article 3(1) of the EU Insolvency Regulation). The determination of where any such company has its "centre of main interests" is a question of fact on which the courts of the different member states may have differing and even conflicting views. To date, no final decisions have been taken in cases that have been brought before the European Court of Justice in relation to questions of interpretation or the effects of the EU Insolvency Regulation throughout the EU.

The term "centre of main interests" is not a static concept and may change from time to time. Although there is a rebuttable presumption under Article 3(1) of the EU Insolvency Regulation that any such company has its "centre of main interests" in the member state in which it has its registered office, Preamble 13 of the EU Insolvency Regulation states that the "centre of main interests" of a debtor should correspond to the place where the debtor conducts the administration of its interests on a regular basis and "is therefore ascertainable by third parties." In that respect, factors such as where board meetings are held, the location where the company conducts the majority of its business and the location where the large majority of the company's creditors are established may all be relevant in the determination of the place where the company has its "centre of main interests."

If the "centre of main interests" of a company is and will remain located in the state in which it has its registered office, the main insolvency proceedings in respect of the company under the EU Insolvency Regulation would be commenced in such jurisdiction and accordingly a court in such jurisdiction would be entitled to commence the types of insolvency proceedings referred to in Annex A to the EU Insolvency Regulation, with these proceedings governed by the *lex fori concursus*, i.e., the local laws of the court opening such main insolvency proceedings. Insolvency proceedings opened in one member state under the EU Insolvency Regulation are to be recognized in the other member states (other than Denmark), although secondary proceedings may be opened in another member state. If the "centre of main interests" of a debtor is in one member state (other than Denmark) under Article 3(2) of the EU Insolvency Regulation, the courts of another member state (other than Denmark) have jurisdiction to open "territorial proceedings" only in the event that such debtor has an "establishment" in the territory of such other member state. The effects of those territorial proceedings are restricted to the assets of the debtor situated in the territory of such other member state. If the

company does not have an establishment in any other member state, no court of any other member state has jurisdiction to open territorial proceedings in respect of such company under the EU Insolvency Regulation.

Greece

Limitation on Enforcement

Downstream Guarantees

Depending on the legal representation of the guarantor, the granting of a downstream guarantee may require a relevant Board of Directors resolution or the signature of certain executive directors of the guarantor.

Cross Guarantees

In respect of companies subject to consolidation in accordance with C.L. 2190/1920, the following conditions apply: (i) a special approval by virtue of a resolution by the general assembly of shareholders is required; (ii) permission is not granted if shareholders representing one third of the share capital represented at the meeting oppose the decision; and (iii) permission may be granted following the conclusion of the contract unless shareholders representing one twentieth of the share capital represented at the meeting oppose the decision.

In respect of companies not subject to consolidation in accordance with C.L. 2190/1920, pursuant to article 23a§1b of C.L. 2190/1920, the granting of cross guarantees is permitted only subject to the following conditions: (i) the guarantee serves the company's interest, (ii) the company has legal recourse against the principal debtor or the person in favor of whom the security is granted, (iii) it is stipulated that the persons in favor of which the guarantee is granted will be satisfied only after the full payment or the consent of all creditors with claims that had already been established at the time of the publication of the decision of the General Meeting pursuant to article 7b of C.L. 2190/1920; and (iv) a permission of the General Meeting has been previously granted, which permission is not granted if shareholders representing one tenth of the share capital represented at the meeting or one twentieth, in case the company has shares listed on the stock exchange, oppose the decision.

In cases where a guarantee is granted between group companies including a foreign company and, in particular, where a subsidiary granting a guarantee to a Greek parent company or another affiliated company has its registered seat abroad, the law of the registered seat (*lex societatis*) of the subsidiary guarantor should be applied since the interests of the minority shareholders and the creditors of the subsidiary must be protected. Article 23a of C.L. 2190/1920 is not a rule of direct applicability and, therefore, in principle will not apply to guarantees granted by non-Greek companies.

Insolvency

Insolvency proceedings are applicable to businesses run by either individuals (natural persons) or legal entities aiming at an economic objective. Under Greek law, incorporated partnerships, whether limited or unlimited, as well as limited liability companies and *sociétés anonymes* are deemed to be aiming at an economic objective and are therefore eligible to be declared insolvent. Insolvency may be declared in respect of a debtor that is unable to fulfill its overdue financial obligations in a general and permanent way (or, in other terms, where a debtor is in a situation of cessation of payments). A threatened (impending) default, which is defined as the expectation that the debtor will not have the financial capability to meet the claims against it when such claims become due, also constitutes grounds for the declaration of insolvency, when requested by the debtor.

Insolvency proceedings may be opened only by a decision of a competent court pursuant to an application filed by the debtor, or at the initiative of any of its creditors or the public prosecutor. By virtue of its decision accepting the insolvency application and formally opening the insolvency proceedings, a liquidator (*syndikos*) is appointed and orders the sealing of the insolvency estate. Furthermore, the court's decision specifies the date of the cessation of payments, which cannot be more than two years from the date of the declaration of the insolvency. In case insolvency is declared under the debtor's request due to a threatened default, the date of the cessation of payments is considered to be the date of publication of the decision declaring the insolvency.

The period extending from the date specified by the court as the date of the cessation of payments until the date of the declaration of the insolvency is called *période suspecte* (suspect period). Acts of the debtor conducted within the suspect period and which are detrimental to the group of creditors are avoided or may be cancelled by the liquidator, subject to "claw-back" and the conditions below.

The following acts are considered detrimental and should be cancelled: (i) donations and gratuitous transactions in general, as well as those in which the consideration that the debtor received was disproportionately smaller than his dispensation; (ii) payments of non-due debts; (iii) payments of due and payable debts by other means and not in cash or as per the agreed consideration; and (iv) creation of security *in rem*, including the registration of mortgage pre-notation or the granting of other securities of a contractual nature for pre-existing obligations, for which the debtor had not assumed a corresponding obligation to provide security, or for securing new obligations that were assumed by the debtor so as to replace those that pre-existed.

The following acts are considered detrimental and may be cancelled: (i) bilateral acts by the debtor or payment by him of his matured debts made after the cessation of payments and before the declaration of his insolvency may be revoked if the counterparty, at the time the act was conducted, was aware that the debtor has ceased payments and that the act was detrimental for the creditors group; (ii) the knowledge of the counterparty is presumed, if during the conduct of the act it was the debtor's spouse or a blood relative up to a third degree or by marriage up to a second degree or a person with whom the debtor was living together the last year before the conduct of the act. For legal persons that are counterparties the presumption of knowledge applies if, at the time of the transaction in question, they had the capacity of a founder or director or manager. The presumption no longer applies if the transaction is challenged before the court after the lapse of a year from the declaration of insolvency.

Acts of the debtor made within the last five years preceding the declaration of insolvency, with intent to harm the creditors or to benefit others, are annulled if the counterparty had knowledge of the debtor's malicious intent at the time of conclusion of the transaction in question.

The following transactions are not cancelled: (i) ordinary transactions of the professional or business activities of the debtor performed under ordinary conditions and within the limits of the ordinary course of business; (ii) transactions of the debtor which the law specifically excludes from the application of the rules on annulment, invalidity or nullity of acts performed during the suspect period; (iii) transactions performed by the debtor during the process of performing the reorganization plan in case of returning to liquidation due to an inability to perform the plan; (iv) grants of the debtor for which the counter contracting party paid immediately an equivalent consideration in cash; and (v) acts that took place with the agreement or in execution of the rehabilitation agreement.

Once insolvency is declared by the court, a company is deemed to be automatically dissolved. The corporate management bodies continue to exist over the entire duration of the insolvency proceedings in order to cooperate with the liquidator where the applicable Greek insolvency rules require the involvement and presence of the 'insolvent debtor'. However, the corporate management bodies remain responsible for the regulation of intra-company issues only, without having any authority to perform any acts of administration in connection with the insolvency estate or the legal representation of the insolvent company in its external relations, which are powers exclusively reserved for and exercised by the liquidator. Following the declaration of insolvency, the company is automatically deprived of the administration (management and disposal) of its property, which is instead exercised by the liquidator. Accordingly, after the declaration of insolvency, any acts of management or assets belonging to the insolvency estate by or towards the insolvent company and without the involvement of the liquidator shall be null and void. In principle, all contracts which are binding on the insolvent company shall remain in force, unless it is otherwise decided by the liquidator (only in cases of pending bilateral onerous contracts) and except where it is otherwise provided under applicable Greek insolvency rules or the contracts' provisions.

In particular, "continuous contracts," which are contracts of a continued character such as the contract of guarantee, maintain their force, unless the law or the contract provide otherwise, i.e. the liquidator cannot decide not to honor them. Furthermore, the insolvency of the guarantor does not affect the rights of the creditor against the principal debtor. Likewise, the insolvency of the principal debtor does not affect the rights of the creditor against the guarantor.

Any and all individual legal measures which are employed or pursued against the debtor by its creditors for the satisfaction or fulfillment of insolvency claims are automatically suspended as a result of the declaration of insolvency. In particular, it is prohibited under penalty of absolute nullity to initiate or continue any enforcement procedures as well as to file any new lawsuits or continue any (pending) litigation against the insolvent debtor in connection with the insolvency estate. In view of such prohibition, the debtor company's creditors are able to seek satisfaction or fulfillment of their claims against the insolvent company only by participating in the procedure of establishment of any entitlements to be collected. However, the above prohibition does not apply, by explicit exception, in the case of creditors the claims of which have been secured by specific privilege or security *in rem* on specific assets belonging to the insolvency estate. The suspension of individual legal measures/pursuits, where applicable as per the above, shall last from the time of the publication of the court decision declaring the insolvency until any actual revocation of such court decision, or the termination of the insolvency under any of the methods prescribed under the applicable rules, in which cases the debtor company's creditors may recover and re-launch their individual actions.

Insolvency proceedings shall be terminated pursuant to (i) the adoption and court ratification of a 'restructuring plan' (as described below), (ii) the cessation of insolvency operations, either by decision of the insolvency court due to the insolvency estate's lack of sufficient assets to cover the costs of the insolvency proceedings, or automatically, where the maximum time allowed under the law to conclude the insolvency proceedings has lapsed (after the lapse of ten years as of the establishment of the union of creditors and in any event after the lapse of 15 years as of the declaration of the insolvency), or (iii) the sale of the insolvency estate by conclusion of the insolvency process at the stage of the creditors' union. The "creditors' union" is defined as the stage of the insolvency proceedings where the creditors, following the verification of their claims, form the particular group in favor of which the liquidator performs the liquidation of the insolvency estate and the distribution of the proceeds of such liquidation.

The rescue of the debtor company's business, the distribution of the company's assets and its liability following the conclusion of the insolvency proceedings may be subject to regulation on the basis of a restructuring plan to be submitted to the insolvency court by the debtor and the liquidator in accordance with the applicable rules and procedures. Such restructuring plan essentially refers to an arrangement of a contractual nature between the debtor company and its creditors to be adopted pursuant to the observation of mandatory requirements stipulated under the applicable law (such as the requirements pertaining to the categorization of the creditors and their claims, the rights of secured creditors, etc.) and subject to court approval. The proposed restructuring plan may provide for any measure of a restructuring nature (financial, operational, or other), including the sale of the debtor's business as a going concern, simple and complex refinancing, leases and concessions, asset sales, and in general any measure that may be considered appropriate by the statutory majority of creditors to generate sufficient value to satisfy the claims of the creditors in whole or in part, i.e., as such claims are modified, in respect of their amounts, maturities and other characteristics, under the plan. Subject to the acceptance of the statutory majority of 60% of all claims, at least 40% of which must be secured creditors, the plan is submitted to the insolvency court for ratification, upon which the plan shall be binding against all creditors of the debtor company, including any dissenting and non-participating creditors.

Greek insolvency law moreover provides for an optional Rehabilitation Procedure (*diadikasia eksigiansis*) which is designed as a pre-insolvency procedure available to debtors not technically insolvent but able to demonstrate a current or projected financial distress and which is aimed at addressing such financial distress through the negotiation of a voluntary workout with the debtor company's individual creditors. The insolvency court, provided it accepts the merits and feasibility of the requested process, opens the rehabilitation proceedings and appoints for this purpose, under the debtor's request, a mediator for a period not exceeding two months in total. This period can be extended by the court for one more month. The insolvency court may order the suspension of individual enforcement acts against the debtor for two months after the opening of the rehabilitation proceedings. The suspension of individual enforcement acts of creditors may also be extended to guarantors or other co-debtors. Provisional measures may not affect financial collateral agreements and close-out netting clauses pursuant to Law 3301/2004. At the same time, the insolvency court may decide, upon the request of the debtor, to convene the creditors meeting, in order to reach a decision on the acceptance of the rehabilitation agreement. Subject to the approval of the rehabilitation

agreement by the debtor and a majority of the creditors assembly, the agreement is submitted for ratification by the insolvency court.

For the valid taking of a decision from the creditors assembly, creditors representing 50% of the overall claims of creditors are required to be present or be represented. For acceptance of the plan of the rehabilitation procedure, a majority of 60% of claims is required, including at least 40% of creditors secured by *in rem* security or holding a special lien or a pre-notice of mortgage. A rehabilitation agreement may be duly concluded and signed, without the convening of the creditors' assembly, by and between the debtor and creditors representing 60% of the overall claims, including at least 40% of creditors secured by *in rem* security or holding a special lien or a pre-notice of mortgage. In this case, the rehabilitation agreement is concluded and submitted to the court for ratification prior to the inception of the rehabilitation procedure.

As of its ratification, the rehabilitation agreement binds all creditors whose claims are restructured under it, even if they are not contracting parties or did not vote in favor of the rehabilitation agreement. Creditors whose claims arose after the opening of the rehabilitation procedure are not bound. The rehabilitation agreement may have as an object any regulation of the debtor's assets and liabilities, as well as the suspension of individual actions by creditors for some period after the ratification of the agreement. This suspension will not bind the non-contracting creditors for a period exceeding three months as of the ratification of the agreement.

Special Liquidation Proceedings

Debtors which operate a business that satisfied, during the last financial year, at least two of the three numerical limits of the criteria of paragraph 6 of article 42a of Law 2190/1920, may be subject, with a decision of the multi-member First Instance Court in the district in which the debtor has its center of main interests, to the scheme of special liquidation as a going concern.

The insolvency court accepts an application under this scheme if it foresees that subjection to a special liquidation scheme improves the possibilities to preserve the business and the rescue of employment positions, regardless of the collective satisfaction of the creditors being impaired. The insolvency court accepting the application appoints with its decision the liquidator proposed in the application, unless there is more than one application or main intervention with the same request (subjection to special liquidation) and different liquidators are proposed, in which case, it appoints the most appropriate in its discretion.

The liquidator is placed, with the assistance of the public authority, in the management of the business, drafts with no delay an inventory of the business' data, according to the report in paragraph 2 and within the relevant timetable and, following that, prepares an offer memorandum based on the inventory, in which, apart from the inventory of the business' data, includes also all information necessary for an understanding of its assets. Following that, the liquidator publishes, an invitation to submit a public render for the purchase of all the assets of the business under liquidation and/or if this is provided as an alternative, portions of its operating assets. Interested buyers receive from the liquidator the offer memorandum and conduct an audit of the business' items on sale after signing a confidentiality agreement.

After the conclusion of the bidding process, in accordance with the invitation, and the opening of the sealed offers, follows their comparative evaluation by the liquidator, who prepares a report in which he proposes the order of the bids, the acceptance of the most beneficial bid and the validation of the tender.

Within 15 working days from the transfer of the business' assets the liquidator is required to communicate an invitation for the announcement of creditors' claims. Creditors announce their claims within a deadline of one month as of the publication of the invitation. Following that, the liquidator, after deducting from the proceeds of liquidation the liquidation expenses, which include the expenses for the operation of the business during liquidation, and paying the corresponding amounts *pro rata* to all beneficiaries, prepares for the remaining balance a ranking table. The ranking of creditors is made according to the table.

Australia

In Australia, a guarantee may be set aside or held not to be enforceable on a number of grounds.

Under Australian law, if a liquidator were to be appointed to any Guarantor incorporated under the *laws of Australia*, the liquidator has the power to investigate past transactions entered into by that entity and may seek various court orders, including orders to void certain transactions entered into prior to the liquidation of such Guarantor. These transactions are known as "voidable transactions" and include transactions that are regarded as:

- unfair preferences: a transaction which resulted in an unsecured creditor receiving more than it would have in a winding up of the company; or
- uncommercial transactions: a transaction where it may have been expected that a reasonable person in the company's position would not have entered into the transaction having regard to the respective benefits and detriments to the company and the respective benefits to the counterparty.

Transaction for the purposes of the voidable transaction legislation is given a wide meaning and includes a guarantee given by a body.

In both cases, a liquidator must also establish that the transaction was an insolvent transaction in that the company was insolvent at the time of entering into the transaction or became insolvent as a result of entering into such a transaction. Under Australian law, a company is insolvent when that company is unable to pay all its debts as and when they become due and payable.

There are various time periods within which a liquidator can take such action depending on the nature of the transaction being challenged and the parties involved.

There are a number of statutory defences available to a counterparty to a voidable transaction claim by a liquidator.

Under Australian law, a guarantee given by a company may also be set aside on a number of other grounds. For example, a guarantee may be unenforceable against a guarantor if the directors of the guarantor did not comply with their duties to act in good faith for the benefit of the guarantor and for a proper purpose in giving the guarantee. The issue is particularly relevant where a company provides a guarantee in relation to the obligations of another member of its corporate family, as is the case for the guarantees given by the Guarantors incorporated under the laws of Australia with respect to the Notes. In determining whether there is sufficient benefit, all relevant facts and circumstances of the transaction need to be considered by the directors, including the benefits and detriments to the Guarantor in giving the guarantee, and the respective benefits to the other parties involved in the transaction.

Whether a guarantee entered into in breach of directors' duties can be avoided against a party relying on the guarantee depends on certain factors, including the state of knowledge of that party, and whether the party knew of or suspected the breach. Under Australian law, a person is entitled to assume that the directors have properly performed their duties to the company unless that person knows or suspects that the assumption is incorrect.

In addition, other debts and liabilities of the Guarantors incorporated under the laws of Australia and the Issuer, such as certain employee entitlements, may rank ahead of claims under the guarantees in the event of insolvency.

If any of the Guarantees are avoided, it is possible that noteholders would be left with a claim solely against the Issuer.

For other limitations, see "Description of the Notes—Limitation of Guarantees."

Cyprus

Certain Subsidiary Guarantors are companies incorporated under the laws of Cyprus. Subject to the qualifications set out below, the commencement of insolvency proceedings against a Cypriot entity does not affect the validity of a guarantee granted by it, but it may affect its enforceability.

Insolvency Proceedings

Under s.203 of the Cyprus Companies Law Cap.113, there are three methods for the winding up of a company: (i) by the court, (ii) voluntary, and (iii) subject to the supervision of the court.

When a winding up is initiated using any one of the three options above, any agreement in place prior to winding up is valid. However, the enforceability of such an agreement may be affected and is subject to applicable laws and procedures.

Under Cyprus Companies Law, in a winding up of a company by the Court, any disposition of the property of the company, including things in action made after the commencement of the winding up, shall, unless the Court otherwise orders, be void. Where a company is being wound up by the Court, any attachment, sequestration, distress, or execution put in force against the estate or effects of the company after the commencement of the winding up shall be void to all intents. When a winding up order has been made or a provisional liquidator has been appointed in respect of a company, no action or proceeding shall be proceeded with or commenced against the company except by leave of the Court and subject to such terms as the Court may impose.

The liquidator may, among other things, and with the sanction either of the Court or the committee of inspection, make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim, present or future, certain or contingent, ascertained or sounding only in damages against the Issuer, or whereby the Issuer may be rendered liable. Further, any conveyance or assignment by a company of all its property to trustees for the benefit of all its creditors shall be void to all intents.

Under Cyprus Companies Law, the liquidator is entitled to disclaim any unprofitable contracts, with the leave of the Court, at any time within 12 months after the commencement of the insolvency proceedings or such further period as may be allowed by the Court. The liquidator shall not be entitled to disclaim in any case where an application, in writing, has been made to him, by any persons interested, requiring him to decide whether he will or will not disclaim. The liquidator shall not, within a period of 28 days after the receipt of such application or such further period as may be allowed by the Court, given notice to the applicant that he intends to, apply to the Court for leave to disclaim. If the liquidator, after such an application as aforesaid, does not within the said period or further period as may be allowed by the Court, disclaim the contract, the company shall be deemed to have adopted it.

Under Cyprus Companies Law, the Court may, on the application of any person who, as against the liquidator, is entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the Court thinks just, and any damages payable under the order to any such person may be proved by him as a debt in the winding up.

Where a Cypriot company is wound up, a floating charge on the undertaking or property of the company created within 12 months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid, except to the amount of any cash paid to the company at the time of or subsequently to the creation of and in consideration for, the charge, together with the prescribed interest on that amount.

EC Regulation no. 1346/2000 of May 29, 2000 on Insolvency Proceedings (the "Insolvency Regulation"), which is applicable in Cyprus, provides that the courts of the EU Member State where the centre of main interests of the debtor is situated, shall have jurisdiction to open the main insolvency proceedings.

The "centre of main interests" should correspond to the place where the debtor conducts the administration of his interests on a regular basis and is therefore, ascertainable by third parties. In the case of a company or a legal person, the centre of main interests shall be presumed to be the place of registered office, in the absence of proof to the contrary.

The main insolvency proceedings have universal scope and aim at encompassing all the debtor's assets.

The Insolvency Regulation provides that secondary insolvency proceedings may be opened and run in parallel with the main insolvency proceedings, in the Member State where the debtor has an establishment. The effects of the secondary proceedings are limited to the assets located in that Member State.

The effects of insolvency proceedings on lawsuits pending concerning an asset or a right of which the debtor has been divested shall be governed solely by the law of the Member State in which the lawsuit is pending.

Any judgment opening insolvency proceedings shall be recognized in all other Member States from the time that it becomes effective in the state of the opening of the proceedings. Recognition of the main insolvency proceedings shall not preclude the opening of secondary insolvency proceedings by a court in another Member State.

The judgment of the main insolvency proceedings shall with no further formalities produce the same effects in any other Member State as under this law of the State of opening of the main insolvency proceedings as long as no secondary insolvency proceedings are opened in that other Member State.

The effects of the secondary insolvency proceedings may not be challenged in other Member States. Any restriction on the creditors' rights, in particular a stay or discharge, shall produce effects *vis-à-vis* assets situated within the territory of another Member State only in the case of those creditors who have given their consent.

Judgments handed down by a court whose judgment concerning the opening of proceedings is recognized in accordance with the Insolvency Regulation and which concern the course and closure of insolvency proceedings, and compositions approved by that court shall also be recognized with no further formalities in accordance with the provisions of the Council Regulation.

Fraudulent Preference

Under the Cyprus Companies Law, any conveyance, charge, mortgage, delivery of goods, payment, execution or other act relating to property made by or against a Cypriot company within six months before the commencement of its winding up by a court shall be deemed a fraudulent preference in respect of its creditors and be invalid. For a transaction to constitute a fraudulent preference, it must appear that the transaction took place within the six months prior to the commencement of the company's winding up, that the dominant or substantial motive in the mind of the company, acting through its directors, was to prefer a particular creditor over other creditors, and be the voluntary act of the company. If these requirements are satisfied the transaction will be deemed to be fraudulent regardless of whether any moral blame attaches to the company. The risks of a transaction being invalidated as a fraudulent preference are increased where the transactions are made without any consideration, if there is pressure from the creditor seeking to be preferred, or the transaction is not commercially beneficial to the company. If the company is being wound up, the payment or other transaction, if made within the six months prior to the commencement of the winding up, would be challenged as fraudulent and unenforceable, and the liquidator may seek to invalidate the transaction and recover the payment made to the preferred creditor.

Germany

Insolvency

In the event of insolvency of a Subsidiary Guarantor organized under the laws of Germany and/or having its centre of main interests in Germany (together, the "German Subsidiary Guarantors") subject to the statements made above under the heading "European Union," any main insolvency proceedings would most likely be initiated in Germany. Such proceedings would then be governed by German law. The insolvency laws of Germany and, in particular, the provisions of the German Insolvency Code (*Insolvenzordnung*) may not be as favorable to creditors as the insolvency laws of other jurisdictions, including, *inter alia*, in respect of priority of creditors, the ability to obtain post-petition interest as well as security interests and the duration of the insolvency proceedings, and hence may limit the ability of creditors to recover payments due on the Notes to an extent exceeding the limitations arising under other insolvency laws.

The following is a brief description of certain aspects of the insolvency laws of Germany.

Under German insolvency law, insolvency proceedings are not initiated by the competent insolvency court ex officio, but require that the debtor and/or a creditor files a petition for the opening of insolvency proceedings. Insolvency proceedings can be initiated either by the debtor or by a creditor in the event of over-indebtedness (*Überschuldung*) of the debtor or in the event of illiquidity (*Zahlungsunfähigkeit*), meaning that the debtor is unable to pay its debts as and when they fall due. According to a recent amendment to the German Insolvency Code, which will apply until December 31, 2013, a debtor is not considered over-indebted when its liabilities exceed the value of its assets if, given the circumstances, it is more likely than not that the debtor's business can survive as a

going concern. According to the relevant provision applying as from January 1, 2014, over-indebtedness exists when the debtor's liabilities exceed the value of its assets, which must be assessed on the basis of an over-indebtedness balance sheet (*Überschuldungsstatus*) to be drawn up either (i) on the basis of the liquidation value of the debtor or (ii) based upon the going-concern value if a continuation of the business is more likely than not. If a limited liability company (*Gesellschaft mit beschränkter Haftung*), a stock corporation (Aktiengesellschaft—AG), a European law stock corporation based in Germany (Societas Europaea—SE), any other limited liability company or any company not having an individual as personally liable shareholder finds itself in a situation of illiquidity and/or over-indebtedness, the managing directors of such company are obliged to file for insolvency without delay but not later than three weeks after such illiquidity and/or over-indebtedness was established. In addition, only the debtor can file for the opening of insolvency proceedings in case of impending illiquidity (*drohende Zahlungsunfähigkeit*), if there is the imminent risk for the company of being unable to pay its debts as and when they fall due, whereas impending illiquidity does not give rise to an obligation for the management of the debtor to file for insolvency proceedings.

The insolvency proceedings are controlled by the competent insolvency court which monitors the due performance of the proceedings. Upon receipt of the insolvency petition, the insolvency court may take preliminary protective measures to secure the property of the debtor during the preliminary proceedings (*Insolvenzeröffnungsverfahren*). The insolvency court may prohibit or suspend any measures taken to enforce individual claims against the debtor's assets during these preliminary proceedings as far as these protective measures are reasonable to protect the debtor's assets and/or to ensure the continuation of the debtor's business.

As part of such protective measures the court may appoint a preliminary insolvency administrator (*vorläufiger Insolvenzverwalter*). The rights and duties of the preliminary administrator depend on the decision of the court. The duties of the preliminary administrator may be, in particular, to safeguard and to preserve the debtor's property and to assess whether the debtor's net assets will be sufficient to cover the costs of the insolvency proceedings. Depending on the decision of the court, even the right to manage and dispose of the business and assets of the debtor may pass to the preliminary insolvency administrator.

During preliminary proceedings a "preliminary creditors' committee" (*vorläufiger Gläubigerausschuss*) can be set up if the debtor satisfies two of the following three requirements: a balance sheet total in excess of €4,840,000 (after deducting an equity shortfall if the debtor is over-indebted), revenues of at least €9,680,000 in the 12 months prior to the last balance sheet date and/or 50 or more employees. The preliminary creditor's committee will be able to participate in certain important insolvency court decisions. It will have, for example, the power to influence the following: the selection of a preliminary insolvency administrator or an insolvency administrator (*vorläufiger Insolvenzverwalter* and *Insolvenzverwalter*), orders for "debtor in possession" proceedings (*Anordnung der Eigenverwaltung*), and appointments of preliminary trustees (*Sachwalter*).

The court orders the opening (*Eröffnungsbeschluss*) of main insolvency proceedings *(eröffnetes Insolvenzverfahren*) if certain requirements are met, in particular if (i) the debtor is in a situation of impending illiquidity (if the petition has been filed by the debtor) or illiquidity and/or over-indebted and (ii) there are sufficient assets to cover at least the cost of the insolvency proceedings. If the assets of the debtor are not expected to be sufficient, the insolvency court will only open main insolvency proceedings if third parties, for instance creditors, advance the costs themselves. In the absence of such advancement, the petition for opening of insolvency proceedings will usually be refused for insufficiency of assets.

Upon the opening of main insolvency proceedings, the right to manage and dispose of the business and assets of the debtor passes to the insolvency administrator (*Insolvenzverwalter*), who is appointed by the insolvency court unless debtor-in-possession (*Eigenverwaltung*) is ordered. In addition, the insolvency administrator may raise new financial indebtedness and incur other liabilities to continue the debtor's operations and satisfaction of these liabilities as preferential debts of the estate (*Masseschulden*) will be preferred to any insolvency claims of unsecured creditors (this also includes such portion of a Secured Creditor's claim, in rem, which exceeds the amount obtained through a disposal of the relevant collateral).

All creditors, whether secured or unsecured (unless they have a right to separate an asset from the insolvency estate (*Aussonderungsrecht*)), wishing to assert claims against the debtor in person need to participate in the insolvency proceedings. German insolvency proceedings are collective proceedings

and creditors may generally no longer pursue their individual claims in the insolvency proceedings separately, but can instead only enforce them in compliance with the restrictions of the German Insolvency Act. Any judicial enforcement action brought against the debtor by any of its creditors is subject to an automatic stay once insolvency proceedings have been opened (and, if so ordered by a court, also between the time when an insolvency petition is filed and the time when insolvency proceedings commence). If, during the final month preceding the date of filing for insolvency proceedings, a creditor acquires through execution (i.e., attachment) a security interest in part of the debtor's property that would normally form part of the insolvency estate, such security becomes null and void by operation of law upon opening of the insolvency proceedings. Accordingly, unsecured creditors may file their claims in the insolvency proceedings and will be paid on a pro rata basis from the insolvency estate (to the extent sufficient assets are available). Secured creditors are not entitled to enforce their security interests after an insolvency petition has been filed to the extent the Insolvency Code authorizes the insolvency administrator to dispose of the relevant collateral (though, between the time when an insolvency petition is filed and the time when insolvency proceedings comments, such stay on enforcement requires a court order) but have only certain preferential rights (*Absonderungsrechte*) in the insolvency proceedings. Whether or not, after the initiation of insolvency proceedings, a secured creditor remains entitled to enforce security granted to it by the relevant debtor depends on the type of security. However, even if the law vests the right of disposal regarding the relevant collateral in the insolvency administrator, the insolvent secured creditor retains a right of preferred satisfaction with regard to the disposal proceeds. As a consequence, the enforcement proceeds minus certain contributory charges for (i) assessing the value of the secured assets and (ii) realizing the secured assets are paid to the creditor holding a security interest in the relevant collateral up to an amount equal to its secured claims.

Remaining amounts ("excess proceeds") are distributed among the unsecured creditors. If a German Subsidiary Guarantor grants security over its assets to other creditors than holders of the Notes, such security may result in a preferred satisfaction of such other creditors' secured claims (however, the preferential treatment would be limited to the proceeds obtained through the disposal of the relevant collateral). The excess proceeds resulting from the disposal of collateral provided to such other creditors many not be sufficient to satisfy the claims of the holders of the Notes against a German Subsidiary Guarantor under its Subsidiary Guarantee. In addition, it may take several years before proceeds from the liquidation of the insolvency estate, if any, are distributed to unsecured creditors. A different distribution of enforcement proceeds can be proposed in an insolvency plan (*Insolvenzplan*) that can be submitted by the debtor or the insolvency administrator and requires the consent of the debtor as well as the consent of each class of creditors in accordance with specific majority rules. Under German insolvency laws, it is possible to implement a debt equity swap through an insolvency plan. However, it will not be possible to force a creditor into a debt to equity conversion if it does not consent to such debt to equity swap.

If a company faces imminent illiquidity and/or over indebtedness it may also file for preliminary "debtor in possession" proceedings. In such a case and upon request of the debtor, the court will prohibit enforcement measures (other than with respect to immoveable assets) and may implement other preliminary measures to protect the debtor from creditor enforcement actions for up to three months. During such period, the debtor shall, together with its creditors and a preliminary trustee (*vorläufiger Sachwalter*), prepare an insolvency plan which ideally will be implemented in formal "debtor in possession" proceedings (*Eigenverwaltung*) after formal insolvency proceedings have been opened.

Under German insolvency law, there is no consolidation of the assets and liabilities of a group of companies in the event of insolvency. In case of a group of companies, each entity has, from an insolvency law point of view, to be dealt with separately on an entity-by-entity basis (i.e., there is no group insolvency concept under German insolvency law). As a consequence, there is, in particular, no pooling of claims among the respective entities of a group, but rather the claims of and vis-à-vis each entity have to be dealt with separately.

Other than secured and unsecured creditors, German insolvency law provides for certain creditors to be subordinated by law (in particular, but not limited to, claims made by shareholders (unless privileged) of the relevant debtor for the return of funds or payment of a consideration), while claims of a person who becomes a creditor of the insolvency estate only after the opening of insolvency proceedings generally rank senior to the claims of regular, unsecured creditors.

Powers of attorney granted by the relevant debtor and certain other legal relationships cease to be effective upon the opening of insolvency proceedings. Certain executory contracts become unenforceable at such time unless and until the insolvency administrators opt for performance.

Limitation on enforcement

Intralot Germany GmbH, being the only German Subsidiary Guarantor as of the Issue Date, is incorporated in the form of a GmbH (Limited Liability Company). Consequently, the grant of collateral (including a guarantee) by these companies is subject to certain provisions of the GmbH-Gesetz (Limited Liability Company Act).

As a general rule, sections 30 and 31 of the GmbH-Gesetz (''Sections 30 and 31'') prohibit a GmbH from disbursing its assets to its shareholders to the extent that the amount of the GmbH's net assets (i.e., assets minus liabilities and liability reserves) is already less or would fall below the amount of its stated share capital (*Stammkapital*). The granting of guarantees, share pledges and other security by a GmbH in order to guarantee or secure liabilities of a direct or indirect parent or sister company may be considered disbursements under Sections 30 and 31. Therefore, in order to enable German subsidiaries to issue guarantees or create security interests to secure liabilities of a direct or indirect parent or sister company without the risk of violating Sections 30 and 31, it is standard market practice for indentures, credit agreements, guarantees and security documents to contain so-called ''limitation language'' in relation to subsidiaries in the legal form of a GmbH or a limited liability partnership with a GmbH as its sole general partner GmbH & Co. KG incorporated or established in Germany. Pursuant to such limitation language, the beneficiaries of the guarantees or the security interests agree, subject to certain exemptions, to enforce the guarantees or the security interests against the German subsidiary only to the extent that such enforcement does not result in the GmbH's (or, in case of a GmbH & Co. KG, its general partner's) net assets falling below its stated share capital or, as the case may be, if the net assets are already below the amount of its stated share capital, to cause such amount to be further reduced. Accordingly, the Subsidiary Guarantee provided by a German Subsidiary Guarantor will contain such limitation language and the relevant Subsidiary Guarantees will be limited in the manner described.

German capital maintenance rules are subject to ongoing court decisions. Future court rulings may further limit the access of shareholders to assets of their subsidiaries constituted in the form of a GmbH or a GmbH & Co. KG, which can negatively affect the ability of the subsidiaries to make payments on the Subsidiary Guarantees, or of the beneficiaries of the Subsidiary Guarantees to enforce the Subsidiary Guarantees.

Hardening periods and fraudulent transfer

In the event of insolvency proceedings with respect to a German Subsidiary Guarantor governed by the insolvency laws of Germany, the guarantee provided by that entity could be subject to potential challenges by an insolvency administrator (*Insolvenzverwalter*) under the rules of avoidance as set out in the German Insolvency Code (*Insolvenzordnung*).

Under these rules, an insolvency administrator may challenge (*anfechten*) acts (*Rechtshandlungen*) and transactions (*Rechtsgeschäfte*) that are deemed detrimental to insolvency creditors and were effected prior to the commencement of insolvency proceedings. Such transactions can include the payment of any amounts to the holders of the Notes as well as granting them any security interest (including guarantees). The administrator's right to challenge transactions can, depending on the circumstances, extend to transactions during the ten-year period prior to the filing of the petition for commencement of insolvency proceedings. In the event such a transaction is successfully avoided, the holders of the Notes would be under an obligation to repay the amounts received or to waive the guarantee or the benefit of the security interest.

In particular, a transaction (which term includes the provision of security (including guarantees) and the repayment of debt) detrimental to the creditors of the debtor may be avoided according to the German Insolvency Act, *inter alia*, in the following cases:

- a transaction granting a creditor or enabling a creditor to obtain a security (including a guarantee) or satisfaction for a debt (*Befriedigung*) can be avoided if the transaction was effected (i) in the last three months prior to the filing of a petition for the commencement of insolvency proceedings, if at the time of the transaction the debtor was illiquid (*zahlungsunfähig*, i.e., unable

to pay its debt when due) and the creditor had knowledge thereof, or (ii) after a petition for the commencement of insolvency proceedings has been filed and the creditor had knowledge thereof or of the debtor being illiquid;

- a transaction granting a creditor or enabling a creditor to obtain a security (including a guarantee) or satisfaction for a debt to which such creditor had no right, no right at the respective time or no right as to the respective manner, can be avoided if the transaction was effected in the month prior to the filing of a petition for the commencement of insolvency proceedings or after such filing; if the transaction was effected in the second or third month prior to the filing, it can be avoided if at the time of the transaction (i) the debtor was illiquid, or (ii) the creditor knew that the transaction would be detrimental to the creditors of the debtor;
- a transaction effected by the debtor which is directly detrimental to the creditors of the debtor or by which the debtor loses a right or the ability to enforce a right or by which a proprietary claim against the debtor is obtained or becomes enforceable, can be avoided if the transaction was effected (i) in the last three months prior to the filing of a petition for the commencement of insolvency proceedings against the debtor, if at the time of the transaction the debtor was illiquid and the other party to the transaction had knowledge thereof or (ii) after a petition for the commencement of insolvency proceedings has been filed against the debtor and the other party to the transaction had knowledge thereof or of the debtor being illiquid;
- a transaction whereby a debtor grants a guarantee or security interest for a third-party debt might be regarded as having been granted gratuitously (*unentgeltlich*); a gratuitous transaction can be avoided if it was effected in the four years prior to the filing of a petition for the commencement of insolvency proceedings against the debtor;
- a transaction entered into by the grantor of the guarantee or security interest in the last ten years prior to the filing of a petition for commencement of insolvency proceedings or thereafter with the intent to prejudice its creditors can be avoided if the beneficiary of the transaction had knowledge of such intent at the time of the transaction;
- a transaction with respect to the claim of a shareholder for repayment of a shareholder loan (*Gesellschafterdarlehen*) or an equivalent claim can be avoided (i) in the event it provided security, if the transaction was effected in the last ten years prior to the filing of a petition for commencement of insolvency proceedings or thereafter or (ii) in the event it resulted in satisfaction, if the transaction was effected in the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter; and
- a transaction whereby the debtor grants satisfaction for a loan claim or an economically equivalent claim to a third party can be avoided if the transaction was effected in the last year prior to the filing of a petition for commencement of insolvency proceedings or thereafter and if a shareholder of the debtor had granted security or was liable as a guarantor or surety (*Garant* or *Bürge*) (in which case the shareholder has to compensate the debtor for the amounts paid (subject to further conditions)).

In this context, "knowledge" is generally deemed to exist if the other party is aware of the facts from which the conclusion must be drawn that the debtor (e.g., a subsidiary subject to the German insolvency laws) was unable to pay its debts generally as they fell due, that a petition for the opening of insolvency proceedings has been filed, or that the act was detrimental to, or intended to prejudice, the insolvency creditors, as the case may be. A person is deemed to have knowledge of the debtor's intention to prejudice the insolvency creditors if it knew of the debtor's impending illiquidity and that the transaction prejudiced the debtor's creditors. With respect to a "related party," there is a general statutory presumption that such party had "knowledge." The term "related party" includes, subject to certain limitations, in the case of debtors that are corporate persons, members of the management or supervisory board, shareholders owning more than 25% of the debtor's share capital, persons or companies holding comparable positions that give them access to information about the economic situation of the debtor, and persons who are spouses, relatives or members of the household of any of the foregoing persons.

If any of the Subsidiary Guarantees by any of the German Subsidiary Guarantors were avoided or held unenforceable for any reason, a holder of the Notes would cease to have any claim or benefit in respect thereof. Any amounts received from a transaction that had been avoided would have to be repaid to the insolvent estate.

Furthermore, even in the absence of an insolvency proceeding, a third-party creditor who has obtained an enforcement order but has failed to obtain satisfaction of its enforceable claims by a levy of execution, under certain circumstances, has the right to avoid certain transactions, such as the payment of debt and the granting of security pursuant to the German Act on Avoidance (*Anfechtungsgesetz*).

In addition, under German law, a creditor who provided additional, or extended existing, funding to a debtor or obtained security from a debtor may be liable in tort if such creditor was aware of the debtor's (impending) insolvency or of circumstances indicating such debtor's (impending) insolvency at the time such funding was provided or extended or such security was granted. The German Federal Supreme Court (*Bundesgerichtshof*) held that this could be the case if, for example, the creditor was to act with the intention of detrimentally influencing the position of the other creditors of the debtor in violation of the legal principle of *bonos mores* (*Sittenwidrigkeit*). Such intention could be present if the beneficiary of the transaction was aware of any circumstances indicating that the debtor as the grantor of the guarantee or security was close to collapse (*Zusammenbruch*), or had reason to enquire further with respect thereto.

Italy

Limitations on Enforcement

In the event that the Guarantee issued by an Italian Guarantor is enforced, the holders of the Notes could have a reduced claim against the relevant Guarantor. According to Italian law, the enforcement of any claims, obligations, security interest and rights in general may be subject, among other things, to the following aspects:

- the enforcement of obligations may be limited by insolvency proceedings relating to or affecting the rights of creditors;
- an Italian court will not necessarily grant any specific enforcement or precautionary measures, the availability of which is subject to the discretion of the court;
- claims arising under Italian law-governed documents may become barred under the provision of Italian law concerning prescriptions and limitations by lapse of time (*prescrizioni* and *decadenze*) or may be or become subject to set-off (*compensazione*) or to counterclaim;
- pursuant to Article 1241 of the Italian Civil Code concerning set-off of reciprocal obligations (*compensazione*), persons who have reciprocal debt obligations may set-off such obligations for the correspondent amount when both such debt obligations have as an object a pecuniary obligation or fungible assets and are equally liquid and payable;
- where any party to any agreement or instrument is vested with discretion or may determine a matter in its opinion, Italian law may require that such discretion is exercised reasonably or that such opinion is based on reasonable grounds;
- the enforceability in Italy of obligations or contractual provisions governed by foreign law may be limited by the fact that the relevant provisions of laws may be deemed contrary to Italian public policy principles;
- an Italian court could hold that a judgment on a particular agreement, whether given in an Italian court or elsewhere, could supersede such agreement so that any obligation thereunder which by its terms would survive such judgment might not be held to do so;
- enforcement of obligations may be invalidated by reason of fraud or abuse of the law (*abuso del diritto*);
- the enforceability of an obligation pursuant to the terms set forth in any agreement or instrument may be subject to the interpretation of an Italian court which may carry out such interpretation pursuant to the provisions of Articles 1362 and following of the Italian Civil Code;
- any question as to whether or not any provision of any agreement which is illegal, invalid, unenforceable or void may be severed from the other provisions thereof in order to save the other provisions would be determined by an Italian court on the basis of the interpretation of the parties' intent, also taking into account the conduct of the parties following the execution of such agreement (Article 1419 of the Italian Civil Code);

- an Italian company, either directly or indirectly, cannot grant loans or provide a security interest for the purchase or subscription of its own shares unless, if it is a *società per azioni*, the requirements provided for by Article 2358 of the Italian Civil Code are satisfied ("white-wash" procedure);
- an Italian company must have a corporate interest in guaranteeing or securing financial obligations of its parent company or any other companies, whether related or unrelated, such interest being determined by the relevant company on a case-by-case basis;
- in case of bankruptcy, a receiver in bankruptcy is appointed by the court to administer the procedure under the supervision of the bankruptcy court and creditors cannot start or continue (automatic stay) individual foreclosure actions against the debtor; and
- the enforcement of a guarantee may be limited by a court assessment that it greatly exceeds or is disproportionate to the assets of the guarantor (based on the *ultra vires* doctrine) taking into account the benefit deriving to the guarantor from the issuance of the guarantee.

Article 1938 of the Italian Civil Code and corporate benefit limitations

Pursuant to Article 1938 of the Italian Civil Code, guarantees granted by Italian Guarantors must be limited by a cap or shall in any case refer to pre-determinable amounts. In addition, the guarantees granted by the Italian Guarantors must be supported by corporate benefit.

Insolvency

Under Italian bankruptcy law, as reformed from time to time and currently in force (the Royal Decree no. 267/1942, hereinafter the "Italian Bankruptcy Law"), the state of insolvency (*insolvenza*) of a company must be determined and declared by a court. Insolvency occurs when a debtor which is experiencing financial difficulties is no longer able to regularly meet its obligations as they fall due, and must be a permanent condition. The following restructuring and bankruptcy alternatives are available under Italian law for insolvent (*insolventi*) companies and companies otherwise having financial difficulties or in a state of distress (state of distress (*stato di crisi*) is broader than *insolvenza* in that it may be a temporary or reversible condition):

- **Restructuring outside of judicial process** (*concordato stragiudiziale*). Restructuring generally takes place through the formal judicial process because of the fact that informal arrangements put in place as a result of an out-of-court restructuring are vulnerable to being reviewed by a court in the event that insolvency subsequently occurs, and may be challenged as voidable transactions. A company that is still solvent but has financial difficulties, however, may enter into an out-of-court arrangement with its creditors pursuant to a *concordato stragiudiziale* in order to preserve its ongoing operations.
- **Agreements to restructure indebtedness** (*accordi di ristrutturazione dei debiti*) pursuant to Article 182-bis of the Italian Bankruptcy Law. Out-of-court debt restructuring arrangements (*accordi di ristrutturazione dei debiti*) must be approved by creditors representing at least 60% of the credits, and need to be supported by a report of an independent expert assessing, in particular, their feasibility and the suitability of such arrangements to ensure the repayment in full (and within certain timeframes) of those creditors which have not expressly agreed to the arrangements. A company may ask the court to sanction debt restructuring arrangements entered into with its creditors (*omologazione*). Once sanctioned by the court, a debt restructuring arrangement must be filed with the Companies Register, and for a period of 60 days from such filing all the enforcement actions and precautionary measures against the company's assets are stayed. Such actions and precautionary measures can be stayed also prior to the above filing, provided the requirements set forth in Article 182-bis of the Italian Bankruptcy Law are met. Before filing the agreement, the company may also apply for a court-supervised pre-bankruptcy composition with creditors (*concordato preventivo*) pursuant to Articles from 160 to 186-bis of the Italian Bankruptcy Law.
- **Out-of-court restructuring plans** (*piani attestati di risanamento*) pursuant to Article 67, Paragraph 3, lett. (d) of the Italian Bankruptcy Law, are aimed at restructuring the indebtedness of a company and rebalancing its financial situation. This type of plan must be assessed and validated by an independent expert and requires the approval of all participating creditors.

Payments, guarantees and transactions carried out pursuant to a *piano attestato di risanamento* are not subject to claw-back proceedings (*revocatoria fallimentare*), as defined below.

- **Court-supervised pre-bankruptcy composition with creditors** (*concordato preventivo*), pursuant to Articles 160 to 186-bis of the Italian Bankruptcy Law. Prior to, or pending a request for, a declaration of insolvency, a company has the option to seek an arrangement with its creditors under court supervision, in order to avoid a declaration of bankruptcy and the initiation of liquidation proceedings. Only the debtor can request a *concordato preventivo*. The composition agreement may provide for: (i) the restructuring of debts and the satisfaction of creditors in any manner, even through extraordinary transactions including the granting to creditors (or companies controlled by creditors) of shares, or bonds (also convertible into shares), or other financial instruments and securities; (ii) the transfer to a receiver (*assuntore*) of the businesses involved in the proposed composition agreement; (iii) the division of creditors into separate classes; (iv) different treatment for creditors belonging to each of such classes; and (v) provided certain requirements are met, the continuation of entrepreneurial activity by the debtor, the transfer or contribution of the business to new companies including a moratorium of one year from the *omologazione* for the payment of secured creditors. The *concordato preventivo* must be approved by a number of creditors representing the majority of the credits admitted to the vote. Where there are different classes of creditors, the *concordato preventivo* needs the approval of the majority of the creditors' classes. Secured creditors are not entitled to vote if the arrangements provide for the full payment of secured creditors unless they waive such security. During the implementation of the arrangement, the company is managed by the debtor, but under the supervision of the court and of a court-appointed officer. As of the date in which the request for admittance to the *concordato preventivo* is published on the Companies Register, all actions by creditors are stayed. The debtor may request the court to terminate or freeze certain contracts; the counterparty will be entitled to damages to be paid *pari passu* with the unsecured creditors existing before the *concordato preventivo*. If the *concordato preventivo* fails, the court will, upon request of the public prosecutor or the creditor and after having ascertained the existence of the conditions for declaration of bankruptcy, declare the company bankrupt. Payments and transactions lawfully carried out under a *concordato preventivo* (i.e., authorized by the court or the appointed official before the *omologazione* or in execution of the latter) are not subject to *revocatoria fallimentare*. After the request for *concordato preventivo* is filed and before the delivery of the complete set of documents required by the procedure, the debtor may file an *accordo di ristrutturazione dei debiti* in substitution of the *concordato preventivo*, without prejudice to the effects produced by the request for *concordato preventivo.*

- **Extraordinary administration for large companies** (*amministrazione straordinaria delle grandi imprese in crisi*), pursuant to Legislative Decree no. 270/1999. There are special administration proceedings available under Italian law for large industrial and commercial enterprises. The purpose of the administration is to save and rehabilitate a company in financial distress due to its significant technical, commercial, productive and employment value. The extraordinary administration of large companies is available to a debtor (a) which has employed no less than 200 employees for at least one year, and (b) whose indebtedness is equal to at least two-thirds of its total assets and of its net turnover from sales and provision of services for the last financial year.

- **Restructuring of insolvent large companies** (*ristrutturazione industriale di grandi imprese in stato di insolvenza*), pursuant to Decree no. 347/2003 as converted into Law no. 39/2004 as amended from time to time. Special restructuring proceedings are available under Italian law to large industrial and commercial enterprises that have actual prospects of recovery through a financial and economic restructuring of their business and operations, which must be completed within two years (subject to extension of two additional years in certain circumstances). The purpose of this extraordinary administration is to continue the company's operations, while restructuring its debts and selling non-core or non-strategic assets. The extraordinary administration of large companies is available to a debtor (i) which has employed no less than 500 employees for at least one year, and (ii) whose amount of aggregate indebtedness (including guarantees) is equal to not less than €300 million.

- **Bankruptcy proceeding** (*fallimento*). A request to declare a debtor bankrupt and to commence a bankruptcy proceeding (*fallimento*) for the liquidation of such debtor can be made by the debtor, a creditor, courts or public prosecutor. The request must be approved by an insolvency court.

The Italian Bankruptcy Law is applicable only if certain thresholds are met (i.e., the existence of assets in an aggregate amount exceeding €0.3 million for each of the three financial years preceding the bankruptcy request, gross turnover in an aggregate amount exceeding €0.2 million for each of the three financial years preceding the bankruptcy request, and total indebtedness in excess of €0.5 million). Upon the commencement of a bankruptcy proceeding, subject to certain exceptions, all actions of creditors are stayed and creditors must file claims within a defined period; the administration of the debtor and the management of its assets pass from the debtor to the receiver; and any action by the debtor after a declaration of bankruptcy with respect to a creditor is without effects.

The bankruptcy proceeding is carried out and supervised by a court-appointed receiver (*curatore fallimentare*), a deputy judge (*giudice delegato*) and a creditors committee. The receiver is responsible for the liquidation of the debtor's assets and for the satisfaction of creditors, but is not a representative of the creditors. Proceeds from the liquidation are distributed in accordance with statutory priority. The liquidation of a debtor can take a considerable amount of time, particularly in cases where the debtor's assets include real property.

- **Post-bankruptcy composition with creditors** (*concordato fallimentare*). A bankruptcy proceeding (*fallimento*) can be terminated prior to liquidation by filing a petition to the insolvency court for a post-bankruptcy composition with creditors (*concordato fallimentare*). The petition can be by one or more creditors or a third party and, within certain limitations, also by the debtor. In particular, the petition may provide for: (i) the splitting of the creditors into different classes and different treatment for creditors who belong to different classes; (ii) the restructuring of the debts and the payment of the creditors in whatever possible way including the assignment of (all or part of) the debtor's assets to the creditors or the assignment of (all or part of) the liabilities to a third party (*accollo*) or any other corporate reorganization such as the conversion of debt into equity (*azioni o quote*), (convertible) notes or any other financial instrument; (iii) the assignment to creditors of (all or part of) the recovery/claw-back actions started by the receiver; and (iv) only partial satisfaction of the claims of the secured creditors, provided that such creditors would not be able to obtain greater satisfaction of their claims from the sale of the debtor's assets given as security at a market value assessed by an independent expert and that, in any case, the rules on priority of payment are not affected.
- **Statutory priorities.** The statutory priority assigned to creditors under the Italian Bankruptcy Law may be different than priorities in the United States and in certain other European Union jurisdictions. In Italy, the highest priority claims (after the costs of the proceedings are paid) are the claims of preferential creditors, which include the claims of the Italian tax authorities and social security administrators and claims for employee wages.
- **Claw-back in insolvency.** Similar to other jurisdictions, there are so-called "claw-back" (*revocatoria fallimentare*) or avoidance provisions under Italian Bankruptcy Law that may give rise to the revocation of payments or grants of security interests made by the debtor prior to the declaration of bankruptcy. Such avoidance provisions include transactions made below market value, preferential transactions and transactions made with a view to defraud creditors. Claw-back rules under Italian Bankruptcy Law are normally considered to be particularly favorable to the receiver in bankruptcy in comparison to the rules applicable in the United States.

Hardening Period/Clawback and Fraudulent Transfer

In a bankruptcy proceeding, the Italian Bankruptcy Law provides for a claw-back period of up to one year (six months in certain circumstances) prior to the bankruptcy declaration. In addition, in certain cases, the bankruptcy receiver can request that certain transactions of the debtor are declared ineffective within the Italian Civil Code ordinary claw-back period of five years (*revocatoria ordinaria*).

Therefore, in the event that the relevant Guarantor enters into insolvency proceedings, the security interests created under the Guarantees could be subject to potential challenges by an insolvency administrator or by other creditors of such Guarantor under the Italian Bankruptcy Law claw-back and the ordinary claw-back if the security interest is granted during the respective one- year/six-month period (the "suspect period"). The claw back may relate to: (i) transactions made by the debtor within a suspect period of one year prior to the declaration of the insolvency under market value (i.e., to the extent the asset or obligation given or undertaken exceeds by at least 25% the value of the

consideration received by the debtor), or involving unusual means of payment (e.g., payment in kind) or security granted in relation to prior obligations which are not yet payable; in such cases the creditor must prove lack of knowledge of the state of insolvency of the debtor in order to rebut any claw-back action; (ii) security granted in order to secure a debt due and payable during the six-month period prior to the bankruptcy declaration; also in such case the creditor must prove his lack of knowledge of the state of insolvency of the relevant debtor in order to rebut any claw back action; and (iii) payments of due and payable obligations, transactions against payment or security granted simultaneously to the creation of the secured obligations during the suspect period of six months prior to the bankruptcy declaration; in such cases the bankruptcy receiver must prove that the creditor was aware of the state of insolvency of the relevant entity in order to enforce any claw-back action. The transactions potentially subject to claw-back also include those contemplated by an Italian Guarantor's Guarantee. If such transactions are challenged successfully, the rights granted under the Italian Guarantees may become unenforceable and any amounts received must be refunded to the insolvent estate.

Should bankruptcy follow a *concordato preventivo*, the "suspect period" shall run as of the date in which the request for *concordato preventivo* was filed.

It should be also noted that under article 65 of the Italian Bankruptcy Law, payments of receivables falling due on the day of the bankruptcy declaration or thereafter are ineffective vis-à-vis creditors, if made by the bankrupt entity in the two-year period prior to insolvency.

In addition, as noted above, the E.U. Insolvency Regulation contains conflicts of law rules which replace the various national rules of private international law in relation to insolvency proceedings within the European Union.

Malta

We will use best efforts to procure a guarantee of the Notes by Maltco Lotteries Limited no later than September 30, 2013. See "Description of the Notes—Certain Covenants—Guarantee by Maltco Lotteries Limited."

Insolvency

Maltco Lotteries Limited (C32326) is registered and incorporated under the laws of Malta. Consequently, in the event of an insolvency of Maltco Lotteries Limited, insolvency proceedings may be instituted in Malta. Such proceedings would then be governed by Maltese law. The following is a brief description of certain aspects of Maltese insolvency law.

In general, once insolvency proceedings are set in motion, a creditor will be precluded from pursuing his claim other than through the winding up process. When insolvency sets in, by law any benefit of time which may have been afforded to the debtor/borrower for the performance of its obligations or the repayment of a loan ceases and, thus, the obligations of the debtor accelerate in terms of law.

Under the Companies Act, Cap 386 of the laws of Malta, the causes of dissolution can be divided into three main categories: those situations under which the company is voluntarily dissolved and consequently wound up, those situations where the company *may* be dissolved and wound up by the Court and those situations where the company *shall* be dissolved by the Court.

For a Maltese company to be considered insolvent it must satisfy either of the following tests: (a) if a debt due by the company has remained unsatisfied in whole or in part after twenty-four weeks from the enforcement of an executive title against the company by any of the executive acts in terms of the Code of Organization and Civil Procedure, Cap 12 of the laws of Malta; or (b) if it is proved to the satisfaction of the Court that the company is unable to pay its debts, account being taken also of contingent and prospective liabilities of the company.

Compulsory Winding Up

In Malta, the First Hall Civil Court has jurisdiction to order the winding up of any company that is registered under the Companies Act, Cap 386 of the laws of Malta. An application to the Court to order the winding up of a Maltese company may be presented by the company itself (acting in the General Meeting), the directors, any creditor or creditors, any debenture holder, any one or more of the company's creditors' or contributories, the Official Receiver or the Registrar of Companies. The

Court has wide powers on the hearing of an application. It may dismiss the application or make an order acceding thereto (this is referred to as a "winding up order") and make such other orders including provisional orders and adjourn the hearing conditionally or otherwise as it thinks fit.

The consequences of a winding up order are:

(1) any disposal of the Maltese company's property, any transfer of shares, and any alteration in the status of members of the company made after the date of its deemed dissolution, is void, unless the Court orders otherwise;

(2) any act or warrant, whether precautionary or executive, other than a warrant of prohibitory injunction, issued or carried into effect against the Maltese company after the date of its deemed date of dissolution, is void;

(3) a copy of the winding up order must be forwarded by the Registrar of Courts to the Registrar of Companies for registration;

(4) judicial actions against the Maltese company are stayed, unless the Court orders otherwise;

(5) on a winding up order being made, the Official Receiver becomes the liquidator and he continues to act until another person becomes liquidator; and

(6) on a winding up order being made, the powers of the directors cease and are assumed by the liquidator.

After a winding up order is made, the Court appoints the Official Receiver to act as a liquidator for the Maltese company until the appointment of a liquidator is made by the creditors. The Official Receiver also acts as liquidator for the Maltese company during any vacancy in the office of liquidator.

The Official Receiver's primary role at the initial stage of the winding up is to decide whether to summon meetings of the company's creditors and contributories so that they may resolve whether one or more persons shall be appointed as liquidator(s) in place of the Official Receiver; and whether to constitute a liquidation committee to supervise the liquidator's conduct. Secondly, the Official Receiver is obliged to investigate the causes of the company's insolvency or its failure to pay its debts. Furthermore, the Official Receiver shall also investigate the promotion, formation, business dealings, and affairs of the company, and make a report(s) to the Court as he may deem fit.

A liquidator, once appointed, is to provide to the Official Receiver such information and such access to and facilities for inspecting the accounts, accounting records and documents of the company and, generally, such aid as may be requisite for enabling the Official Receiver to perform his duties under the Companies Act (Cap 386 of the laws of Malta).

Company Rescue

The court is empowered to place a company under a company recovery procedure and to appoint a special controller to take over, manage and administer the business of a company for a period to be specified by the court, which period, however, may not exceed 12 months; *provided* that at any time during which the company recovery procedure is in force, the court may, upon good cause being shown, extend the period by such additional period or periods which in aggregate do not exceed a further 12 months.

The court will grant such an order if it is satisfied that the financial and economic situation of the Maltese company can be improved in the interest of its creditors, employees and of the company itself as a viable going concern.

Suspect Periods

Article 303 of the Companies Act establishes a six-month period before the effective date of the dissolution of the company whereby a transaction can be deemed to be a fraudulent preference against its creditors if it constitutes a transaction at an undervalue or if a preference is given.

A Maltese company is considered to have entered into a transaction at undervalue if: (i) the company makes a gift or otherwise enters into a transaction on terms that provide for the company to receive no consideration; or (ii) the company enters into a transaction for a consideration the value of which, in money or money's worth, is significantly less than the value in money or money's worth of the consideration provided by the company; and

A Maltese company is considered to have given a preference to a person if: (i) that person is one of the company's creditors or a surety or guarantor for any of the company's debts or other liabilities; and (ii) the company does anything or suffers anything to be done which, in either case, has the effect of putting that person into a position which, in the event of the company going into insolvent winding-up, will be better than the position he would have been in had that act or omission not occurred.

Furthermore, in terms of the Civil Code (Cap 16 of the Laws of Malta), any creditor is competent to impeach any act made by the debtor in fraud of his creditor's claims (*action pauliana*).

Limitation on Enforcement

Under Maltese law, a person who guarantees a commercial obligation is, saving any stipulation to the contrary, presumed to be jointly and severally liable with the principal debtor. As a result, the Issuer and Maltco Lotteries Limited (C32326) as Subsidiary Guarantor are jointly and severally liable to make payments in terms of the Indenture and the Notes. When debtors are jointly and severally liable they are all bound for the same obligation in such a way that each of them may be compelled to discharge the whole debt, and the payment made by one of them operates so as to release the others as against the creditor. In terms of the Civil Code (Cap16 of the Laws of Malta), this kind of guarantee is regulated by the institute of "suretyship" and a guarantor is known as a surety. A number of provisions relating to suretyship are of direct relevance in this case, including that:

- a suretyship can only exist in respect of a valid (principal) obligation;
- a suretyship which exceeds the debt or is contracted under more onerous conditions shall only be valid to the extent of the principal obligation;
- a surety who has paid the principal debt succeeds *ipso jure* to all the rights which the creditor had against the debtor;
- a surety may set up against the creditor all the pleas which appertain to the principal debtor and which are inherent in the debt;
- a surety, even if jointly and severally bound, is released if the subrogation to the rights, hypothecs and privileges of the creditor cannot take place in his favor owing to the creditor's fault; and
- if the creditor releases one of his sureties without the consent of the other sureties, such release operates also in favor of the other sureties to the extent of the share of the surety so released.

Generally, a suretyship creates in favor of a creditor an ancillary obligation which is valid only if, and to the extent of, the validity of the principal obligation contracted by the principal debtor, which is being guaranteed. In consequence, a surety cannot be liable for an amount in excess of the liability of the principal debtor. This rule is likely to be treated as a rule of public policy by Maltese courts.

Morocco

A Moroccan Guarantor under the Indenture will not enter into any obligation or liability which if incurred would constitute (i) the provision of financial assistance within the meaning of article 280 of the law n°17-95 regarding *sociétés anonymes* and/or (ii) a misuse of corporate assets or credit within the meaning of article 384 of the law n°17-95 regarding *sociétés anonymes* or any other law having the same effect, as interpreted by Moroccan Courts.

Further Limitations on Guarantee under the Indenture

In addition, the obligations and liabilities of the Moroccan Guarantor under the Indenture shall be limited, at any time, to an amount equal to the aggregate of all amounts made available under the Notes and the Indenture to the Issuer to the extent directly or indirectly on-lent to the Moroccan Guarantor under any inter-company loan agreement or similar arrangement and which is outstanding on the date such Moroccan Guarantor's Guarantee is called, it being specified that any payment made by such Moroccan Guarantor under the Indenture in respect of the obligations of the Issuer shall reduce *pro tanto* the outstanding amount of the intercompany loans due by such Moroccan Guarantor under the intercompany loan arrangements referred to above.

In other terms, the amount of the guarantee to be granted by the Moroccan Guarantor will be limited to the amount borrowed by the Moroccan Guarantor from its parent pursuant to an intercompany loans arrangement.

General rules on enforcement of Moroccan law security documents

As a matter of Moroccan law, a security can only be enforced if the debtor has failed to meet its payment obligations under the secured liabilities.

The amount to be secured under the Indenture will be limited up to the amount of the guarantee subject to the Moroccan guarantee limitation set out above.

Corporate insolvency proceedings

Under Articles 653 *et seq* of the Commercial Code, enforcement of security interests is stayed upon the opening of rehabilitation (*redressement judiciaire*) or liquidation (*liquidation judiciaire*) proceedings. Under Article 555 of the Commercial Code, a conciliator (*conciliateur*) appointed under a conciliation proceeding (*procédure de conciliation*) may also request from the competent court a stay on the enforcement of security for the duration of the proceedings.

The opening of rehabilitation proceedings does not, itself, terminate contracts or extinguish rights. In addition, a contract may not provide for its termination only by reason of insolvency. Only the administrator (*syndic*) can (pursuant to its own assessment of the debtor's interests) elect either to continue or to terminate "existing contracts" (*contrats en cours*).

Following a declaration of insolvency, counterparties of the insolvent entity are entitled to invite the administrator to exercise its discretion to continue or terminate contracts to which the insolvent entity is party. The contract will be deemed terminated if the administrator does not respond to this formal invitation within a month.

The rights of the creditors of the insolvent debtor are therefore restricted, *inter alia*, as follows:

- the payment of debts incurred prior to the insolvency judgment is prohibited, except in limited cases; court actions for payment initiated prior to the judgment commencing the procedure can only aim at liquidating the amount of the debt;
- security given for pre-existing debt is automatically void and there is no defence for creditors. There is a suspect period (*période suspecte*) which lasts 18 months, but the debtor must be actually insolvent when the security is granted;
- the commencement of insolvency proceedings freezes enforcement of security, with only limited exceptions;
- contractual clauses providing for automatic termination or acceleration of the contract in the event of insolvency proceedings are ineffective;
- contracts cannot be terminated for reasons originating prior to the judgment starting the procedure; and
- creditors must file a statement of their claims against the debtor.

Secured creditors after the observation period

If the court orders the sale of the business (including the secured assets), the court will apportion, part of the sale proceeds towards the satisfaction of the secured debt.

However, the secured creditors' claim to the sale proceeds will be subordinated to the claims of certain prior ranking creditors, being the Moroccan State (in respect of taxes), employees and preferred creditors.

Moroccan insolvency law considerations

In general, Moroccan reorganization or liquidation legislation favors the continuation of a business and protection of employment over the payment of creditors. The following is a general discussion of insolvency proceedings governed by Moroccan law for information purposes only and does not address all the Moroccan law considerations that may be relevant to creditors.

(a) Grace periods

Pursuant to Article 243 of the Moroccan civil code *(Dahir des Obligations et des Contrats)*, Moroccan courts may, in any civil proceeding involving the debtor, whether initiated by the debtor or the creditor, taking into account the debtor's financial position and the creditor's financial needs, defer or otherwise reschedule the payment dates of payment obligations over a moderate period of time. If a court order under Article 243 of the Moroccan civil code is made, it will suspend any pending enforcement measures.

(b) Conciliation proceedings

A company, or the president of the court, may initiate conciliation proceedings (*procédure de règlement amiable*), provided that the company (i) is able to pay its due debts out of its available assets and (ii) experiences legal, economic or financial difficulties or needs which cannot be covered by available financing to the company. The competent court will appoint a conciliator to help the company reach an agreement with its creditors for reducing or rescheduling its indebtedness and favor the continuation of the company as a going concern. This agreement is approved (*homologué*) by the court if an agreement is reached with all the creditors and may be approved by the court if an agreement is reached with the main creditors.

Under Article 555 of the Commercial Code, a conciliator appointed under a conciliation proceedings (*procédure de conciliation*) may, after consultation with the main creditors of the company, also request from the competent court a stay on the enforcement of security for the duration of the proceedings.

Any agreement with the conciliator suspends for the duration of the agreement any action in justice, individual action against the debtor company.

In case of breach of the undertakings resulting from the agreement, the court terminates the agreement.

(c) Judicial reorganization or liquidation proceedings

Judicial reorganization or liquidation proceedings (*redressement or liquidation judiciaire*) may be initiated against or by a company if it cannot pay its debts as they come due out of its available assets (i.e., it is in *cessation des paiements*). The company is required to petition for insolvency proceedings within 15 days of falling into *cessation des paiements*. If it does not, *de jure* managers (including directors) and, as the case may be, *de facto* managers are subject to civil liability.

The date of *cessation des paiements* is deemed to be the date of the court order commencing proceedings, unless the court sets an earlier date, which may be up to 18 months before the date of the court order. The date of the *cessation des paiements* marks the beginning of a "suspect period" pursuant to which certain transactions entered into during such period may be void or voidable.

Void transactions include transactions or payments entered into during the suspect period that may constitute voluntary preferences for the benefit of some creditors to the detriment of other creditors. These include transfers of assets for no or nominal consideration, contracts under which the reciprocal obligations of the debtor significantly exceed those of the other party, payments of debts not due at the time of payment, security granted for debts previously incurred, provisional measures, unless the right of attachment or seizure predates the date of suspension of payments.

The court order commencing the proceedings may order either the liquidation or the reorganization of the company. In the event of reorganization, an administrator appointed by the court investigates the business of the company during an initial observation period, which may last up to four months (renewable), and makes proposals for either the reorganization of the company (by helping the debtor to elaborate a reorganization plan), or the sale of the business or the liquidation of the company. At any time during this observation period, the court can order the liquidation of the company. At the end of the observation period, the outcome of the proceedings is decided by the court.

(d) Status of creditors during judicial reorganization proceedings or judicial liquidation proceedings

As a general rule, creditors domiciled in Morocco whose debts arose prior to the commencement of the proceedings must file a claim with the administrator within two months of the publication of the

court order in the BO (*Bulletin Officiel)*; this period is extended to four months for creditors domiciled outside Morocco. Creditors who have not submitted their claims during the relevant period are barred from receiving distributions made in accordance with the proceedings. Employees are not subject to such limits and are preferential creditors under Moroccan law.

Subject to limited exceptions, from the date of the court order commencing the proceedings, the company is prohibited from paying debts outstanding prior to that date and its creditors may not pursue any legal action against the company with respect to any claim arising prior to that date. There is a general stay on the enforcement of security interests granted by the debtor following the opening of reorganization proceedings, except under certain narrowly restricted conditions and subject to judicial appreciation.

Contractual provisions such as those contained in the Indenture that would accelerate the payment of obligations of the Moroccan Guarantor upon the occurrence of (i) the opening of judicial reorganization or other insolvency proceedings or (ii) a state of *cessation des paiements* are not enforceable under Moroccan law. The opening of liquidation proceedings, however, automatically accelerates the maturity of all of a company's obligations unless the continued operation of the business with a view to the adoption of a "plan of sale of the business" (*plan de cession*) is ordered by the court in which case the acceleration of the obligations will only occur on the date of the court decision adopting the "plan of sale of the business" or on the date on which the continued operation of the business ends.

If the court adopts a reorganization plan, claims of creditors who have accepted the plan will be paid according to the plan. With respect to creditors who have not accepted the proposals made by the administrator and the company, the court can decide to reschedule the payment of their claims. Secured creditors are subject to the maturity dates of a reorganization plan, and they cannot enforce their security interests during the execution stage of the plan. The court can also set a time period during which the assets that it deems necessary to the continuation of the business of the debtor may not be sold without its consent.

If the court adopts a "plan of sale of the business" (*plan de cession*), the proceeds of the sale will be allocated to the payment of creditors according to their ranking. In particular, employees, officials appointed by the insolvency court, post-petition creditors and the Moroccan treasury are given priority.

If the court decides to order the judicial liquidation of the company, the court will appoint a liquidator who shall sell the assets of the company and settle the relevant debts. In the event of liquidation proceedings, secured creditors may, after filing a proof of claims, exercise their rights of action if the liquidator does not proceed with the liquidation of the secured assets within a period of three months following the opening of the proceedings.

The Netherlands

Insolvency

Three of the Subsidiary Guarantors, Intralot Global Holdings B.V., Intralot Global Securities B.V. and Intralot Nederland B.V., are organized under the laws of the Netherlands (the "Dutch Guarantors"). Where a Dutch Guarantor has its "centre of main interests" or an "establishment" (both terms as defined in the EU Insolvency Regulation) in the Netherlands, it can be subjected to insolvency proceedings in this jurisdiction. Such insolvency proceedings applicable to the Dutch Guarantor will be governed by Dutch insolvency laws (including the Dutch Bankruptcy Act (*Faillissementswet*)), subject to certain exceptions as provided for in the EU Insolvency Regulation.

There are two applicable corporate insolvency regimes under Dutch law: (i) moratorium of payment (*surseance van betaling*), which is intended to facilitate the reorganization of a debtor's debts and enable the debtor to continue as a going concern; and (ii) bankruptcy (*faillissement*), which is primarily designed to liquidate and distribute the assets of a debtor to its creditors.

Unlike Chapter 11 proceedings under U.S. bankruptcy law where both secured and unsecured creditors are generally barred from seeking to recover on their claims, moratorium of payment proceedings allow certain secured creditors and preferential creditors to satisfy their claims by proceeding against the assets that secure their claims or to which they have preferential rights, albeit that higher ranking security interests or preferential rights (if any) will need to be respected upon enforcement. However, a statutory stay of execution of up to two months, extendable by another period

of up to two months, may be imposed by court order pursuant to Section 241(a) of the Dutch Bankruptcy Act.

In Dutch bankruptcy proceedings, the assets of a debtor are generally liquidated and the proceeds distributed to the debtor's creditors on the basis of the relative priority of the claims of those creditors and, to the extent claims of certain creditors have equal priority, in proportion to the amount of such claims. Secured creditors such as pledgees and mortgagees may enforce their rights separately from bankruptcy and are in principle not required to contribute to the bankruptcy costs (*faillissementskosten*). However, the enforcement of a security interest in bankruptcy will be subject to the following general rules: (i) a statutory stay of execution of up to two months, extendable by another period of up to two months, may be imposed by court order pursuant to Section 63(a) of the Dutch Bankruptcy Act; (ii) a bankruptcy trustee (*curator*) may force a secured party to foreclose its security interest within a reasonable time (to be set by the bankruptcy trustee pursuant to Section 58(1) of the Dutch Bankruptcy Act), failing which the bankruptcy trustee will be entitled to sell the relevant assets and distribute the proceeds to the secured party, subject however to deduction of bankruptcy costs; and (iii) excess proceeds of enforcement must be returned to the company's bankruptcy trustee and may not be offset against an unsecured claim of the pledgee or the mortgagee against the company. To the extent that the proceeds of the secured assets are not sufficient to satisfy the secured creditor's claim, the secured creditor can submit its claim in the bankruptcy as an unsecured creditor.

All unsecured, pre-bankruptcy claims are submitted to the bankruptcy trustee for verification, and the bankruptcy trustee makes a determination as to the existence, ranking and value of the claim and whether and to what extent it should be admitted in the bankruptcy proceedings. Creditors that wish to dispute the verification of their claims by the bankruptcy trustee will need to commence claim validation proceedings (*renvooiprocedure*) in the competent court in order to establish the amount and rank of the disputed claim.

Interest accruing after the date of the adjudication of bankruptcy cannot be admitted unless secured by a pledge or mortgage. In that event, interest will be admitted *pro memoria*. To the extent that an interest is not covered by the proceeds of the security the creditor may not derive any rights from the admission. During the bankruptcy, no interest is payable in respect of unsecured claims as of the date of bankruptcy.

Fraudulent conveyance

Dutch law contains specific provisions dealing with fraudulent conveyance both in and outside of bankruptcy, the so-called *actio pauliana* provisions. The *actio pauliana* offers creditors protection against a decrease in their means of recovery. A legal act performed by a person (including, without limitation, an agreement pursuant to which it guarantees the performance of the obligations of a third party and any other legal act having similar effect) can be challenged in or outside bankruptcy of the relevant person and may be nullified (*vernietigd*) by the bankruptcy trustee in a bankruptcy of the relevant person, or by any of the creditors of the relevant person outside bankruptcy, if (i) the person performed such acts without an obligation to do so (*onverplicht*), (ii) the creditor concerned or, in the case of the person's bankruptcy, any creditor, was prejudiced in its means of recovery as a consequence of the act, and (iii) at the time the act was performed both the person and the counterparty to the transaction knew or should have known that one or more of its creditors (existing or future) would be prejudiced in their means of recovery, unless the act was entered into for no consideration (*om niet*), in which case such knowledge of the counterparty is not necessary for a successful challenge on grounds of fraudulent conveyance.

Knowledge that the transaction would prejudice other creditors is presumed by law for all transactions performed within one year before the date of the adjudication of bankruptcy or, outside bankruptcy, within one year before the date the claim of fraudulent conveyance is made, if it is also established that one of the conditions mentioned in Section 43 of the Dutch Bankruptcy Act or, respectively, Section 3:46 of the Dutch Civil Code (*Burgerlijk Wetboek*) is fulfilled. These conditions include, but are not limited to, situations in which (1) the debtor enters into an agreement whereby the value of the obligation of the debtor materially exceeds the value of the obligation of the creditor, (2) the debtor pays or grants security for debts which are not yet due, (3) an agreement is made between legal entities or an obligation arises from one legal entity towards another if a director of one of these legal entities is also a director of the other, or (4) an agreement is made or an obligation would arise with a group company.

Accordingly, if (ultimately) a Dutch court were to find that the issuance of the Guarantees by a Dutch Guarantor or any other transaction entered into by a Dutch Guarantor at any time in connection with the Guarantees constituted a fraudulent conveyance, then the Guarantees of the relevant Dutch Guarantor or any other transaction entered into by the relevant Dutch Guarantor at any time in connection with the Guarantees, could be nullified. As a result of such a successful challenge, holders of the Notes may not enjoy the benefit of the Guarantees of the relevant Dutch Guarantor or any of the other transactions entered into by the relevant Dutch Guarantor at any time in connection with the Guarantees. The value of any consideration that holders of the Notes received with respect to the Notes could also be subject to recovery from such holders of the Notes and possibly from subsequent transferees. In addition, under such circumstances, holders of the Notes might be held liable for any damages incurred by prejudiced creditors of the relevant Dutch Guarantor as a result of the fraudulent conveyance.

Limitations on Enforcement

Under Dutch law, receipt of any payment under the Guarantees issued by the Dutch Guarantors may be affected by (i) the standards of reasonableness and fairness (*maatstaven van redelijkheid en billijkheid*); (ii) *force majeure* (*niettoerekenbare tekortkoming*) and unforeseen circumstances (*onvoorziene omstandigheden*); and (iii) the other general defences available to debtors under Dutch law in respect of the validity, binding effect and enforceability of such Guarantees, including but not limited to claims that a Guarantee should be voided because it was entered into through undue influence (*misbruik van omstandigheden*), fraud (*bedrog*), threat (*bedreiging*) or error (*dwaling*) of any of the parties thereto and any claims under the Guarantees may be, or become, subject to set-off, counterclaim or suspension (*opschorting*).

The validity and enforceability of a Guarantee may also be successfully contested by a Dutch Guarantor (or its bankruptcy trustee in bankruptcy) on the basis of the *ultra vires* (*doeloverschrijding*) provisions of Section 2:7 of the Dutch Civil Code, which give legal entities the right to nullify a legal act entered into by it, if such act exceeded (*overschrijden*) its objects (*doel*) and the counterparty (*wederpartij*) knew, or without independent investigation, should have known, that the legal entity's objects were exceeded. In determining whether the granting of a Guarantee is in furtherance of the objects of a Dutch Guarantor, the competent court will *inter alia* take into account the following circumstances: (i) the text of the objects clause in the articles of association of the relevant Dutch Guarantor; (ii) whether the granting of such Guarantee is in the corporate interests (*vennootschappelijk belang*) of the relevant Dutch Guarantor; and (iii) whether or not the continuity of the relevant Dutch Guarantor is jeopardized by the granting of such Guarantee. The mere fact that a certain legal act is expressly permitted by a Dutch Guarantor's objects clause does not automatically mean that such legal act cannot be deemed to be *ultra vires*.

Romania

In the event of insolvency of a Subsidiary Guarantor organized under the laws of Romania and/or having its center of main interests organized in Romania (each a "Romanian Guarantor"), any insolvency would most likely be initiated in Romania and be governed by Romanian law. Romanian insolvency law would thus affect the ability of creditors to enforce the Subsidiary Guarantees. Moreover, the receiver may ask the annulment of the fraudulent writs entered into by the Romanian guarantor during the last three years.

Under Romanian law, any agreement or document entered into by a company (*societate comerciala*) must have the ultimate purpose of obtaining benefits for the respective company, as per its scope of activity, and no agreements with gratuitous title (donations, etc.) are permitted to be concluded by such company. Considering the rules on corporate benefit, a Romanian Guarantor may exercise only such rights and perform such obligations corresponding to their authorized scope of business. Further, each activity performed or agreement entered into by a Romanian Guarantor must be in the company's commercial interest. For the purpose of mitigating (however not eliminating) the risk that a guarantee or security given by a Romanian Guarantor is considered as not being beneficial to the company's activity (i.e., an *ultra vires* act), specific limitation language should be included in the agreements creating the respective guarantee or security and specific confirmation of corporate benefit and also of the exceptional character of such guarantee should be included in the corresponding Romanian Guarantor's corporate decisions approving the entering into of such agreements. Moreover, the corporate benefit of the guarantor should be effective after the transaction completion. However,

whether sufficient corporate benefit exists is a factual matter and it is possible that an insolvency or other judge would determine that the corporate benefit received by a Romanian Guarantor by creating such guarantee or security was insufficient.

The creation of guarantees by a Romanian Guarantor is subject to certain provisions of the Romanian Company Law no. 31/1990 (the "Romanian Company Law").

Under the Romanian Company Law, it is forbidden for certain restricted persons (such as a founder, administrator, manager or legal representative, each a "Restricted Person") to cause a Romanian entity to grant to the Restricted Person guarantees for securing the Restricted Person's own liabilities, if granted by:

- the Romanian entity managed by that Restricted Person;
- an entity which is controlled by the entity managed by the Restricted Person; or
- an entity which controls the entity managed by the Restricted Person.

These acts are considered criminal offenses of the Restricted Persons and may be sanctioned with imprisonment of up to three years. Generally, the purpose of this legal restriction is to ensure that there is no misappropriation of corporate funds by a Restricted Person. Moreover, a shareholder who, in a certain operation, has, either personally or as a representative of another person, an interest contrary to the company, must abstain from deliberations on that operation. The infringement of this legal provision may be sanctioned with imprisonment of up to one year or with fine. No limitation language may cure the breach of the above-mentioned provision.

Pursuant to Romanian law, independent guarantees/independent payment obligations are not writs of execution *per se*. Thus they cannot be directly enforced against the guarantor. The beneficiary of such a guarantee is not entitled to commence the enforcement proceedings based solely on the agreement setting out the guarantee obligation. The beneficiary of the guarantee must first lodge a court action for obtaining a court decision ascertaining that the main obligation was not performed and, as a consequence, the guarantee can be called upon. The enforcement against the guarantor shall be limited by the existence of any *in rem* security over the guarantor's assets, which would have priority in the distribution process.

Enforcement of any claim may be limited and thus challenged to the extent that it was not properly approved by the competent corporate body in accordance with the legal provisions and/or limitations, procedures or mechanisms included in the constitutive documents of the Romanian Guarantor or other agreements entered into by it.

Russia

Russian bankruptcy law (the "Bankrupty Law") includes the provision of adequate protection for creditors, debtors, shareholders and other stakeholders in bankruptcy, as well as protection of the ability of debtors with viable businesses to rehabilitate and emerge from bankruptcy as a going concern.

Nevertheless, the Bankruptcy Law generally does not provide creditors with the level of protection available under more sophisticated insolvency regimes, such as those in the United States and the United Kingdom. For example, at a creditors' meeting called in the course of insolvency proceedings, a creditor may vote only if its claim against the debtor has been duly registered. However, a claim may be registered only if it has been confirmed by a judgment of a court, and obtaining such a judgment between the date of notice of the insolvency and the deadline for registration may be difficult or impossible.

In addition, although the financial rehabilitation proceeding under the Bankruptcy Law is intended as a corporate rescue measure, Russian courts generally require that, if possible, the debtor's participants (founders) provide (if a third party files a motion to initiate financial rehabilitation proceeding to the creditors' meeting (or to the court, as the case may be) it is obliged to provide) sufficient security to ensure that the debtor can repay its debts in full on a court-approved timetable. In practice, this requirement has effectively made financial rehabilitation impracticable and extremely rare.

A debtor's controlling shareholders have the ability to veto certain major transactions, such as those which would affect the share capital of the debtor. As a practical matter, this gives the shareholder significant leverage to prolong insolvency proceedings and to delay or prevent creditors (particularly unsecured creditors) from recovering monies from or gaining control over the debtor. As a

result of this and other structural defects in the Bankruptcy Law, Russian insolvency proceedings have an inherent bias toward liquidation as the ultimate outcome.

United States of America

Under U.S. federal bankruptcy laws or comparable provisions of state fraudulent transfer laws, under certain circumstances:

(1) the issuance of the Subsidiary Guarantees by entities subject to or organized under the laws of the United States or certain states thereof, including the State of Connecticut and the State of Delaware (each, a "U.S. Provider") could be avoided;

(2) claims in respect of such liens or obligations could be subordinated to some or all of its other debts and other liabilities; and

(3) the holders of the Notes could be required to repay any amounts received in connection with such Subsidiary Guarantee.

Federal and State Insolvency Proceedings

Certain U.S. Providers may have operations that would subject any one or more either to federal bankruptcy laws under title 11 of the United States Code (the "U.S. Bankruptcy Code") or any applicable state law insolvency proceedings. Proceedings under the U.S. Bankruptcy Code vary and provide a debtor with discretion in its pursuit of a liquidation or reorganization strategy. The U.S. Bankruptcy Code provides a detailed statutory framework that, among other things, contains terms or provisions relating to: (i) the administration of a bankruptcy case, including the provision of "adequate protection" to creditors, the automatic stay, terms for the use, sale or lease of property, standards for obtaining credit and the treatment of executory contracts and leases; (ii) creditors and claims, including filing proofs of claim, priority and allowance of claims, rights of creditors and subordination of claims; (iii) provisions relating to the creation of the bankruptcy estate, including: the scope of property of the estate and turnover and avoidance actions, liquidation under chapter 7 of the U.S. Bankruptcy Code, reorganization under chapter 11 of the U.S. Bankruptcy Code, and ancillary and cross-border insolvency cases under chapter 15 of the U.S. Bankruptcy Code.

As a general matter, chapter 7 of the U.S. Bankruptcy Code provides for the orderly liquidation of the debtor's assets by a trustee. Chapter 11 of the U.S. Bankruptcy Code is available to debtors who seek to rehabilitate their businesses and work out their obligations to creditors. Unlike in chapter 7, the debtor in a chapter 11 case typically remains in control of its assets and continues to operate its business during the course of the bankruptcy case. In addition, "liquidating" chapter 11 cases are a frequently utilized alternative to chapter 7 liquidations, especially where the conversion of a pending chapter 11 case to a case under chapter 7 might prove prohibitively expensive or in an instance when a debtor expects to sell all or substantially all of its assets. Because bankruptcy proceedings tend to be fact specific and vary case by case and because U.S. bankruptcy courts are courts of equity with broad discretionary powers, a detailed summary of all of the provisions of the U.S. Bankruptcy Code that could impact the Notes or the Subsidiary Guarantees is not contained herein.

With respect to proceedings under any applicable state insolvency laws (e.g., assignments for the benefit of creditors, receiverships or other state liquidation mechanisms), the effects and customers of these proceedings are fact-specific, vary from state to state and require an examination of both statutory and common law, the details of which also are not described herein. To the extent more information is required, potential investors in the Notes should consult an insolvency professional familiar with U.S. and the applicable state insolvency laws.

Delay and Risks Associated in a Federal Bankruptcy Proceeding

If a bankruptcy proceeding were to be commenced under the U.S. Bankruptcy Code by or against any U.S. Provider, it is likely that delays will occur in enforcing the Subsidiary Guarantees granted by the bankrupt U.S. Provider, because of specific provisions of such laws or by a court applying general principles of equity. Aspects of federal bankruptcy laws or general principles of equity that could result in the impairment of rights include, but are not limited to:

- the automatic stay;
- avoidance of preferential transfers by a trustee or debtor-in-possession;

- substantive consolidation of the assets and liabilities of multiple entities;
- limitations on collectability of unmatured interest or attorney fees;
- fraudulent transfer; and
- forced restructuring of the bonds issued by the bankrupt company, including reduction of principal amounts and interest rates and extension of maturity dates, over the holders' objections.

As an initial matter, the commencement of a bankruptcy case operates as a stay, applicable to all creditors, of most litigation against the debtor and efforts to collect prepetition claims, enforce existing liens or impose most new liens. The purpose of the stay is to provide the chapter 11 debtor time to reorganize and the chapter 7 trustee protection under which to liquidate in an orderly fashion the debtor's assets for the benefit of creditors. The automatic stay is also intended to shield a debtor from the pressures of creditor collection efforts. Among other things, the automatic stay prohibits (i) all collection efforts by creditors, (ii) the enforcement of prepetition judgments against the debtor or property of the estate, (iii) any act to create, perfect or enforce a lien against property of the estate and (iv) the set-off of prepetition debts owing to the debtor against debts owing by the debtor. The automatic stay ordinarily does not bar suits against non-debtor guarantors or co-obligors, nor does it enjoin payment under a letter of credit issued by a bank in favor of a creditor of the applicable debtor. Applicable federal bankruptcy laws generally do not permit the payment or accrual of interest, costs and attorneys' fees for unsecured or "undersecured" claims.

Fraudulent Transfer Issues

Under the U.S. Bankruptcy Code or comparable provisions of state fraudulent transfer laws, the issuance of Subsidiary Guarantees by any U.S. Providers could avoided if, among other things, at the time the U.S. Providers issued the Subsidiary Guarantees, the applicable U.S. Provider (i) intended to hinder, delay or defraud any present or future creditor; or (ii) received less than reasonably equivalent value or fair consideration for the incurrence of such indebtedness and, in the case of (iii) either:

- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the U.S. Provider's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measures of insolvency for purposes of the foregoing considerations will vary depending upon the law applied in any proceeding with respect to the foregoing. Generally, however, a U.S. Provider would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than all of its assets, at a fair valuation;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

However, there can be no assurance as to what standard a court may apply in making solvency determinations, and different courts may reach different conclusions with regard to these issues. In an evidentiary ruling in the *In re W.R. Grace & Co.* bankruptcy case, the U.S. Bankruptcy Court for the District of Delaware held that under the Uniform Fraudulent Transfer Act, whether a transferor is rendered insolvent by a transfer depends on the actual liabilities of the transferor, and not what the transferor knows about such liabilities at the time of the transfer. Therefore, under that court's analysis, liabilities that are unknown, or that are known to exist but whose magnitude is not fully appreciated at the time of the transfer, may be taken into account in the context of a future determination of insolvency. If the principle articulated by that court is upheld, it would make it very difficult to know whether a transferor is solvent at the time of transfer, and would increase the risk that a transfer may in the future be found to be a fraudulent transfer.

By their terms, the Subsidiary Guarantees of each U.S. Provider will limit the liability of each such guarantor to the maximum amount it can pay without the Subsidiary Guarantee being deemed a fraudulent transfer. It is not assured, however, that this limitation will protect such guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the notes in full when due. In a recent Florida bankruptcy case, this kind of provision was found to be ineffective to protect the guarantees.

In addition to the avoidance power that may be exercised in a U.S. bankruptcy, claims in respect of liens or obligations evidenced by the Subsidiary Guarantees may, in certain circumstances, be subordinated under the equitable subordination provisions of the U.S. Bankruptcy Code.

Preference Issues

Any future pledge of collateral in favor of the creditors might be avoidable by the pledgor (as debtor in possession) or by its trustee in bankruptcy if certain events or circumstances exist or occur, including, among others, if the pledgor is insolvent at the time of the pledge, the pledge permits the pledgee to receive a greater recovery than it would otherwise receive in a hypothetical Chapter 7 liquidation and a bankruptcy proceeding in respect of the pledgor is commenced within 90 days following the pledge, or, in certain circumstances, a longer period.

U.S. Recognition of Foreign Court Judgments

Judgments of foreign courts are not automatically enforceable in federal or state courts of the United States. With respect to foreign money judgments, recognition and enforceability will be governed by applicable state law. A majority of U.S. states have adopted a version of the Uniform Foreign Money Judgments Recognition Act (or a later revision thereof) (the "U.S. Uniform Act"). Although variations exist among states, the U.S. Uniform Act generally applies to any judgment granting or denying recovery of a sum of money rendered in a foreign jurisdiction (excluding judgments for taxes, fines, penalties and matrimonial support), so long as the judgment is final, conclusive and enforceable in the jurisdiction where rendered. Pursuant to the U.S. Uniform Act, any such foreign judgment rendered by a court having proper personal and subject matter jurisdiction would, subject to considerations of public policy, be recognized and enforced by a United States state court that has adopted the U.S. Uniform Act (or a federal court sitting in such a state) and that also has appropriate personal and subject matter jurisdiction without reexamination of the merits of the case pursuant to which such foreign judgment was obtained and in the same manner as the judgment of a sister state that is entitled to full faith and credit, in an appropriate proceeding in accordance with the procedures of such court, provided that (i) the judgment debtor had received proper and sufficient notice of the subject proceedings, (ii) the judgment was not obtained by fraud or by procedures that denied the judgment debtor a fair trial before an impartial tribunal or due process of law, (iii) the proceedings in the foreign court were not contrary to an agreement between the parties under which the dispute in question was to be settled otherwise than by proceedings in that court, (iv) the foreign court was not a seriously inconvenient forum for the trial of the action if jurisdiction over the judgment debtor was based only on personal service, and (v) the judgment did not conflict with another final and conclusive judgment. In addition to the foregoing, a number of states adopting the U.S. Uniform Act also require that the foreign court rendering the judgment reside in a jurisdiction that will reciprocally enforce judgments of United States courts. In states that have not adopted the U.S. Uniform Act, principles of comity will apply. The Uniform Act represents an attempt to codify general principles of comity, and should therefore be generally indicative of the types of principles that non-U.S. Uniform Law states would apply in determining whether to recognize a foreign judgment against the U.S. Providers.

CERTAIN LUXEMBOURG INSOLVENCY LAW CONSIDERATIONS WITH RESPECT TO THE ISSUER

The following is a summary description of certain insolvency law considerations in the jurisdiction in which the Issuer is organized. In the event that the Issuer or any other of the Company's subsidiaries experienced financial difficulties, it is not possible to know with certainty in which jurisdiction or jurisdictions insolvency or similar proceedings would be commenced or what the outcome of such proceedings would be.

Luxembourg insolvency laws may not be as favorable as insolvency laws in other jurisdictions

The insolvency laws of Luxembourg may not be as favorable to holders of Notes as insolvency laws of other jurisdictions with which investors may be familiar. The Issuer is incorporated and has its centre of main interests (*centre des intérêts principaux*), for the purposes of the Council Regulation (EC) No 1346/2000 of 29 May 2000 on insolvency proceedings, as amended (the "EU Insolvency Regulation"), in Luxembourg. Accordingly, insolvency proceedings affecting the Issuer would be governed by Luxembourg insolvency laws. The following is a brief description of the key features of Luxembourg insolvency proceedings and certain aspects of insolvency laws in Luxembourg.

Luxembourg insolvency proceedings

Under Luxembourg insolvency laws, the following types of proceedings (together referred to as "Insolvency Proceedings") may be opened against the Issuer to the extent that the Issuer has its registered office or its centre of main interests (*centre des intérêts principaux*) (for the purposes of the EU Insolvency Regulation) in Luxembourg:

- bankruptcy proceedings (*faillite*);
- controlled management proceedings (*gestion contrôlée*); and
- composition proceedings (*concordat préventif de la faillite*).

In addition to these proceedings, the ability of the holders of Notes to receive payment under the Notes may be affected by a decision of the Commercial District Court (*Tribunal d'arrondissement siégeant en matière commerciale*) granting suspension of payments (*sursis de paiements*) or putting the Issuer into judicial liquidation (*liquidation judiciaire*).

Bankruptcy (*faillite*)

General administration of bankruptcy proceedings

The opening of bankruptcy proceedings may be requested by the Issuer or by any of its creditors. Following such a request, the Commercial District Court having jurisdiction may open bankruptcy proceedings in the event that the Issuer (a) has ceased to make payments (*cessation de paiements*) and (b) has lost its commercial creditworthiness (*ébranlement de crédit*). If the Commercial District Court considers that these conditions are met, it may open bankruptcy proceedings on its own motion, absent a request made by the Issuer or a creditor.

If the Commercial District Court declares a company bankrupt, it will appoint one or more bankruptcy receivers (*curateur(s)*), depending on the complexity of the proceedings and a supervisory judge (*juge-commissaire*) to supervise the bankruptcy proceedings.

The period within which creditors must file their proof of claims (*déclaration de créance)* is specified in the judgment adjudicating the company bankrupt. Claims filed after such period may nevertheless be taken into account by the bankruptcy receiver subject to certain limitations as to distributable proceeds.

The bankruptcy receiver takes over the management and control of the company in place of the directors or the managers. The bankruptcy receiver will realize the company's assets and distribute the proceeds to the company's creditors in accordance with the statutory order of payment and, if there are any funds left, to the bankrupt company's shareholders. The bankruptcy receiver represents the company as well as the creditors collectively (*masse des créanciers*).

The bankruptcy receiver will need to obtain of the Commercial District Court permission for certain acts, such as agreeing to a settlement of claims or deciding to pursue the business of the company during the bankruptcy proceedings.

Bankruptcy is governed by public policy and rules, which generally delay the process and limit restructuring options of the group to which the bankrupt company belongs.

On closing of the bankruptcy proceedings, the bankrupt company will normally be dissolved.

Effects of a bankruptcy proceedings

The main effect of bankruptcy proceedings is the suspension of all measures of enforcement against the Issuer, except, subject to certain limited exceptions, for secured creditors, and the payment of creditors in accordance with their rank upon the realization of assets.

In principle, contracts of the bankrupt company are not automatically terminated on commencement of bankruptcy proceedings, save for contracts for which the identity or solvency of the company was crucial (*intuitu personae* agreements). However, certain contracts are terminated automatically by law, such as employment contracts, unless expressly confirmed by the receiver. Contractual provisions purporting to terminate a contract upon bankruptcy are generally held as being valid. The receiver may choose to terminate contracts of the company subject to the rule of "*exceptio non adimpleti contractus*" and the creditors' interest.

Unsecured claims will only rank after the cost of liquidation (including any debt incurred for the purpose of such liquidation) and those debts of the relevant entity that are entitled to priority under Luxembourg law. Preferential debts under Luxembourg law include, among others:

- certain amounts owed to the Luxembourg Revenue;
- value-added tax and other taxes and duties owed to the Luxembourg Customs and Excise;
- social security contributions; and
- remuneration owed to employees.

Assets over which a security interest has been granted will in principle not be available for distribution to unsecured creditors (except after enforcement and to the extent a surplus is realised). During insolvency proceedings, all enforcement measures by unsecured creditors are suspended.

Luxembourg insolvency laws may also affect transactions entered into or payments made by the Issuer during the pre-bankruptcy hardening period (*période suspecte*) which is a period of a maximum of six months preceding the judgment declaring bankruptcy, except that in certain specific situations the Commercial District Court may set the start of the suspect period at an earlier date. In particular:

- pursuant to article 445 of the Luxembourg code of commerce, some transactions (in particular, the granting of a security interest for antecedent debts); the payment of debts which have not fallen due, whether payment is made in cash or by way of assignment, sale, set-off or by any other means; the payment of debts which have fallen due by any means other than in cash or by bill of exchange (unless, arguably, that method of payment was agreed from inception); transactions without consideration or with substantially inadequate consideration entered into during the suspect period (or the ten days preceding it)) must be set aside, if so requested by the bankruptcy receiver;
- pursuant to article 446 of the Luxembourg code of commerce, payments made for matured debts as well as other transactions concluded for consideration during the suspect period are subject to setting aside by the Commercial District Court upon proceedings initiated by the bankruptcy receiver, if they were concluded with the knowledge of the bankrupt's cessation of payments; and
- pursuant to article 448 of the Luxembourg code of commerce and article 1167 of the Luxembourg civil code (*action paulienne*), the bankruptcy receiver (acting on behalf of the creditors) has the right to challenge any fraudulent payments and transactions, including the granting of security with an intent to defraud, made prior to the bankruptcy, without any time limit.

Controlled management proceedings (*gestion contrôlée*)

General administration of controlled management proceedings

A company, which has lost its commercial creditworthiness (*ébranlement de crédit*) or which is not in a position to completely fulfil its obligations, can apply for the regime of controlled management in

order either (i) to restructure its business or (ii) to realize its assets in good conditions. An application for controlled management can only be made by the company.

The loss of commercial creditworthiness (*ébranlement de crédit*) is identical to the credit test applied in bankruptcy proceedings. As to the second criteria (that is, the case where a company is not in a position to completely fulfil its obligations), a broad view of the total situation of the company is taken. Controlled management proceedings is only available for good-faith debtor.

Controlled management proceedings are rarely used as they are not often successful and generally lead to bankruptcy proceedings. They are occasionally applied to companies, in particular holding or finance companies, which are part of an international group and whose inability to meet obligations results from a default of group companies.

The proceedings are divided into three steps:

1. The company must file an application with the Commercial District Court. The Commercial District Court can reject the application because (i) the company has already been declared bankrupt or (ii) the evidence brought forward by the company does not ensure the stabilization and the normal exercise of the company's business or improve the realization of the company's assets in better conditions. If the application is upheld at this stage, the Commercial District Court will appoint an investigating judge (*juge délégué*) to make a report on the overall situation of the company.

2. Once the investigating judge has delivered a report, the Commercial District Court may (i) turn down the application on the ground that the proposals made by the applicant are unlikely to lead to the reorganization of the business or the realization of the assets in better conditions or (ii) appoint one or more administrators (*commissaires)* who will supervise the management of the assets of the company. If the Commercial District Court ascertains that the company is unable to pay its creditors (i.e. the company has ceased its paiements (*cessation de paiements*)), it may set the date as from which the company will be deemed to have been in such situation. Such date may be set up to six months prior to the filing of application for controlled management proceedings. However, bankruptcy may only be declared if the two conditions for bankruptcy are met (cessation of payment (*cessation de paiements*) and loss of commercial creditworthiness (*ébranlement de crédit*)), and if the application has been dismissed either before or after consideration of the report by the investigating judge or after the reorganization plan proposed by the administrators (*commissaires)* at the third step described below. The administrators will draw up the inventory of the assets as well as the financial situation of the company. They are also in charge of the annual accounts of the company. The administrators may also prescribe any act they consider to be in the interests of the applicant or its creditors. The administrators have to be convened to any meeting of the board of directors or of managers. They may attend all board meetings but have no voting rights. They have the right to convene such board meetings.

3. The administrators will draft a reorganization plan in respect of the applicant's business or a plan for realization of the assets, within the deadlines set forth by the Commercial District Court. The plan shall equitably take into account all interests involved and will comply with the ranking of mortgages (*hypothèques*) and privileges (*privilèges*) as required by law, without taking into account any contractual clause regarding termination, penalties or acceleration. The administrators will notify the draft plan to the creditors, joint debtors and guarantors. Within fifteen days of such notification or publication, the creditors will inform the Commercial District Court whether they agree or object to the draft plan. Any creditor who abstains will be considered as having adhered to the plan. The creditors, the company, the joint debtors and the guarantors may submit written observations to the Commercial District Court. The Commercial District Court may (i) approve the plan if a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities have agreed thereto or (ii) disagree with the plan proposed by the administrators even though a majority of the creditors representing, via their claims which have not been challenged by the administrators, at least half of the company's liabilities have agreed to such plan, in which case the application for controlled management will be dismissed or (iii) ask the administrators to propose an amended plan (such amended plan will have to be submitted again to the creditors). The judgment approving the plan will be binding

upon the company and its creditors, joint debtors and guarantors. The fees of the administrators will be fixed by the Commercial District Court and will be borne by the company. The administrators who at the same time are creditors of the applicant are not entitled to any fees.

Effects of a controlled management proceedings

As from the day of the appointment of the investigating judge and up to the final decision on the application for controlled management, any subsequent enforcement proceedings or acts, even if initiated by privileged creditors (including creditors who have the benefit of pledges (*gages*) and mortgages (*hypothèques*)) are stayed. The company may not enter into any act of disposition, mortgage, contract or accept any movable asset without the authorization of the investigating judge.

Once the administrators have been appointed, the company may not carry out any act (including receiving funds, lending money, granting any security, or making any payment) without the prior authorization of the administrators. The administrators may bring any action before the Commercial District Court in order to have any act made in violation of the legislation governing the controlled management or in fraud of the creditors' rights be set aside. Subject to the prior authorization of the Commercial District Court, they may bring an action (i) to have the directors, managers or the statutory auditor be held liable or (ii) if the Commercial District Court has declared the company to be in cessation of payments, to have certain payments, compensations or security interests be set aside (under certain conditions set forth in Articles 445 *et seq*. of the Luxembourg code of commerce).

Preventive composition proceedings *(concordat préventif de la faillite)*

General administration of preventive composition proceedings

A company may enter into a preventive composition proceedings (*concordat préventif de la faillite*) in order to resolve its financial difficulties by entering into an agreement with its creditors, the purpose of which is to avoid bankruptcy.

Preventive composition proceedings may only be applied for by a company which is in financial difficulty. Similar to controlled management proceedings, the preventive composition proceedings are not available if the company has already been declared bankrupt by the Commercial District Court or if the company is acting in bad faith. The application for the composition proceedings can only be made by the company and must be supported by proposals of composition.

The Commercial District Court will delegate to a delegated judge (*juge délégué*) the duty to verify, and to prepare a report on, the situation of the company. Based on such report, the Commercial District Court will decide whether or not to pursue the preventive composition proceedings. If the Commercial District Court considers that the procedure should not be pursued, it will in the same judgment declare the bankruptcy of the company (which bankruptcy may also be declared during the composition proceedings if the conditions for the composition proceedings are not met). If the Commercial District Court considers that the procedure may be pursued, it will set the place, date and hour of a meeting (*assemblée concordataire*) at which the creditors will be convened. The delegated judge will make its report at the *assemblée concordataire*.

The composition may only be adopted if a majority of the creditors representing, by their unchallenged claims, three-quarters of the company's debt, has adhered to the proposal and if the composition has been homologated by the Commercial District Court. Creditors benefiting from mortgages (*hypothèques*), privileges (*privilèges*) or pledges (*gages*) only have a deliberating voice in the operations of the concordat, if they renounce the benefit of their mortgages, privileges or pledges. The vote in favor of the concordat entails renunciation. The renunciation may be limited by the secured creditors to only a portion (but representing at least 50% in value) of their claims with corresponding voting rights.

The composition has no effect on the claims secured by a mortgage, a privilege or a pledge and on claims by the tax authorities. If the application results in a composition arrangement sanctioned by the Commercial District Court, the composition could still either be annulled (if it has not been executed) or terminated (in case of fraud or bad faith of the company). In such scenarios, the Commercial District Court may adjudicate bankrupt the company. The bankruptcy judgment can decide to set the date of cessation of payment to the date of the application for the preventive composition proceedings.

If that date is less than six months prior to the bankruptcy judgment, the court can of course set the cessation of payment date at six months prior to its judgment.

Preventive composition proceedings are rarely used in practice since they are not binding upon secured creditors.

Effects of a composition proceedings

The company's business activities continue during the preventive composition proceedings. While the composition is being negotiated, the company may not dispose of, or grant any security over, any assets without the approval of the delegated judge. Once the composition has been agreed by the Commercial District Court, this restriction is lifted. However, the company's business activities will still be supervised by the delegated judge.

While the composition is being negotiated, unsecured creditors may not take action against the company to recover their claims. Secured creditors who do not participate in the composition proceedings may take action against the company to recover their claims and to enforce their security. Fraudulent transactions which took place before the date on which the Commercial District Court commenced preventive composition proceedings may be set aside (please see "Effects of a bankruptcy proceedings" section above).

Suspension of payments proceedings (*sursis de paiements*)

General administration of a suspension of payments proceedings

A suspension of payments (*sursis de paiements*) for commercial companies is different from the *sursis de paiement* proceedings available to banks and insurance companies. It can only be applied to a company which, as a result of extraordinary and unforeseeable events, has to temporarily cease its payments but which has on the basis of its balance sheet sufficient assets to pay all amounts due to its creditors. The suspension of payments may also be granted if the situation of the applicant, even though showing a loss, presents serious elements of reestablishment of the balance between its assets and its debts.

The purpose of the suspension of payments proceedings is to allow a business undertaking experiencing financial difficulties to suspend its payments for a limited time after a complex proceeding involving both the Commercial District Court and the *Cour supérieure* de justice and the approval by a majority of the creditors representing, by their claims, three-quarters of the company's debts (excluding claims secured by privilege (*privilège*), mortgage (*hypothèque*) or pledge (*gage*)).

The suspension of payments is, however, not for general application, which is one of the main reasons it has lost its attractiveness. It only applies to those liabilities which have been assumed by the debtor prior to obtaining the suspension of payment and has no effect as far as taxes and other public charges or secured claims (by right of privilege, a mortgage or a pledge) are concerned.

Effects of suspension of payments proceedings

During the suspension of payments, ordinary creditors cannot open enforcement proceedings against the debtor or the debtor's assets. This stay on enforcement does not extend to preferred creditors, or to creditors which are secured by mortgages (*hypothèques*) or pledges (*gages*). The debtor continues to manage its own business under the supervision of a court-appointed administrator who must approve most of the transactions carried out by the debtor.

When a suspension of payments ends, the stay on enforcement is terminated and the debtor's directors can run the business again.

Judicial liquidation

Judicial liquidation proceedings may be opened at the request of the public prosecutor against companies pursuing an activity violating criminal laws or that are in serious violation of the Luxembourg commercial code or of the Luxembourg law dated August 10, 1915 on commercial companies, as amended (the "Companies Act 1915").

The management of such judicial liquidation proceedings will generally follow similar rules as those applicable to bankruptcy proceedings.

BOOK-ENTRY, DELIVERY AND FORM

General

Notes sold to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Rule 144A Global Note"). Notes sold outside the United States in reliance on Regulation S under the U.S. Securities Act will initially be represented by a global note in registered form without interest coupons attached (the "Regulation S Global Note" and, together with the Rule 144A Global Note, the "Global Notes"). The Global Notes will be deposited, on the closing date, with a common depositary and registered in the name of the nominee of the common depositary for the account of Euroclear and Clearstream.

Ownership of interests in the Rule 144A Global Note (the "Rule 144A Book-Entry Interests") and ownership of interests in the Regulation S Global Note (the "Regulation S Book-Entry Interests" and, together with the Rule 144A Book-Entry Interests, the "Book-Entry Interests") will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that hold interests through such participants. Euroclear and Clearstream will hold interests in the Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories. Except under the limited circumstances described below, Book Entry Interests will not be issued in definitive form.

Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of those securities in definitive form. The foregoing limitations may impair your ability to own, transfer or pledge Book-Entry Interests. In addition, while the Notes are in global form, holders of Book-Entry Interests will not be considered the owners or "holders" of Notes for any purpose.

So long as the Notes are held in global form, Euroclear and/or Clearstream (or their respective nominees), as applicable, will be considered the sole holders of the Global Notes for all purposes under the Indenture. In addition, participants must rely on the procedures of Euroclear and Clearstream, and indirect participants must rely on the procedures of Euroclear and Clearstream and the participants through which they own Book-Entry Interests, to transfer their interests or to exercise any rights of holders of Notes under the Indenture.

Neither we nor the Trustee will have any responsibility, or be liable, for any aspect of the records relating to the Book-Entry Interests.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised us that they will take any action permitted to be taken by a holder of Notes (including the presentation of Notes for exchange as described above) only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Notes are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents or waivers or the taking of any other action in respect of the Global Notes. However, if there is an Event of Default under the Notes, Euroclear and Clearstream, at the request of the holders of the Notes, reserve the right to exchange the Global Notes for definitive registered Notes in certificated form (the "Definitive Registered Notes"), and to distribute such Definitive Registered Notes to their participants.

Definitive Registered Notes

Under the terms of the Indenture, owners of the Book-Entry Interests will receive Definitive Registered Notes:

(1) if Euroclear or Clearstream notifies us that it is unwilling or unable to continue to act as depositary and a successor depositary is not appointed by the Issuer within 120 days;

(2) if the owner of a Book Entry Interest requests such exchange in writing delivered through Euroclear or Clearstream following an Event of Default under the Indenture.

Euroclear and Clearstream have advised us that upon request by an owner of a Book-Entry Interest described in the immediately preceding clause (2), their current procedure is to request that we issue or cause to be issued Notes in definitive registered form to all owners of Book-Entry Interests and not only to the owner who made the initial request.

In such an event, the Registrar will issue Definitive Registered Notes, registered in the name or names and issued in any approved denominations, requested by or on behalf of Euroclear, Clearstream or us, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book-Entry Interests), and such Definitive Registered Notes will bear the restrictive legend as provided in the relevant Indenture, unless that legend is not required by the Indenture or applicable law.

To the extent permitted by law, we, the Trustee, the relevant Paying Agent and the Registrar shall be entitled to treat the registered holder of any Global Note as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Notes will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Notes.

We will not impose any fees or other charges in respect of the Notes; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and Clearstream.

Redemption of the Global Notes

In the event that any Global Note (or any portion thereof) is redeemed, Euroclear and/or Clearstream, as applicable, will redeem an equal amount of the Book-Entry Interests in such Global Note from the amount received by them in respect of the redemption of such Global Note. The redemption price payable in connection with the redemption of such Book-Entry Interests will be equal to the amount received by Euroclear and Clearstream, as applicable, in connection with the redemption of such Global Note (or any portion thereof). We understand that, under the existing practices of Euroclear and Clearstream, if fewer than all of the Notes are to be redeemed at any time, Euroclear and Clearstream will credit their participants' accounts on a proportionate basis (with adjustments to prevent fractions), by lot or on such other basis as they deem fair and appropriate, provided, however, that no Book-Entry Interest of less than €100,000 principal amount may be redeemed in part.

Payments on Global Notes

We will make payments of any amounts owing in respect of the Global Notes (including principal, premium, if any, interest and additional amounts, if any) to the Principal Paying Agent; the Paying Agent will, in turn, make said payments to the common depositary or its nominee for Euroclear and Clearstream. Euroclear and Clearstream will distribute such payments to participants in accordance with their respective customary procedures. We will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under "Description of the Notes—Additional Amounts." If any such deduction or withholding is required to be made, then, to the extent described under "Description of the Notes—Additional Amounts" above, we will pay additional amounts as may be necessary in order for the net amounts received by any holder of the Global Notes or owner of Book-Entry Interests after such deduction or withholding will equal the net amounts that such holder or owner would have otherwise received in respect of such Global Note or Book-Entry Interest, as the case may be, absent such withholding or deduction. We expect that standing customer instructions and customary practices will govern payments by participants to owners of Book-Entry Interests held through such participants.

Under the terms of the Indenture, we, the Trustee and the Paying Agents will treat the registered holders of the Global Notes (e.g., Euroclear or Clearstream (or their respective nominee)) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of us, the Trustee and the Paying Agents or any of its agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest or for maintaining,

supervising or reviewing the records of Euroclear or Clearstream or any participant or indirect participant relating to, or payments made on account of, a Book-Entry Interest; or

- Euroclear, Clearstream or any participant or indirect participant.

Currency of Payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests to such Notes through Euroclear or Clearstream in euro.

Transfers

Transfers between participants in Euroclear or Clearstream will be effected in accordance with Euroclear and Clearstream's rules and will be settled in immediately available funds. If a holder of Notes requires physical delivery of Definitive Registered Notes for any reason, including to sell Notes to persons in states which require physical delivery of such securities or to pledge such securities, such holder of Notes must transfer its interests in the Global Notes in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the procedures set forth in the Indenture governing the Notes.

The Rule 144A Global Note will bear a legend to the effect set forth under "Transfer Restrictions." Book-Entry Interests in the Global Notes will be subject to the restrictions on transfers and certification requirements discussed under "Transfer Restrictions." Transfers of Rule 144A Book-Entry Interests to persons wishing to take delivery of Rule 144A Book-Entry Interests will at all times be subject to such transfer restrictions.

Rule 144A Book-Entry Interests may be transferred to a person who takes delivery in the form of a Regulation S Book-Entry Interest only upon delivery by the transferor of a written certification (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Regulation S or Rule 144 under the U.S. Securities Act or any other exemption (if available under the U.S. Securities Act).

In connection with transfers involving an exchange of a Regulation S Book-Entry Interest for a Rule 144A Book-Entry Interest, appropriate adjustments will be made to reflect a decrease in the principal amount of the Regulation S Global Note and a corresponding increase in the principal amount of the Rule 144A Global Note.

Definitive Registered Notes may be transferred and exchanged for Book-Entry Interests in a Global Note only as described under "Description of the Notes—Transfer and Exchange" and, if required, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See "Transfer Restrictions."

Any Book-Entry Interest in one of the Global Notes that is transferred to a person who takes delivery in the form of a Book-Entry Interest in any other Global Note will, upon transfer, cease to be a Book-Entry Interest in the first mentioned Global Note and become a Book-Entry Interest in such other Global Note, and accordingly will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to Book-Entry Interests in such other Global Note for as long as it remains such a Book-Entry Interest.

Information Concerning Euroclear and Clearstream

All Book-Entry Interests will be subject to the operations and procedures of Euroclear and Clearstream, as applicable. We provide the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of the settlement system are controlled by the settlement system and may be changed at any time. Neither we nor the initial purchasers are responsible for those operations or procedures.

We understand as follows with respect to Euroclear and Clearstream: Euroclear and Clearstream hold securities for participating organizations. They facilitate the clearance and settlement of securities transactions between their participants through electronic book-entry changes in the accounts of such participants. Euroclear and Clearstream provide various services to their participants, including the safekeeping, administration, clearance, settlement, lending and borrowing of internationally traded

securities. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear and Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear and Clearstream participant, either directly or indirectly.

Because Euroclear and Clearstream can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Euroclear and/or Clearstream system, or otherwise take actions in respect of such interest, may be limited by the lack of a definitive certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such persons may be limited. In addition, owners of beneficial interests through the Euroclear or Clearstream systems will receive distributions attributable to the Rule 144A Global Notes only through Euroclear or Clearstream participants.

Global Clearance and Settlement Under the Book-Entry System

The Notes represented by the Global Notes are expected to be listed on the LxSE and admitted for trading on the Euro MTF Market. Transfers of interests in the Global Notes between participants in Euroclear or Clearstream will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Euroclear and Clearstream currently follow the foregoing procedures in order to facilitate transfers of interests in the Global Notes among participants in Euroclear or Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of us, any Guarantor, the Trustee or the relevant Paying Agent will have any responsibility for the performance by Euroclear, Clearstream or their participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Notes will be made in euro. Book-Entry Interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value of the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Euroclear and Clearstream and will settle in same day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where both the purchaser's and the seller's accounts are located to ensure that settlement can be made on the desired value date.

TAXATION

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "EC Council Directive"), EU member states are required to provide to the tax authorities of another EU member state details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU member state or to certain limited types of entities established in that other EU member state. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). The EC Council Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorizes an exchange of information and/or where the beneficial owner presents a certificate, as described in the EC Council Directive, from the tax authority of the EU member state in which the beneficial owner is resident. A number of non-EU countries and territories have adopted similar measures. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favor of automatic information exchange under the EC Council Directive.

The European Commission has proposed certain amendments to the EC Council Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Taxation in the Grand Duchy of Luxembourg

The following information is of a general nature only and based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. This summary does not take into account the specific circumstances of particular investors. Prospective investors should consult their own professional advisors as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used in sub-headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax and the solidarity surcharge invariably apply to most corporate taxpayer's resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Taxation of the Holders of Notes

Withholding Tax

Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of June 21, 2005, as amended (the "Laws") mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of June 3, 2003 (the "EC Council Directive") on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, which is resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has

adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws will be subject to withholding tax at a rate of 35%. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from January 1, 2015, in favor of automatic information exchange under the EC Council Directive.

Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of December 23, 2005, as amended (the "Law") mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is resident in Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10%.

Income Taxation

Non-Resident Holders of Notes

Non-resident holders of Notes, not having a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which/whom the Notes or income therefrom are attributable, are not subject to Luxembourg income taxes on income accrued or received, redemption premiums or issue discount, under the Notes nor on capital gains realized on the disposal or redemption of the Notes. Non-residents, corporate holders of Notes or individual holders of Notes acting in the cause of the management of a professional or business undertaking, who have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg to which the Notes or income therefrom are attributable are subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realized upon the sale or disposal, in any form whatsoever, of the Notes.

Resident Holders of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal, in any form whatsoever, of the Notes, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of Notes acting in the course of the management of a professional or business undertaking. If applicable, the tax levied in accordance with the Law will be credited against the final tax liability of an individual holder of Notes.

A holder of Notes that is governed by the law of May 11, 2007 on family estate management companies, as amended or by the law of December 20, 2002 on undertakings for collective investment, as amended, or by the law of February 13, 2007 on specialized investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realized on the sale or disposal, in any form whatsoever, of the Notes.

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual holder of the Notes has opted for the application of a 10% tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member

State), or in a state that has entered into a treaty with Luxembourg relating to the Council Directive 2003/48/EC of June 3, 2003. A gain realized by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Law.

Net Wealth Taxation

An individual holder of Notes, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

A resident corporate holder of Notes or non-resident corporate holder of Notes that maintains a permanent establishment, permanent representative or a fixed place of business in Luxembourg to which/whom such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if such holder is governed by the law of May 11, 2007 on family estate management companies, as amended, or by the law of December 17, 2010 on undertakings for collective investment, as amended, or by the law of February 13, 2007 on specialized investment funds, as amended, or is a securitization company governed by the law of March 22, 2004 on securitization, as amended, or is a capital company governed by the law of June 15, 2004 on venture capital vehicles, as amended.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

However, a fixed or *ad valorem* registration duty may be due upon the registration of the Notes in Luxembourg in the case of legal proceedings before Luxembourg courts or in case the Notes must be produced before an official Luxembourg authority, or in case of a registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed or registered in Luxembourg.

U.S. Taxation

TO ENSURE COMPLIANCE WITH CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following is a summary of certain U.S. federal income tax considerations relevant to U.S. Holders (as defined below) acquiring, holding and disposing of Notes. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code"), final, temporary and proposed U.S. Treasury regulations, administrative and judicial interpretations, all of which are subject to change, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation that may be relevant to investors in light of their particular circumstances, such as investors subject to special tax rules (including, without limitation: (i) financial institutions; (ii) insurance companies; (iii) dealers or traders in stocks, securities or currencies or notional principal contracts; (iv) regulated investment companies; (v) real estate investment trusts; (vi) tax-exempt organizations; (vii) partnerships, pass-through entities, or persons that hold Notes through pass-through entities; (viii) investors that hold Notes as part of a straddle, hedge, conversion, constructive sale or other integrated transaction for U.S. federal income tax purposes; (ix) U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar; (x) U.S. expatriates and former long-term residents of the United States and

(xi) holders that directly, indirectly or constructively own 10% or more of the total combined voting power of all classes of voting stock of the Issuer or the Company), all of whom may be subject to tax rules that differ significantly from those summarized below. This summary does not address U.S. federal estate, gift or alternative minimum tax considerations, the Medicare tax on certain investment income or non-U.S., state or local tax considerations and does not address the U.S. federal income tax treatment of holders that do not acquire the Notes as part of the initial distribution at their issue price (generally, the first price to the public at which a substantial amount of Notes is sold for money). This summary assumes that investors will hold their Notes as capital assets (generally, property held for investment). The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that acquires, holds or disposes of the Notes will depend on the status of the partner and the activities of the partnership. Partnerships, and partners in such partnerships, should consult their own tax advisors concerning the U.S. federal income tax consequences of the acquisition, ownership and disposition of the Notes.

For the purposes of this summary, a "U.S. Holder" is a beneficial owner of Notes that is for U.S. federal income tax purposes (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other business entity treated as a corporation for U.S. federal income tax purposes) that is created in, or organized under the laws of, the United States or any state thereof, and the District of Columbia, (iii) an estate the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source or (iv) a trust the administration of which is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or if it has properly elected under applicable U.S. Treasury regulations to be treated as a U.S. person. A "Non-U.S. Holder" is a beneficial owner of Notes that is not a U.S. Holder.

U.S. Holders

Payments of Interest

Except as described below with respect to original issue discount, payments of stated interest on a Note (including payments of any additional amounts and any taxes withheld on such payments) will be taxable to a U.S. Holder as ordinary income at the time received or accrued, in accordance with the holder's method of accounting for U.S. federal income tax purposes. In the case of the Notes, the amount of income recognized by a cash basis U.S. Holder will be the U.S. dollar value of the euro interest payment, including any additional amount, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars. An accrual basis U.S. Holder (or a cash basis U.S. Holder receiving interest, such as original issue discount (as discussed below), that must be accrued prior to receipt) may determine the amount of income recognized with respect to an interest payment denominated in euro in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, with respect to an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the U.S. Holder's taxable year). Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the U.S. Holder's taxable year. Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period or taxable year, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the Internal Revenue Service (the "IRS").

Upon receipt of the interest payment (including a payment attributable to accrued but unpaid interest upon the sale or other disposition of a Note) denominated in euro, an accrual basis U.S. Holder will recognize U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference, if any, between the amount received (translated into U.S. dollars at the exchange rate on the date of receipt) and the U.S. dollar value of the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Should any non-U.S. tax be withheld, the amount withheld and the gross amount of any additional amounts paid to a U.S. Holder will be included in such holder's income at the time such amount is received or accrued in accordance with such holder's method of tax accounting.

For the purposes of the U.S. foreign tax credit rules, interest (including additional amounts) paid by the Issuer on the Notes and original issue discount (as discussed below) accrued with respect to the Notes should generally constitute income from sources outside the United States. Non-U.S. withholding tax, if any, imposed on a U.S. Holder would, subject to limitations and conditions and at the election of such holder, be treated as foreign income tax eligible for credit against such holder's U.S. federal income tax liability or a deduction in computing taxable income, to the extent such tax is not otherwise refundable.

In certain circumstances, the Issuer has the option to redeem all or a portion of the Notes on certain dates or events (see "Description of the Notes—Optional Redemption" and "'Description of the Notes—Redemption for Changes in Taxes"). In addition, upon the occurrence of certain change in control events, a holder may be entitled to require the Issuer to repurchase the Notes at a premium (see "Description of the Notes—Repurchase at the Option of the Holders—Change of Control"). We believe that none of the contingencies applicable to the Notes should cause the Notes to be treated as "contingent payment debt instruments" for U.S. federal income tax purposes, and this disclosure assumes that this is correct.

Original Issue Discount

If the issue price of a Note is less than its principal amount by more than a *de minimis* amount, U.S. Holders will be subject to special U.S. federal income tax rules with respect to this original issue discount ("OID"). OID will be considered to be *de minimis* if it is less than 0.25% of the principal amount multiplied by the number of complete years to maturity. Generally, the "issue price" of a Note will be the first price at which a substantial amount of such Notes is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. The "stated redemption price at maturity" of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest." A "qualified stated interest" payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods) applied to the outstanding principal amount of the Note.

U.S. Holders of Notes must include OID in income calculated on a constant yield method before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Notes. The amount of OID includible in income by a U.S. Holder is the sum of the daily portions of OID with respect to the Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Note. The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Note's adjusted issue price at the beginning of the accrual period and the Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The adjusted issue price of a Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

OID on a Note will be determined for any accrual period in euro and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder. In such event, upon receipt of euro attributable to OID (whether in connection with a payment of interest or the sale or disposition of such Note), a U.S. Holder of such Note would recognize foreign currency exchange gain or loss in an amount determined in the same manner as interest income received by a U.S. Holder on the accrual basis, as described above.

Sale, Exchange and Redemption of Notes

Generally, upon the sale, exchange or redemption of a Note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, or redemption (less any amount attributable to accrued but unpaid interest not previously included in income, which will be taxable as such) and such U.S. Holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note will generally equal the cost of such Note to such U.S. Holder increased by the amount of OID, if any, previously included in the U.S. Holder's income with respect to the Note and reduced by the amount of any payments made with respect to the Note that are not qualified stated interest payments. A U.S. Holder's tax basis in a Note will be determined by reference to the U.S. dollar cost of the Notes. The U.S. dollar cost of a Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or, in the case of Notes traded on an established securities market (as defined in the applicable U.S. Treasury regulations) that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the purchase. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

Except to the extent attributable to accrued but unpaid interest, such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or redemption the Note has been held by such U.S. Holder for more than one year, and will generally be treated as from U.S. sources for purposes of the U.S. foreign tax credit limitation. The amount realized on a sale or other disposition of the Note for an amount in foreign currency will be the U.S. dollar value of the foreign currency on the date of sale or other disposition or, in the case of Notes traded on an established securities market, as defined in the applicable U.S. Treasury regulations, disposed of by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), on the settlement date for the disposition. Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. In the case of a U.S. Holder that is an individual, estate or trust, the maximum federal income tax rate applicable to capital gains is currently lower than the maximum marginal rate applicable to ordinary income if the Notes are held for more than one year. The deductibility of capital losses is subject to significant limitations.

Gain or loss recognized by a U.S. Holder on the sale or other disposition of a Note that is attributable to changes in exchange rates will be treated as U.S. source ordinary income or loss. However, exchange gain or loss is taken into account only to the extent of total gain or loss realized on the transaction.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or other disposition of a Note will have a tax basis equal to its U.S. dollar value at the time the interest is received or at the time of the sale or other disposition. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognized on a sale or other disposition of a foreign currency (including its use to purchase Notes or an exchange for U.S. dollars) will be U.S. source ordinary income or loss.

Information Reporting and Backup Withholding

In general, payments of principal, interest and accrued OID on, and the proceeds of a sale, redemption or other disposition of, the Notes, payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable U.S. Treasury regulations. Backup withholding will apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or otherwise to comply with the applicable backup withholding requirements. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting and backup withholding. A U.S. Holder can claim a credit against its U.S. federal income tax liability, or a refund, for amounts withheld under the backup withholding rules by timely filing appropriate U.S. tax returns.

A U.S. Holder must report a sale or other taxable disposition of a Note to the IRS if it recognizes a foreign currency exchange loss from a single transaction of at least U.S.$50,000 (in the case of an individual or trust) in a single taxable year, or in other cases, at various higher thresholds. U.S. Holders that recognize foreign currency exchange losses on the Notes are urged to consult their tax advisors.

Certain individuals that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) are generally required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following (but only if they are not held in accounts maintained by financial institutions): (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts held for investment that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISORS ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NOTES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

CERTAIN ERISA CONSIDERATIONS

General

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain requirements on employee benefit plans (as defined in Section 3(3) of ERISA) subject to Title I of ERISA and on entities that are deemed to hold the assets of such plans (collectively, "ERISA Plans"), and on those persons who are fiduciaries with respect to ERISA Plans. Investments by ERISA Plans are subject to ERISA's general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that an ERISA Plan's investments be made in accordance with the documents governing such ERISA Plan.

Section 406 of ERISA and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), prohibit certain transactions involving the assets of an ERISA Plan (as well as those plans that are not subject to ERISA but which are subject to Section 4975 of the Code, such as individual retirement accounts (together with ERISA Plans, "Plans")) and certain persons (referred to as "parties in interest" (as defined in Section 3(14) of ERISA) or "disqualified persons" (as defined in Section 4975(e)(2) of the Code)) having certain relationships to such Plans, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a prohibited transaction may be subject to excise taxes and other penalties and/or liabilities under ERISA and the Code.

Any Plan fiduciary which proposes to cause such Plan to purchase or hold the Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such purchase or holding, and to confirm that such purchase or holding will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA or the Code.

Non-U.S. plans (as described in Section 4(b)(4) of ERISA), "governmental plans" (as defined in Section 3(32) of ERISA) and certain "church plans" (as defined in Section 3(33) of ERISA, that have not made elections under Section 410(d) of the Code), while generally not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of ERISA and Section 4975 of the Code, may nevertheless be subject to non-U.S., state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA or the Code ("Similar Laws"). Fiduciaries of any such plans should consult with their counsel with respect to the purchase or holding of the Notes to determine the need for, and the availability, if necessary, of any exemptive relief under any Similar Laws.

Prohibited Transaction Class Exemptions

The fiduciary of a Plan that proposes to purchase or hold any of the Notes should consider, among other things, whether such purchase or holding may involve (i) the direct or indirect extension of credit to a party in interest or a disqualified person, (ii) the sale or exchange of any property between a Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of any Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the Guarantors, initial purchasers, the Trustee or any of their respective affiliates. Depending on the satisfaction of certain conditions which may include the identity of the Plan fiduciary making the decision to acquire or hold the Notes on behalf of such Plan, Section 408(b)(17) of ERISA, Section 4975(d)(20) of the Code or U.S. Department of Labor Prohibited Transaction Class Exemption ("PTCE") 84-14 (relating to transactions effected by a qualified professional asset manager), PTCE 90-1 (relating to investments by insurance company pooled separate accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 95-60 (relating to investments by insurance company general accounts) or PTCE 96-23 (relating to transactions directed by an in-house asset manager) (collectively the "Class Exemptions") could provide an exemption from the prohibited transaction provisions of ERISA and Section 4975 of the Code. However, there can be no assurance that any of these Class Exemptions or any other exemption will be available with respect to any particular transaction involving the Notes.

Plan Asset Regulation

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Asset Regulation"), describing what constitutes the

assets of a Plan with respect to the Plan's investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility provisions of Title I of ERISA, and Section 4975 of the Code. Under the Plan Asset Regulation, if a Plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the United States Investment Company Act of 1940, the Plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under the Plan Asset Regulation, a security which is in the form of debt may be considered an equity interest if it has substantial equity features. If the Issuer was deemed under the Plan Asset Regulation to hold plan assets by reason of a Plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility provisions of Title I of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code. The Plan Asset Regulation provides, however, that if equity participation in any entity by "Benefit Plan Investors" is not significant, then the "look-through" rule will not apply to such entity. The term "Benefit Plan Investors" is defined in the Plan Asset Regulation to include (1) any employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA, (2) any plan described in Section 4975(e)(1) of the Code, and (3) any entity whose underlying assets include "plan assets" by reason of any such employee benefit plan or plan's investment in the entity. Equity participation by Benefit Plan Investors in any entity is significant if, immediately after the most recent acquisition of any equity interest in the entity, 25% or more of the value of any class of equity interests in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, exercising control over the assets of the entity or providing investment advice to the entity for a fee or any affiliates of such persons) is held by Benefit Plan Investors. If, as a result of any investment, 25% or more of the value of any class of equity interests in the Issuer is being held by Benefit Plan Investors, the applicable Notes may be redeemed by the Issuer.

Representations

By its purchase or acquisition of the Notes, each purchaser and transferee thereof will be deemed to have represented and warranted that:

(i) either (A) it is not a Plan, is not acting on behalf of a Plan and no assets of a Plan or non-U.S., governmental or church plan have been used to acquire such Notes or an interest therein, or (B) the acquisition, holding and disposition of such Notes or an interest therein by such person do not and will not constitute a non-exempt prohibited transaction under ERISA or the Code or a violation of Similar Laws, and

(ii) it shall not sell or otherwise transfer such Notes, unless the subsequent transferee has made the representation and warranty in (i) above.

The preceding summary regarding certain aspects of ERISA and the Code is based on ERISA and the Code, judicial decisions and U.S. Department of Labor and IRS regulations and rulings that are in existence on the date of this Offering Memorandum. This summary is general in nature and does not address every issue pertaining to ERISA, the Code or Similar Laws that may be applicable to us, the Notes or a particular investor. Accordingly, each prospective investor in the Notes, including Plan fiduciaries (and fiduciaries for non-U.S., governmental or church plans subject to Similar Laws), should consult with its legal advisor concerning the potentially adverse consequences of such investment under ERISA, the Code or Similar Laws and the possible effects of changes in the applicable laws.

PLAN OF DISTRIBUTION

The Issuer, Guarantors and the initial purchasers have entered into a purchase agreement dated as of the date of this Offering Memorandum ("Purchase Agreement"), under the terms and conditions of which the Issuer has agreed to sell the Notes to the initial purchasers, and, subject to certain conditions contained therein, the initial purchasers have, severally and not jointly, agreed to purchase the principal amount of the Notes. The initial purchasers are: Citigroup Global Markets Limited, HSBC Bank plc, Barclays Bank PLC, Société Générale Corporate & Investment Banking, Alpha Bank A.E., BNP Paribas, London Branch, Eurobank Ergasias s.a., Piraeus Bank S.A., Nomura International plc and Joh. Berenberg, Grossler & Co. KG.

The Purchase Agreement provides that the obligation of the initial purchasers to purchase the Notes is subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all the Notes if any of the Notes are purchased.

The Issuer and the Guarantors, severally and jointly, have agreed to indemnify the initial purchasers and their controlling persons against certain liabilities, including liabilities under the U.S. Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

The Issuer has been advised that the initial purchasers propose to resell the Notes at the offering price set forth on the cover page of this Offering Memorandum within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See "Transfer Restrictions." The price at which the Notes are offered may be changed at any time without notice. The initial purchasers may make offers and sales into the United States through their U.S. registered broker dealer affiliates.

Delivery of the Notes will be made against payment therefore on or about August 8, 2013 which will be the fifth business day following the date of pricing of the Notes (such settlement being referred to as "T+5"). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade the Notes prior to the second business day following the date of pricing will be required, by virtue of the fact that the Notes will initially settle in T+5, to specify an alternate settlement cycle at the time of such trade to prevent failed settlement. Purchasers of the Notes who wish to trade the Notes prior to the second business day following the date of pricing should consult their own advisors.

In addition, until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the U.S. Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A. Under the Purchase Agreement, we have agreed not to offer, sell, contract to sell or otherwise dispose of, except as provided under the Purchase Agreement, any securities of, or guaranteed by, the Issuer or any of the Guarantors or affiliates that are substantially similar to the Notes during the period from the date of the Purchase Agreement through and including the date 90 days after the date of the Purchase Agreement.

In relation to each member state of the European Economic Area that has implemented the Prospectus Directive (each, a "Relevant Member State"), the initial purchasers have represented and agreed that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date"), they have not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the initial purchasers for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require us or the initial purchasers to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of the above, the expression an "offer to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any to be offered so as to enable an investor to decide to purchase any Notes, as the expression may be varied in that Relevant Member State by any measure implementing the Prospectus Directive. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State. The expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Notes will constitute a new class of securities with no established trading market. The Issuer has applied to have the Notes listed on the LxSE. The Issuer cannot assure you that the prices at which the Notes will sell in the market after the offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The initial purchasers have advised the Issuer that they currently intend to make a market in the Notes. However, the initial purchasers are not obligated to do so, and they may discontinue any market making activities with respect to a tranche of Notes at any time without notice. In addition, market making activity will be subject to the limits imposed by the Exchange Act and may be limited. Accordingly, the Issuer cannot make any assurance that a liquid market will develop for a tranche of Notes, that any purchaser will be able to sell its Notes at a particular time or that the prices that a purchasers receives when its sells will be favorable.

In connection with the offering, the initial purchasers are engaged by and on the behalf of solely the Issuer and the Guarantors and will not be responsible to anyone other than the Issuer and the Guarantors for providing the protections afforded to its clients nor for providing advice in relation to the offering.

Buyers of the Notes sold by the initial purchasers may be required to pay stamp taxes and other charges in accordance with the laws and practice of the country of purchase in addition to the initial offering price set forth on the cover of this Offering Memorandum.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers. Stabilizing transactions permit bidders to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Covering transactions involve Purchase of the Notes in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by that broker-dealer are purchased in a stabilizing or covering transaction to cover short positions.

These stabilizing transactions, covering transactions and penalty bids may cause the price of the Notes to be higher than it would otherwise be in the absence of these transactions. These transactions, if commenced, may be discontinued at any time.

The initial purchasers are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The initial purchasers and their affiliates have in the past performed commercial banking, investment banking and advisory services for us from time to time for which they have received customary fees and reimbursement of expenses and may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments.

Citigroup Global Markets Limited, HSBC Bank plc, Barclays Bank plc, Alpha Bank A.E., BNP Paribas, London Branch, Eurobank Ergasias s.a. and Piraeus Bank S.A. and/or certain of their affiliates are mandated lead arrangers or lead arrangers under the Syndicated Facilities. In addition, HSBC Bank Plc acts as agent under the Syndicated Facilities. In connection therewith, such initial

purchasers and affiliates receive customary fees and commissions. In addition, we intend to use a portion of the net proceeds to prepay a portion of the Syndicated Facilities. Société Générale is also advising the Company in connection with capital markets activities.

The Issuer reserves the right to withdraw this offering of the Notes at any time. It and the initial purchasers also reserve the right to reject any offer to purchase the Notes in whole or in part for any reason or no reason and to allot to any prospective purchaser less than the full amount of the Notes sought by it. The initial purchasers and certain of their respective related entities may acquire, for their own accounts, a portion of the Notes.

TRANSFER RESTRICTIONS

The Notes and Guarantees have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Notes offered hereby are being offered and sold only to QIBs in reliance on Rule 144A under the U.S. Securities Act and outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

In addition, until 40 days after the later of the commencement of the offering and the closing date, an offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made pursuant to Rule 144A.

Each purchaser of Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed with us and the initial purchaser as follows:

It understands and acknowledges that the Notes and the Guarantees have not been registered under the U.S. Securities Act or any other applicable securities law, are being offered for resale in transactions not requiring registration under the U.S. Securities Act or any state securities law, including sales pursuant to Rule 144A, and may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the applicable conditions for transfer.

It is not an "affiliate" (as defined in Rule 144 under the U.S. Securities Act) of the Issuer or any Guarantor or acting on behalf of the Issuer or any Guarantor and it is either:

- a QIB and is aware that any sale of Notes to it will be made in reliance on Rule 144A and the acquisition of Notes will be for its own account or for the account of another QIB; or
- purchasing the Notes outside the United States in an offshore transaction in accordance with Regulation S.

It acknowledges that neither the Issuer, the Guarantors nor the initial purchasers, nor any person representing the Issuer, the Guarantors or the initial purchasers, have made any representation to it with respect to the offering or sale of any Notes, other than the information contained in this Offering Memorandum, which has been delivered to it and upon which it is relying in making its investment decision with respect to the Notes. It acknowledges that neither the initial purchasers nor any person representing the initial purchasers makes any representation or warranty as to the accuracy or completeness of the information contained in this Offering Memorandum. It also acknowledges it has had access to such financial and other information concerning us, the Issuer, the Guarantors, the Indenture, the Notes, the Guarantees and the security documents as it deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, the Issuer, the Guarantors and the initial purchasers.

It is purchasing the Notes for its own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such Notes pursuant to Rule 144A, Regulation S or any other exemption from registration available under the U.S. Securities Act.

Each holder of Notes issued in reliance on Rule 144A agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Notes prior to the date that is one year after the later of the date of the issue date and the last date on which the Issuer or any of its affiliates was the owner of such Notes (or any predecessor thereto) only (i) to the Issuer, (ii) pursuant to a registration statement that has been declared effective under the U.S. Securities Act, (iii) for so long as the Notes are eligible pursuant to Rule 144A under the U.S. Securities Act, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A under the U.S. Securities Act, (iv) pursuant to offers and sales that occur outside the

United States in compliance with Regulation S under the U.S. Securities Act, or (v) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Trustee's rights prior to any such offer, sale or transfer pursuant to clause (iv) or (v) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them.

Each purchaser of a Note issued in reliance on Rule 144A represents and warrants that (i) either (A) it is not an "employee benefit plan" subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or an entity that is deemed to hold the assets of such plans (collectively, "ERISA Plans") or a plan subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), such as an individual retirement account (together with ERISA Plans, "Plans"), is not acting on behalf of a Plan and no assets of a Plan or non-U.S. plan, "governmental plan" (as defined in Section 3(32) of ERISA) or "church plan" (as defined in Section 3(33) of ERISA) that has not made elections under Section 410(d) of the Code have been used to acquire such Notes or an interest therein or (B) the acquisition and holding and disposition of such Notes or an interest therein by it does not and will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation of non-U.S., state, local or other federal laws or regulations that are substantially similar to the foregoing provisions of ERISA or the Code and (ii) it will not sell or otherwise transfer such Notes, unless the subsequent transferee has made the representation and warranty in (i) above.

Each purchaser acknowledges that each Note issued in reliance on Rule 144A will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY) ONLY (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE TRUSTEE'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS

SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

BY ITS ACQUISITION AND HOLDING OF THIS NOTE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT (I) EITHER (A) IT IS NOT AN "EMPLOYEE BENEFIT PLAN" SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA") OR AN ENTITY THAT IS DEEMED TO HOLD THE ASSETS OF SUCH PLANS (COLLECTIVELY, "ERISA PLANS") OR A PLAN SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), SUCH AS AN INDIVIDUAL RETIREMENT ACCOUNT (TOGETHER WITH ERISA PLANS, "PLANS"), IS NOT ACTING ON BEHALF OF A PLAN AND NO ASSETS OF A PLAN OR NON-U.S. PLAN, "GOVERNMENTAL PLAN" (AS DEFINED IN SECTION 3(32) OF ERISA) OR "CHURCH PLAN" (AS DEFINED IN SECTION 3(33) OF ERISA) THAT HAS NOT MADE ELECTIONS UNDER SECTION 410(D) OF THE CODE HAVE BEEN USED TO ACQUIRE SUCH NOTES OR AN INTEREST THEREIN OR (B) THE ACQUISITION AND HOLDING AND DISPOSITION OF SUCH NOTES OR AN INTEREST THEREIN BY IT DOES NOT AND WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A VIOLATION OF NON-U.S., STATE, LOCAL OR OTHER FEDERAL LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO THE FOREGOING PROVISIONS OF ERISA OR THE CODE AND (II) IT WILL NOT SELL OR OTHERWISE TRANSFER SUCH NOTES, UNLESS THE SUBSEQUENT TRANSFEREE HAS MADE THE REPRESENTATION AND WARRANTY IN (I) ABOVE.

It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

It acknowledges that until 40 days after the commencement of the offering, any offer or sale of the Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless such offer or sale is made in accordance with Rule 144A under the U.S. Securities Act.

It acknowledges that the Registrar will not be required to accept for registration of transfer any Notes except upon presentation of evidence satisfactory to us and the Trustee that the restrictions set out therein have been complied with.

It understands that no action has been taken in any jurisdiction (including the United States) by the Issuer or the initial purchasers that would result in a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Notes in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Notes will be subject to the selling restrictions set out under "Plan of Distribution."

It acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agrees that if any of the acknowledgements, representations, warranties and agreements deemed to have been made by its purchase of the Notes is no longer accurate, it will promptly notify the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such investor account.

LEGAL MATTERS

Certain legal matters in connection with this offering will be passed upon for us by Allen & Overy LLP as to matters of United States federal and New York law and English and Luxembourg law and by Pantelakis Skaltsas as to Greek law. Certain legal matters in connection with this offering will be passed upon for the initial purchasers by Shearman & Sterling (London) LLP as to matters of United States federal and New York law and English law, by Kyriakides Georgopoulos as to Greek law and by NautaDutilh Avocats Luxembourg as to Luxembourg law.

INDEPENDENT AUDITORS

The independent auditors of the Company for the years ended December 31, 2012, 2011 and 2010 were S.O.L. S.A., 3, Fokionos Negri Str., 112 57 Athens, Greece. S.O.L. S.A. has audited our consolidated financial statements as of and for the years ended December 31, 2010, 2011 and 2012 which were prepared on the basis of IFRS as adopted by the EU. S.O.L. S.A. are members of the Institute of Certified Public Accountants of Greece (SOEL), as well as Certified and Founding Members of the IFAC (International Federation of Accountants).

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Company is a limited liability company organized under the laws of the Hellenic Republic. The Issuer is a public limited liability company (*société anonyme*) organized under the laws of the Grand Duchy of Luxembourg. In addition, most Subsidiary Guarantors are, and future Subsidiary Guarantors may also be, organized under the laws of non-U.S. jurisdictions. All of the members of the Issuer's and Company's board of directors and substantially all of the directors and officers of the Subsidiary Guarantors are non-residents of the United States. Holders of the Notes may, therefore, be unable to effect service of process within the United States on the Issuer, the Guarantors or their respective directors and executive officers. In addition, as many of the Issuer's and the Guarantors' assets and the assets of their directors and executive officers are located outside of the United States, holders of the Notes may be unable to enforce against them judgments obtained in the U.S. courts predicated on civil liability provisions of the federal securities laws of the United States.

Even though the enforceability of U.S. court judgments outside the United States is described below for Luxembourg and Greece, investors should consult with their own advisors in any pertinent jurisdictions as needed to enforce a judgment in those countries or elsewhere outside the United States. In particular, certain jurisdictions in which the Subsidiary Guarantors are incorporated may not have a treaty for the mutual enforcement of court judgments with the United States, which may make it difficult or impossible to effect service of process upon such Guarantor.

Grand Duchy of Luxembourg

The Issuer has been advised by Allen & Overy Luxembourg, its Luxembourg counsel, that a valid final and conclusive judgment against a company of Luxembourg nationality with respect to the Notes obtained from a court of competent jurisdiction in the United States, which judgment remains in full force and effect after all appeals as may be taken in the relevant state or federal jurisdiction with respect thereto have been taken, may be entered and enforced through a court of competent jurisdiction of Luxembourg subject to compliance with the enforcement procedures set out in Articles 678 *et seq*. of the Luxembourg *Nouveau code de procédure civile* being:

- the U.S. court awarding the judgment has jurisdiction to adjudicate the respective matter under its applicable laws, and such jurisdiction is recognized by Luxembourg private international and local law;
- the judgment is final and enforceable in the jurisdiction where the decision is rendered;
- the U.S. Court has applied the substantive law as designated by the Luxembourg conflict of laws rules;
- the U.S. Court has acted in accordance with its own procedural laws;
- the judgment was granted following proceedings where the counterparty had the opportunity to appear, and if appeared, to present a defence;
- the decision of the U.S. Court must not have been obtained by fraud; and
- the decisions and the considerations of the foreign court must not be contrary to Luxembourg international public policy rules or rendered subsequent to an evasion of Luxembourg law (*fraude à la loi*).

The Issuer has been also advised by Allen & Overy Luxembourg that if an original action is brought in Luxembourg, without prejudice to specific conflict of law rules, Luxembourg courts may refuse to apply the designated law if the choice of the foreign law was not made *bona fide* or if the foreign law was not pleaded and proved or if pleaded and proved, the foreign law was contrary to Luxembourg mandatory provisions (*lois impératives*) or incompatible with Luxembourg public policy rules. In an action brought in Luxembourg on the basis of U.S. federal or state securities laws, Luxembourg courts may not have the requisite power to grant the remedies sought.

Greece

The United States and Greece currently do not have a treaty providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters, other than arbitration awards. Enforceability of arbitration awards is regulated by the New York Convention on the

Recognition and Enforcement of Foreign Arbitral Awards ratified by Law 4220/1961).
See "—2. Enforcement of arbitration awards according to the New York Convention." below.

Enforcement of judgments of U.S. courts in Greece is governed solely by the provisions of the Greek Code of Civil Procedure (articles 905 and 323).

Enforcement of a foreign judgment may be carried out in Greece as from the time it has been declared to be enforceable by a decision issued by the Single-Member Court of First Instance in the district where the debtor is domiciled or resides; failing this, by a decision of the Single-Member Court of First Instance of Athens. The court's decision is subject to appeal.

Courts shall declare a foreign order (as defined below) to be enforceable provided that:

- Such instrument is enforceable according to the law of the jurisdiction where it was issued. The order must be enforceable in the foreign state at the time when enforcement is sought in Greece.
- It is not contrary to good morals *(boni mores)* and public policy.

A "foreign order" (instrument) may either be a court decision or any other similar instrument provided that it is binding and enforceable pursuant to the laws of the foreign state, i.e. it has been issued by a person or authority that had such competence.

According to the relevant provisions, if the foreign order is a court decision, it can be declared enforceable provided that the following further conditions are met (excepting the conditions above):

- The foreign court having issued the decision must have had jurisdiction over the case according to Greek law.
- The defeated litigant party should not have been deprived of its right of defense and generally its right to participate in the proceedings.
- The foreign judgment should not contradict any other Greek judgment between the same litigating parties arising from the same dispute (i.e., is not *res judicata).*

If the above conditions are cumulatively met, a final judgment for payment awarded by a court in the United States can be recognized and declared enforceable in Greece.

Enforcement of arbitration awards according to the New York Convention.

Enforcement of a foreign arbitration award may be carried out in Greece as from the time it has been declared to be enforceable by a decision issued by the Single-Member Court of First Instance in the district where the debtor is domiciled or resides; failing this, by a decision of the Single-Member Court of First Instance of Athens. The court's decision is subject to appeal.

Greek Courts shall declare a foreign arbitration award issued in the United States to be enforceable provided that:

- The party applying for recognition and enforcement shall, at the time of the application, supply:
  - (a) The duly authenticated original award or a duly certified copy thereof;
  - (b) The original arbitration agreement or a duly certified copy thereof.
- The dispute should arise out of legal relationships, whether contractual or not, which is considered as commercial under the Greek Law.
- The dispute should be capable of settlement by arbitration under the Greek law.
- The recognition or enforcement of the award should not be contrary to the public policy of Greece.

Recognition and enforcement of the award may be refused on the following grounds:

- If the parties to the arbitration agreement were, under the law applicable to them, under some incapacity.
- If the arbitration agreement was not valid under the law to which the parties have subjected it or, failing any indication thereon, under the law of the country where the award was made.

- If the party against whom the award is invoked was not given proper notice of the appointment of the arbitrator or of the arbitration proceedings or was otherwise unable to present his case.
- If the award deals with a difference not contemplated by or not falling within the terms of the submission to arbitration, or it contains decisions on matters beyond the scope of the submission to arbitration.
- If the composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties, or, failing such agreement, was not in accordance with the law of the country where the arbitration took place.
- If the arbitration award has not yet become binding on the parties, or has been set aside or suspended by a competent authority of the country in which, or under the law of which, that award was made.

LISTING AND GENERAL INFORMATION

Admission to Trading and Listing

Application has been made for the Notes to be admitted to trading on the Euro MTF Market and to listing on the Official List of the Luxembourg Stock Exchange, in accordance with the rules and regulations of such exchange.

The Notes

It is expected that the approval (*visa*) in connection with the listing of the Notes on the Official List of the Luxembourg Stock Exchange and the admission of the Notes to trading on the Euro MTF Market of the Luxembourg Stock Exchange will be granted by the Luxembourg Stock Exchange promptly after the issuance of the Notes. Transactions will normally be effected for settlements in euro and for delivery on the third business day after the day of the transaction.

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange, the Notes will be freely transferable and negotiable in accordance with the rules and regulations of the Luxembourg Stock Exchange.

Holders of the Notes should note that the Trustee may act, or not act, and rely on certificates or reports provided by the auditors of the Company, whether or not addressed to the Trustee and whether or not any such certificate or report is subject to any limit on the liability of such auditors (whether by reference to a monetary cap or by reference to the methodology to be employed in producing the same), and shall have no liability to holders of the Notes for doing so.

The yield of the Notes is 10.000% on an annual basis. The yield is calculated as at the closing date on the basis of the issue price. It is not an indication of future yield.

Listing Information

For so long as the Notes are listed on the Official List of the Luxembourg Stock Exchange and are admitted to trading on the Euro MTF Market and the rules and regulations of the Luxembourg Stock Exchange require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Luxembourg listing agent during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted):

- the organizational documents of the Issuer and the Company;
- the Consolidated Historical Financial Information included in this Offering Memorandum;
- any annual and interim financial statements or accounts of the Issuer, to the extent available; and
- the Indenture (which includes the form of the Notes and the Guarantees).

The Issuer has appointed Deutsche Bank AG, London Branch as principal paying agent and Deutsche Bank Luxembourg S.A. as Luxembourg listing agent, registrar, transfer agent and paying agent to make payments on, when applicable, and transfers of, the Notes. The Issuer reserves the right to vary such appointments in accordance with the terms of the Indenture and will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg (which is currently expected to be the *Luxemburger Wort*) or on the official website of the Luxembourg Stock Exchange (www.bourse.lu).

The Issuer will maintain a paying and transfer agent in Luxembourg for so long as any of the Notes are listed on the Luxembourg Stock Exchange. The Issuer reserves the right to vary such appointment and will publish notice of such change of appointment in a newspaper having a general circulation in Luxembourg or on the official website of the LxSE (www.bourse.lu). So long as the Notes are listed on the Luxembourg Stock Exchange, the Issuer will maintain a paying and transfer agent in Luxembourg.

Pursuant to Part 1, point 703 of the Rules and Regulations of the Luxembourg Stock Exchange, the Notes will be freely transferable on the Luxembourg Stock Exchange. The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer declares that, to the best of its knowledge, except as otherwise noted, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of

this Offering Memorandum. This Offering Memorandum may only be used for the purposes for which it has been published.

Clearing Information

The Notes sold pursuant to Regulation S and Rule 144A have been accepted for clearance through the facilities of Euroclear and Clearstream under Common Codes 094717663 and 094717736, respectively. The international securities identification number (the "ISIN") for the Notes sold pursuant to Regulation S is XS0947176631 and the ISIN for the Notes sold pursuant to Rule 144A is XS0947177365.

Approval

The Issuer and each of the Guarantors have obtained all necessary consents, approvals, authorizations or other orders for the issue of Notes and other documents to be entered into by the Issuer in connection with the issue of the Notes in Luxembourg. The marketing of the Notes was authorized by the Issuer's board of directors on June 7, 2013. The creation, issuance, sale and listing of the Notes was authorized by the Issuer's board of directors on June 20, 2013.

Significant Change of the Intralot Group

Except as disclosed in this Offering Memorandum:

- there has been no material adverse change in our financial condition since March 31, 2013; and
- none of our companies has been involved in any litigation, administrative proceeding or arbitration relating to claims or amounts which are material in the context of the issue of the Notes, and, so far as the Issuer or the Company is aware, no such litigation, administrative proceeding or arbitration is pending or threatened.

General Information About the Issuer

Business Activity

Pursuant to Article 4 of the Deed of Incorporation of Intralot Finance Luxembourg S.A. dated May 22, 2103, it is the objective of Intralot Finance Luxembourg S.A. to, among other things, borrow in any form; issue notes, bonds and any kind of debt and equity securities; lend funds including, without limitation, the proceeds of any borrowings, to its subsidiaries, affiliated companies and any other companies.

Administrative, Management and Supervisory Bodies

Intralot Finance Luxembourg S.A. is managed by its board of directors. For further information, see "Management—Intralot Finance Luxembourg S.A."

None of the persons referred to above has declared that there are potential conflicts of interest between any duties to Intralot Finance Luxembourg S.A. and their private interests and/or other duties.

Financial Statements and Statutory Auditors

The statutory auditor of the Issuer is Ernst & Young Société Anonyme, having its registered office at 7, rue Gabriel Lippmann-Parc d'activité Syrdall 2, L-5365 Munsbach, B.P. 780, L-2017 Luxembourg, belonging to the Luxembourg institute of registered auditors (*Institut des Réviseurs d'Entreprises agréé*) and being supervised by the CSSF (*Commission de Surveillance du Secteur Financier*).

The audited annual financial statements of the Issuer will be prepared as of December 31 of each year, with the first set of accounts to be prepared by the Issuer for the period ended December 31, 2013. The Issuer has not and does not intend to publish any interim financial information. As of the date of this Offering Memorandum and since the incorporation of the Issuer, the Issuer has not commenced operations. Accordingly, no financial statements have been prepared by the Issuer as of the date of this Offering Memorandum. All future annual financial statement of the Issuer will be free of charge in accordance with "—Admission to Listing and Trading—Listing Information" above. As of the date of this Offering Memorandum, the Issuer has not produced any audited accounts.

The opening balance sheet of the Issuer is set forth below.

Assets		Equity and liabilities	
Cash at bank	EUR 31,000	Share capital	EUR 31,000
Total assets	**EUR 31,000**	**Total equity and liabilities**	**EUR 31,000**

Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of its incorporation.

Legal and Arbitration Proceedings

Except as otherwise disclosed in this Offering Memorandum, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the twelve months preceding the date of this Offering Memorandum which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.

Significant Change in the Financial or Trading Position of the Issuer

There has been no significant change in the financial or trading position of the Issuer since the date of its incorporation.

General Information About the Guarantors

1. The company under the trade name "Intralot S.A. Integrated Lottery Systems and Services" and with distinctive title "Intralot" (Intralot S.A.) is a public limited liability company (*société anonyme*) organized under the laws of the Hellenic Republic. Its registration number with the General Commercial Registry is 818201000 and with the Companies Registry 27074/06/B/92/9. The registered office of Intralot S.A. is 64 Kifissias Avenue & 3 Premetis Street, Maroussi, Athens, Greece. Intralot has a share capital of €47,688,516.30, consisting of 158,961,721 registered shares. Intralot's shares are listed on the Main Market of the Athens Exchange. The board of directors of Intralot are Socrates Kokkalis, Constantinos Antonopoulos, Andreas Papoulias, Fotis Mavroudis, Dimitrios Klonis, Dimitrios Chatzigrigoriadis, Anastasios Tsoufis, Sotirios Filos and Petros Souretis. According to Article 2 of its articles of association, its corporate purpose includes, among other things, the production, management, operation and promotion of the Instant Lottery (*Stigmieo Lahio*) within the scope and according to the requirements laid down by applicable legislation from time to time, the organization, promotion and operation of other similar lottery systems abroad provided this is allowed by applicable law; and the management, promotion and operation of other similar systems of lotteries and/or other lucky games abroad, provided this is allowed by applicable law.
2. The company under the trade name "Betting Organization, Operation, and Promotion Company S.A." and with distinctive title "Betting Company S.A." (Betting Company S.A.) is a limited liability company (*société anonyme*) organized under the laws of the Hellenic Republic. Its registration number with the General Commercial Registry is 2922401000 and with the Companies Registry 40548/01AT/B/98/130. The registered office of Betting Company S.A. is 64 Kifissias Avenue & 3 Premetis Street, Maroussi, Athens, Greece. Betting Company S.A. has a share capital of €146,750.00, consisting of 5,000 registered shares. The board of directors of Betting Company S.A. is comprised of Constantinos Antonopoulos, Andreas Papoulias, Maria Makri, Ioannis Pantoleon and Athanasios Chronas. According to Article 2 of its articles of association, its corporate purpose includes, among other things, the organization and operation of betting games of fixed and variable yield, in accordance with the provisions of presidential decree 250/97, through the use of any media, including telephony, internet as well as any other, electronic or otherwise, telecommunication medium as well as the support and promotion of such betting in Greece and abroad.
3. The company under the trade name "Intralot Interactive S.A." and with distinctive title "Intralot Interactive" (Intralot Interactive S.A.) is a limited liability company (*société anonyme*) organized under the laws of the Hellenic Republic. Its registration number with the General Commercial

Registry is 123845399000 and with the Companies Registry 67884/01AT/B/09/113. The registered office of Intralot Interactive is 64 Kifissias Avenue & 3 Premetis Street, Maroussi, Athens, Greece. Intralot Interactive has a share capital of €60,000.00 consisting of 600 registered shares. The board of directors of Intralot Interactive is comprised of Constantinos Antonopoulos, Andreas Papoulias, Ioannis Pantoleon, Nikolaos Nikolakopoulos, Georgios Zenzefilis, Socrates Kokkalis and Athanasios Chronas. According to Article 2 of its articles of association, its corporate purpose includes, among other things, the organization, promotion, management and operation of any type of lottery or other games, interactively, through alternative networks or means, including but not limited to digital television, ground and/or satellite, mobile telephony and internet, under the then-effective terms of the law in Greece and/or abroad.

4. Intralot Gaming Services Pty Ltd (ABN 93 136 875 673) is a private limited liability company organized under the laws of Australia. Its Australian Business Number (ABN) with the Australian Securities & Investments Commission is 93 136 875 673. The registered office of Intralot Gaming Services Pty Ltd is 299 Williamstown Road, Port Melbourne in the State of Victoria 3207, Australia. Intralot Gaming Services Pty Ltd has a share capital of AUD 12.00 consisting of 12 ordinary shares. The directors of Intralot Gaming Services Pty Ltd are Anthony John Sheehan, Bill Karvela, Athanasios Baoustanos, Peter David Sidwell and Antonis Markopoulos.

5. Intralot Czech s.r.o. is a limited liability company (*společnost s ručením omezeným*) organized under the laws of the Czech Republic. Its Company ID number is 241 30 079 and its registration number with the Commercial Register maintained by the Municipal Court in Prague is C 181328. The registered office of Intralot Czech s.r.o. is Praha 7—Holešovice, Jankovcova 1596/14a, Post Code 170 00, Czech Republic. Intralot Czech s.r.o. has a registered share capital of CZK 200,000 consisting of two business shares (99.9% held by Intralot Global Holdings B.V. and 0.01% held by Intralot Holdings International Limited). The director of Intralot Czech s.r.o. is Branislav Trifković. According to Section III. of its articles of association, its corporate purpose is production, business and services not included in Annexes nos. 1 - 3 of the Czech Trade Licensing Act and lease of real estate, flats and non-residential premises.

6. Intralot Cyprus Global Assets Ltd is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE315958. The registered office of Intralot Cyprus Global Assets Ltd is Vyronos 36, Nicosia Tower Center, 8th floor, P.C. 1096 Nicosia, Cyprus. Intralot Cyprus Global Assets Ltd has an authorized and issued share capital of €1,000.00 consisting of 1.000 ordinary shares of nominal value €1.00 each. Its board of directors consists of Kalliopi Agrotou and Georgios Trillidis and Secretary Christina Sarris. The objects of Intralot Cyprus Global Assets Ltd are listed in paragraph 3 and subparagraphs 1-38 of its Memorandum.

7. Betting Company Cyprus Limited is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE161897. The registered office of Betting Company Cyprus Limited is Vyronos 36, Nicosia Tower Center, 8th floor, flat/office 801, 1506 Nicosia, Cyprus. Betting Company Cyprus Limited has an authorized and issued share capital of €10,000.00, consisting of 10,000 ordinary shares of nominal value €1.00 each. Its board of directors consists of Markos E. Drakos, Ioannis Pantoleon and Andreas Papoulias and Secretary Christina Sarris. The objects of Betting Company Cyprus Limited are listed in paragraph 3 and subparagraphs 1-38 of its Memorandum.

8. Intralot Holdings International Limited is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE141390. The registered office of Intralot Holdings International Limited is Vyronos 36, Nicosia Tower Center, 8th floor, flat/office 801, 1506 Nicosia, Cyprus. Intralot Holdings International Limited has an authorized share capital of €10,000,000.00, consisting of 10,000,000 ordinary shares of nominal value €1.00 each and issued capital of €8,464,470.00, consisting of 8,464,470 ordinary shares of nominal value €1.00 each. Its board of directors consists of Ioannis Pantoleon, Vasilios A. Vasdaris, Eleni Kyriacou, Kyriacos Kyriacou and Polakis K. Sarris and Secretary Christina Sarris. The objects of Intralot Holdings International Limited are listed in paragraph 3 and subparagraphs 1-38 of its Memorandum.

9. Intralot Business Development Limited is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE143538. The registered office of Intralot Business Development Limited is Vyronos 36, Nicosia Tower Center, 8th floor, flat/office 801, 1096 Nicosia, Cyprus. Intralot Business Development Limited has an authorized and issued share capital of €20,000.00, consisting of 20,000 ordinary shares of nominal value €1.00 each. Its board of directors consists of Eleni Kyriacou and Kyriacos Kyriacou and Secretary Christina Sarris. The objects of Intralot Business Development Limited are listed in paragraph 3 and subparagraphs 1-38 of its Memorandum.

10. Intralot International Limited is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE84327. The registered office of Intralot International Limited is Vyronos 36, Nicosia Tower Center, 8th floor, flat/office 801, 1506 Nicosia, Cyprus. Intralot International Limited has an authorized share capital of €507,900.00, consisting of 507,900 ordinary shares of nominal value €1.00 each and issued capital of €1,693.00, consisting of 1,693 ordinary shares of nominal value €1.00 each. Its board of directors consists of Eleni Kyriacou and Kyriacos Kyriacou and Secretary Christina Sarris. The objects of Intralot International Limited are listed in paragraph 3 and subparagraphs 1-37of its Memorandum.

11. Intralot Operations Limited is a private limited liability company by shares organized under the laws of the Republic of Cyprus. Its registration number with the Ministry of Commerce, Industry and Tourism, Department of Registrar of Companies and Official Receiver is HE83815. The registered office of Intralot Operations Limited is Vyronos 36, Nicosia Tower Center, 8th floor, flat/office 801, 1506 Nicosia, Cyprus. Intralot Operations Limited has an authorized share capital of €17,100.00, consisting of 10,000 ordinary shares of nominal value €1.71 each and issued capital of €1,710.00, consisting of 1,000 ordinary shares of nominal value €1.71 each. Its board of directors consists of Fotios Mavroudis, Eleni Kyriacou and Kyriacos Kyriacou and Secretary Christina Sarris. The objects of Intralot Operations Limited are listed in paragraph 3 and subparagraphs 1-37 of its Memorandum.

12. Bilot EOOD is a sole ownership limited liability company organized under the laws of the Republic of Bulgaria. Its registration number with the Bulgarian Commercial Register at the Registry Agency (Uniform Identification Code) is 121305741. The registered office of Bilot EOOD is 88 Bulgaria Blvd, entrance 1, floor 2, apt. 7, Vitiosha region, Sofia, Bulgaria. Bilot EOOD has registered capital of BGN 13,690,090, consisting of 1,369,009 shares, each with par value of BGN 10. The appointed Managers of Bilot EOOD are Nikolaos Arsenopoulos and Fotios Mavroudis representing the company jointly and severally. According to § III, Art. 5 of its Incorporation Act, its corporate purpose (scope of activity) is: wholesale and retail trade, industrial activity, intermediation, consultancy and commission activities, management, marketing, transport and forwarding services, commercial representation, distribution activities, foreign trade activities, publishing, organization of sports competitions and games, as well as distribution of lottery tickets and games permitted by law, production and trade in agricultural products, construction works, and any other activity that is not prohibited by the law.

13. Intralot Maroc SA is a company incorporated under the laws of Morocco as a *société anonyme*. Its registration number with the Casablanca court registry is 218457. The registered office of Intralot Maroc is Immeuble Smaex—24, avenue Ali Abderazak—Maarif, Casablanca, Morocco. Intralot Maroc has a share capital of MAD 300,000.00, consisting of 3,000 shares of common stock issued and outstanding. The Board of Directors of Intralot Maroc is comprised of Katakis Ioannis, Kondylis Georgios and Fragos Georgios. According to its Articles of Association, its corporate purpose is to accomplish all activities and complete all required proceedings to offer to Lotteries all equipment and services described in the agreement with the Lotteries.

14. "Intralot" Co. Ltd. is a limited liability company organized and existing under the laws of the Russian Federation. Its main state registration number (OGRN) is 1067746390084. "Intralot" Co. Ltd. has its registered address at 11 Zolotaya str., bldg. 1, Moscow 105094 Russian Federation. The share capital of "Intralot" Co. Ltd. is RUB 1,553,828.64, consisting of 200 shares. Intralot Holdings International Limited owns 100% of the participation interest in "Intralot" Co. Ltd. The General Director of "Intralot" Co. Ltd. is Ioannis N. Zafeiratos.

According to its Articles of Association, its corporate purposes are organization of gambling games, provision of services connected with computer technology and machinery, as well as all other things lawful and permitted.

15. Intralot Interactive USA, LLC is a limited liability company formed under the laws of the State of Delaware in the United States of America. Its file number with the Secretary of State of the State of Delaware in the United States of America is 4755957. The registered office of Intralot Interactive USA, LLC with the Secretary of State of the State of Delaware in the United States of America is c/o The Corporation Trust Company, 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. Under its limited liability company agreement, Intralot Interactive USA, LLC has issued 100 units, representing limited liability company interests in Intralot Interactive USA, LLC. The members of the board of managers of Intralot Interactive USA, LLC are Andreas Papoulias and George Zenzefilis. According to Section 4 of its limited liability company agreement, its purpose is to engage in any and all businesses that are not forbidden by the law of the jurisdiction(s) in which Intralot Interactive USA, LLC engages in such businesses.

16. Intralot, Inc. is a Corporation organized under the laws of the State of Georgia, USA. Its registration number with the State of Georgia Secretary of State Corporations Division is 0153271. The principal office of Intralot, Inc. is 11360 Technology Circle, Duluth GA, USA. Intralot, Inc. has 100,000 shares of common stock issued and outstanding and 2,478,497 shares issued and outstanding of Class A non-voting preferred shares. Intralot S.A. owns 85% of the common shares with the preferred shares owned as follows: Intralot Holdings International Limited (31.32%); Intralot S.A.(4.89%); Intralot International Limited (60.04%) and Intralot Operations Limited (3.75%). The Board of Directors of Intralot, Inc. is comprised of Constantinos Antonopoulos, Thomas Little and Ioannis Pantoleon. According to its Articles of Incorporation, its corporate purpose is to do all things lawful and permitted.

17. Intralot de Peru S.A.C. is a closed corporation (*sociedad anónima cerrada*) organized under the laws of the Republic of Peru. Its registration number with the Lima Companies Registry is 11385663. The registered office of Intralot de Peru S.A.C. is Avenida del Parque Norte 1180, Urbanización Corpac, San Borja, Zip Code 41, City of Lima, Province of Lima, Republic of Peru. Intralot de Peru S.A.C. has a share capital of S/. or PEN 49,397,554.00 consisting of 49,397,554 shares. The board of directors of Intralot de Peru S.A.C. is comprised of Evangelos Apostolakopoulos, Nikolaos Nikolakopoulos, Dimitrios Kremmidas and Vasileios Kasiotakis. According to Article 2 of its articles of association, its corporate purpose includes, among others, the organization, management, supervision and exploitation of lottery, raffles, chance games, gambling houses, electronic games, events and contests, as well as the support, administration, management and set up of software and electronic multiple use systems and instant lottery.

18. Gaming Solutions International S.A.C. is a closed corporation (*sociedad anónima cerrada*) organized under the laws of the Republic of Peru. Its registration number with the Lima Companies Registry is 11882912. The registered office of Gaming Solutions International S.A.C. is Avenida del Parque Norte 1180, Urbanización Corpac, San Borja, Zip Code 41, City of Lima, Province of Lima, Republic of Peru. Gaming Solutions International S.A.C. has a share capital of S/. or PEN 855,256.00 consisting of 855,256 shares. Gaming Solutions International S.A.C. has no board of directors. According to Article 1 of its articles of association, its corporate purpose is to engage in the management, organization and exploitation of any kind of game rooms, casino games and/or slot machines or chance games, bingo rooms, electronic games (pinball); the operation of horse race betting systems promoted by the Jockey Club of Peru and/or any other horse racing club through concessions; the arranging of sport bets; import, export, distribution, buying and selling, commercialization, leasing and exploitation of electronic machinery, slot machines or electronic gaming and casino game tables and their accessories; and the manufacture, assembling, maintenance and/or repairing of such machines.

19. Servicios Transdata S.A.C. is a closed corporation (*sociedad anónima cerrada*) organized under the laws of the Republic of Peru. Its registration number with the Lima Companies Registry is 00022985. The registered office of Servicios Transdata S.A.C. is Avenida del Parque Norte 1180, Office 3, Urbanización Corpac, San Borja, Zip Code 41, City of Lima, Province of Lima, Republic of Peru. Servicios Transdata S.A.C. has a share capital of S/. or PEN 55,307.00, consisting of 55,307 shares. Servicios Transdata S.A.C. has no board of directors. According to Article 2 of its articles of association, its corporate purpose is, among other things, to engage in the management,

promotion, distribution and sale of electronic and instant lotteries, sport bets, games of chance, merchandising material, and other goods or products related to the entertainment line of business or to any other line of business that Servicios Transdata S.A.C. may determine, on its own behalf or at the request of any other individual or legal entity or of the Peruvian state at all levels.

20. Intralot Germany GmbH is a limited liability company (*Gesellschaft mit beschränkter Haftung*) organized under the laws of the Federal Republic of Germany. Its registration number with the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of München, Germany is HRB 197543. The registered office of Intralot Germany GmbH is Konrad-Zuse-Platz 12, 81829 München, Germany. Intralot Germany GmbH has a registered share capital of €25,000 consisting of 25 shares. The managing directors of Intralot Germany GmbH are Antonios Dimos, Georgios Batsaras, Georgios Fragkos and Paul Jude Barnes. According to Section 2.1 of its articles of association, the object of the company is (i) the production and the distribution of software, electronic equipment and systems, including without limitation for gaming and lottery providers, (ii) any activity associated with the operation and promotion of games of chance, (iii) the rendering of all types of telecommunication services and value-added services, including mobile telephony, networks, satellite communications, electronics, informatics, internet, telematics, audiovisual, television and digital television as well as (iv) the provision of all services and works related thereto, in any case subject to any special regulatory approval.

21. Intralot Finance UK PLC is a public limited company (plc) organized under the laws of England and Wales. Its registration number with Companies House is 06451119. The registered office of Intralot Finance UK PLC is Fifth Floor, 100 Wood Street London EC2V 7EX. Intralot Finance UK PLC has a share capital of £50,000 consisting of 50,000 shares. The sole shareholder of Intralot Finance UK PLC is Intralot Global Holdings B.V. The board of directors of Intralot Finance UK PLC is comprised of Ian Kenneth Bowden, Ioannis Pantoleon, Vasilios Vasdaris and L.D.C. Corporate Director No. 1 Limited. According to Section 4 of its memorandum of association, Intralot Finance UK PLC has general corporate purposes.

22. White Eagle Investments Limited is a private company limited by shares organized under the laws of England and Wales. Its registration number with Companies House is 03450868. The registered office of White Eagle Investments Limited is c/o Browne Jacobson LLP, 77 Gracechurch Street, London, England EC3V 0AS. White Eagle Investments Limited has a share capital of £1,514,395 consisting of 1,514,395 shares. The sole shareholder of White Eagle Investments Limited is Intralot Global Holdings B.V. The board of directors of White Eagle Investments Limited is comprised of Fotios Mavroudis and Ioannis Pantoleon. According to Section 3 of its memorandum of association, White Eagle Investments Limited has general corporate purposes.

23. Intralot Global Holdings B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands. Its registration number with the Chamber of Commerce of Amsterdam is 57068003. The registered office of Intralot Global Holdings B.V. is Nachtwachtlaan 20 t/m 24, 1058 EA Amsterdam, the Netherlands and its corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands. Intralot Global Holdings B.V. has an issued share capital of €50,003.00 consisting of 50,003 shares. The board of directors of Intralot Global Holdings B.V. is comprised of Ioannis Pantoleon, Emmanouil Lamprakis and Bernardus Hubertus Maria Klasen. According to Section 3 of its articles of association, its corporate purpose includes the granting of guarantees.

24. Intralot Global Securities B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands. Its registration number with the Chamber of Commerce of Amsterdam is 57424756. The registered office of Intralot Global Securities B.V. is Nachtwachtlaan 20 t/m 24, 1058 EA Amsterdam, the Netherlands and its corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands. Intralot Global Securities B.V. has an issued share capital of €10,000.00 consisting of 10,000 shares. The board of directors of Intralot Global Securities B.V. is comprised of Emmanouil Lamprakis, Bernardus Hubertus, Maria Klasen and Ioannis Pantoleon. According to Section 3 of its articles of association, its corporate purpose includes the granting of guarantees.

25. Intralot Nederland B.V. is a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) organized under the laws of the Netherlands. Its registration number with the Chamber of Commerce of Amsterdam is 34300336. The registered office of Intralot Nederland B.V. is Nachtwachtlaan 20 t/m 24, 1058 EA Amsterdam, the Netherlands and its

corporate seat (*statutaire zetel*) is in Amsterdam, the Netherlands. Intralot Nederland B.V. has an issued share capital of €18,000.00 consisting of 1,800 shares. The board of directors of Intralot Nederland B.V. is comprised of Euripides Tsivgiouras, Fotios Mavroudis, Emmanouil Lamprakis and Konstantinos Farris. According to Section 2 of its articles of association, its corporate purpose includes the granting of guarantees.

26. Intralot do Brasil Comércio de Equipamentos e Programas de Computador Ltda. is a Limited Liability Company enrolled with the Registry of Companies (NIRE JUCEMG) under no. 31209360831 and with Federal Taxpayer Registration under CNPJ/MF no. 06.111.334/0001-19. The Company headquarters is established at Belo Horizonte, State of Minas Gerais/Brazil, at. Av. do Contorno, 6.500, 7th floor, Funcionários, CEP 30.110-044. The Company has a share capital of BRL 22,158,404.64, represented by 2,215,843 shares. The Board of Directors of the Company is comprised of Antonios Katsaounis, Sérgio Rodrigo Alves de Alvarenga, Nikolaos Nikolakopoulos, Dimitrios Kremmydas and Adalberto Marques Pinto Neto. The Executive Board of the Company is comprised of Sérgio Rodrigo Alves de Alvarenga (CEO), Adalberto Marques Pinto Neto (CFO) and Antonios Katsaounis (CMO). According to Section Four of its Articles of Association, its corporate purpose includes, among other things, the organization, management, operation and supervision of lotteries, lottery tickets, instant lottery, betting, as well as any form of gambling, electronic games or games of any kind, duly authorized by the competent authorities and according to Brazilian law.

27. OLTP Processamento de Transações Online Ltda. is a Limited Liability Company enrolled with the Registry of Companies (NIRE JUCEMG) under no. 31209662994 and with Federal Taxpayer Registration under CNPJ/MF no. 10.230.447/0001-00 and headquarters at Belo Horizonte, State of Minas Gerais, at. Av. do Contorno, 6.500, 7th floor, Funcionários, CEP 30.110-044. The Company has a share capital of BRL 1,860,000.00, represented by 1,860,000 shares. The Board of Directors of the Company is comprised of Antonios Katsaounis, Sérgio Rodrigo Alves de Alvarenga, Nikolaos Nikolakopoulos, Dimitrios Kremmydas and Adalberto Marques Pinto Neto. The Executive Board of the Company is comprised of Sérgio Rodrigo Alves de Alvarenga (CEO), Adalberto Marques Pinto Neto (CFO) and Antonios Katsaounis (CMO). According to Section Four of its Articles of Association, its corporate purpose includes, among other things, the organization, management, operation and supervision of lotteries, lottery tickets, instant lottery and betting, as well as any form of gambling, electronic games or games of any kind, duly authorized by the competent authorities and according to Brazilian law.

28. Intralot Italia S.p.A. is a joint stock company (*società per azioni*) organized under the laws of the Republic of Italy. Its registration number with the Registry of Companies of Rome is 09255551005. The registered office of Intralot Italia S.p.A. is via Tiburtina no. 1155, 00156 Rome, Italy. Intralot Italia S.p.A. has a share capital of €430,000.00. The members of the board of directors of Intralot Italia S.p.A. are Constantinos Antonopoulos, Enea Ruzzettu, Andreas Papoulias, Emilio Maria Iaia, Athanasios Chronas and Ioannis Pantoleon. According to Section 2 of its articles of association, its corporate purpose includes, among other things, the organization, management and operation of any form of public betting games of chance related to horse competitions and sports events, such as, among others, fixed odds betting games, sports betting events, national horse racing, remote skill games, etc.

29. Intralot Gaming Machines S.p.A. is a joint stock company (*società per azioni*) organized under the laws of the Republic of Italy. Its registration number with the Registry of Companies of Rome is 11986891007. The registered office of Intralot Gaming Machines S.p.A. is via Tiburtina no. 1155, 00156 Rome, Italy. Intralot Gaming Machines S.p.A. has a share capital of €1,000,000.00, consisting of 1,000,000 shares. The members of the board of directors of Intralot Gaming Machines S.p.A. are Konstantinos Georgoulas, Ioannis Pantoleon and Georgios Minardos. According to Section 2 of its articles of association, its corporate purpose includes, among other things, the organization, management and marketing of gambling games, with special reference to the set-up and operation of a network for the remote management of lawful public gambling by coin-operated machines within the meaning of art. 110, par. 6, of the Public Security Act; the organization, management and marketing of any other game and/or any other activity pertaining to gambling by means of any current or future media or device; and the performance of any other activity however related to or associated with the foregoing.

30. Jackpot S.p.A. is a joint stock company (*società per azioni*) organized under the laws of the Republic of Italy. Its registration number with the Registry of Companies of Rome is 10668351009. The registered office of Jackpot S.p.A. is via Veneto no. 84, 00187 Rome, Italy. Jackpot S.p.A. has a share capital of €2,000,000.00, consisting of 2,000,000 shares. The members of the board of directors of Intralot Gaming Machines S.p.A. are Konstantinos Georgoulas, Ioannis Pantoleon and Georgios Minardos. According to Section 2 of its articles of association, its corporate purpose includes, among other things, the organization, management and marketing of gambling games, with special reference to the set-up and operation of a network for the remote management of lawful public gambling by coin-operated machines within the meaning of art. 110, par. 6, of the Public Security Act; the organization, management and marketing of any other game and/or any other activity pertaining to gambling by means of any current or future media or device; and the performance of any other activity however related to or associated with the foregoing.

31. Veneta Servizi S.r.l. is a limited liability company (*società a responsabilità limitata*) organized under the laws of the Republic of Italy. Its registration number with the Registry of Companies of Treviso is 03990820262. The registered office of Veneta Servizi S.r.l. is Galleria Aldo Moro no. 11, 31021 Mogliano Veneto (TV), Italy. Veneta Servizi S.r.l. has a corporate capital of €1,147,129.00, consisting of 1 quota. The members of the board of directors of Veneta Servizi S.r.l. are Enea Ruzzettu, Andreas Papoulias and Ioannis Pantoleon. Its corporate purpose includes, among other things, the organization, management and operation of betting games and/or totalizator games; the management of call-centers for the collecting of bets; the production, sale and lease of software, in particular with respect to collection of bets; and the carrying out of restaurant and café activities.

32. Intralot Iberia, S.A. is a public limited liability company (*sociedad anónima*) organized under the laws of Spain. It is registered with the Mercantile Registry of Madrid at *Tomo* 23,799, *Hoja* M-427,142, *Folio* 190 and with Spanish tax identification number (C.I.F.) A-84,973,940. The registered office of Intralot Iberia, S.A. is 6 Avenida de la Industria, Alcobendas, Madrid, Spain. Intralot Iberia,S.A. has a share capital of €415,102 consisting of 415,102 shares. The board of directors of Intralot Iberia, S.A. are Fotios Mavroudis, Ioannis Pantoleon, Areti Makou, Eleftherios Mandrakas and Julio José Gil Campo. According to Section 3 of its articles of association, its corporate purpose includes, among other things, the manufacturing, import, export, sale, purchase, distribution of game and gambling material or brokerage in its commerce; the operation of gaming machines with or without monetary award in its own (or in others') business establishments; the commercialization (in any form) of public gambling and games of chance; the creation, management, transaction and promotion of instant lottery, or similar lottery systems; the supply and/or commercialization of equipment used for organization, promotion, management, technical or administrative support and in the commercial operation of lotteries or any of the above mentioned systems; and the operation of bets in its own (or in others') business establishments or through any other means legally permitted.

33. Intralot Jamaica Limited is a private company organized under the laws of Jamaica with registration number 77,226. The registered office of 34. Intralot Jamaica Limited is at 8th Floor, 63-67 Knutsford Boulevard, Kingston 5, Saint Andrew Jamaica. It has a share capital of JMD 7,200,000.00, consisting of 72,000 shares issued and held by Intralot Iberia Holdings S.A. Its directors are Georgios Sampson and Tiberiu Marian Grigorescu Courumulis. According to its Articles its principal object is betting and gaming business but, under the laws of Jamaica, it has the corporate capacity to carry on any lawful business.

34. Intralot St Lucia Limited is an international business company organized under the laws of Saint Lucia with company no. 2008-00458. The registered office of Intralot St Lucia Limited is at Bourbon House, Bourbon Street, Castries, Saint Lucia. It has a share capital of XCD 60,772,493 held by Intralot Holdings International Limited. Its directors are Ioannis Pantoleon, Georgios Sampson and Nikolaos Nikolakopoulos, and FinSec Limited is its Secretary. According to its Articles, its principal object is the betting and gaming business but, under the laws of Saint Lucia, it has the corporate capacity to carry on any lawful business outside Saint Lucia.

35. Pollot Sp. z o.o. (*Pollot spółka z ograniczoną odpowiedzialnością*) is a limited liability company organized under the laws of the Republic of Poland. Its registration number with the register of entrepreneurs of the National Court Register is KRS 0000077090. The registered office of Pollot Sp. z o.o. is ul. Taneczna 18 B, Warsaw (02-829), Poland. Pollot Sp. z o.o. has a share capital of PLN 15,055,300, consisting of 11,581 shares. The sole member of the Management Board of Pollot

Sp. z o.o. is Adam Wojciech Lamentowicz. According to Section 4 of its articles of association, its corporate purpose includes: (a) gambling and betting activities, (b) activities of head offices; management consultancy activities, (c) advertising and market research, (d) office administrative, office support and other business support activities, (e) real estate activities, (f) rental and leasing activities, (g) wholesale trade, except of motor vehicles and motorcycles, (h) retail trade, except of motor vehicles and motorcycles, (i) publishing activities, (j) education, (k) telecommunications, and (l) financial service activities, except insurance and pension funding.

36. Beta Rial Sp. z o.o. (*Beta Rial spółka z ograniczoną odpowiedzianością*) is a limited liability company organized under the laws of the Republic of Poland. Its registration number with the register of entrepreneurs of the National Court Register is KRS 0000206124. The registered office of Beta Rial Sp. z o.o. is ul. Taneczna 18 B, Warsaw (02-829), Poland. Beta Rial Sp. z o.o. has a share capital of PLN 6,476,200, consisting of 129,524 shares. The Management Board of Beta Rial Sp. z o.o. is comprised of: Fotios Mavroudis (President of the Board) and Ioannis Pantoleon (Vice President of the Board). According to Section 6 of its articles of association, its corporate purpose includes: (a) management activities of holding companies, (b) business management activities, and (c) business and management consultancy activities.

37. SLOVENSKÉ LOTÉRIE a.s. is a joint stock company (*akciová spoločnost'*) organized under the laws of the Slovak Republic. Its identification number (*IČO*) is 35 742 691 and it is incorporated with the Commercial Registry of the District Court Bratislava I, Section: Sa, Insert No.: 1684/B. The registered office of SLOVENSKÉ LOTÉRIE a.s. is Stará Vajnorská 11, 831 04 Bratislava, Slovakia. SLOVENSKÉ LOTÉRIE a.s. has a share capital of €338,713.54 consisting of 204 shares. The board of directors of SLOVENSKÉ LOTÉRIE a.s. is comprised of Fotios Mavroudis, Iraklis Pavlou, Nikolaos Nikolakopoulos, Ing. Juraj Djobek and Efthymios Papageorgiou. According to Article 2 of its articles of association, the scope of business of SLOVENSKÉ LOTÉRIE a.s. is to (i) operate video games pursuant to the act on gambling games in accordance with the individual license and (ii) operate electromechanical roulettes pursuant to the act on gambling games under the individual license.

38. LOTROM S.A. is a joint-stock company (*societate pe actiuni*) organized under the laws of Romania. Its registration number with the National Trade Register Office is J40/ 8800/2000. The registered office of LOTROM S.A. is 43 Polona Street, 2nd Floor, 1st apartment, corp 2, 1st District Bucharest, Romania. LOTROM S.A. has a share capital of RON 315,740 consisting of 3,157,400 shares. The Board of Directors of LOTROM S.A. is comprised of Mavroudis Fotios, Ioannis Katakis, Antonios Dimos, Leonidas Koutroukis and Efthymios Papageorgiou. According to Section 7 of its articles of association, its main corporate purpose is betting and gaming activities (CAEN code—920).

GLOSSARY

Term	Definition
AWP	Amusement with Prizes machine, which pays out cash prizes as a percentage of total wagers over a pre-determined cycle of games.
B2B	Business-to-business.
B2C	Business-to-consumer.
B2G	Business-to-government.
EU Industrial R&D Scoreboard	Annual ranking published by the European Commission of the top 1500 global companies (both European and non-European) according to their investments in research and development, using data drawn from the companies' most recent accounts.
Fixed-odds betting	Payout amount is agreed upon in advance between the player and the bookmaker. In the case of a win, the bookmaker pays an amount equal to the bet multiplied by the odds fixed at the moment of the bet.
GGY	Gross Gaming Yield.
Gross win	Sales less payout in respect of licensed operations.
IT products and services	Interactive marketing, business analytics, media and gaming, as well as technology and operational services, provided to state and state-licensed organizations.
KENO	Bingo-like game where 20 numbers are drawn out of 80 numbers for each game. Drawings are held every five minutes. Fixed prizes are distributed according to the amount of numbers chosen and matched.
ODIE	Hellenic Horse-race Betting Organisation.
Online lottery	A system allowing players to purchase lottery tickets generated by a computer or online machine/terminal at the lottery POS where the information about the sale of a ticket and the player's choice of number or combination of numbers is simultaneously registered with the central computer server.
OPAP	Greek Organization of Football Prognostics S.A.
Open-ended license	Gaming license that does not have a fixed term or is automatically renewable as long as the licensee complies with the licensed terms.
Pari-mutuel betting	Total pool of wagers placed, minus a specified percentage, is divided among the winning players according to a set formula. A winner is paid an amount equal to his or her share of the prize pool.
Payout	Cash amount payable on player winnings.
PDA	Personal digital assistant.
POS	Point(s) of sale.
R&D	Research and development.
VLT	Video Lottery Terminal, a gaming machine that allows players to bet on the outcome of a video game.
White label	A product or service where the provider purchases a fully supported product from another source, then applies its own brand and identity to it, and sells it as its own product. The purchaser assumes the seller is selling its own product.

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INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

First Quarter Report (Group and Company) for the period from 1st January until 31st March 2013

Public Companies (S.A.) Reg. No. 27074/06/B/92/9

1. Interim Financial Statements

1.1 Interim Comprehensive Income Statement

Amounts reported in thousand €	GROUP		COMPANY	
	1/1-31/3/2013	1/1-31/3/2012	1/1-31/3/2013	1/1-31/3/2012
Sale Proceeds	355.756	347.224	28.396	40.818
Less: Cost of Sales	(285.185)	(287.805)	(14.946)	(30.624)
Gross Profit /(Loss)	**70.571**	**59.419**	**13.450**	**10.194**
Other Operating Income	3.908	4.138	12	397
Selling Expenses	(9.375)	(9.657)	(1.681)	(1.572)
Administrative Expenses	(31.877)	(28.119)	(1.819)	(2.159)
Research and Development Expenses	(1.877)	(2.726)	(1.361)	(2.012)
Other Operating Expenses	(2.806)	(1.556)	0	(68)
EBIT	**28.756**	**21.547**	**8.601**	**4.780**
EBITDA	**55.082**	**41.689**	**12.433**	**8.500**
Interest and similar Charges	(12.872)	(8.415)	(6.014)	(6.315)
Interest and related Income	2.247	2.788	5.650	6.304
Exchange Differences	3.162	(722)	898	(1.096)
Profit/(loss) equity method consolidations	123	23	0	0
Operating Profit/(Loss) before tax	**21.204**	**15.173**	**9.135**	**3.673**
Less Taxes:	(7.272)	(2.521)	(55)	829
Net Profit / (loss) after taxes from Continuing Operations (a)	**13.932**	**12.652**	**9.080**	**4.502**
Net Profit / (loss) after taxes from Discontinuing Operations (b)	**0**	0	**0**	0
Net Profit / Loss (Continuing and Discontinuing Operations) (a) + (b)	**13.932**	**12.652**	**9.080**	**4.502**
Attributable to:				
Owners of the parent	4.821	4.106	9.080	4.502
Non-Controlling Interest	9.111	8.546	0	0
Other comprehensive income after tax				
Amounts that can be transferred to Profit & Loss:				
Valuation of Available for Sale financial instruments	2.568	(678)	(17)	0
Derivatives valuation	844	1	375	60
Exchange differences on translating foreign operations	303	(2.667)	0	0
Total comprehensive income/ (expense) after tax	**3.715**	**(3.344)**	**358**	**60**
Total income after tax	**17.647**	**9.308**	**9.438**	**4.562**
Attributable to:				
Owners of the parent	8.775	1.559	9.438	4.562
Non-Controlling Interest	8.872	7.749	0	0
Earnings after taxes per share (in €)				
—basic	0,0303	0,0258	0,0571	0,0283
—diluted	0,0303	0,0258	0,0571	0,0283
Weighted average number of shares	158.961.721	158.961.721	158.961.721	158.961.721

1. Interim Financial Statements (Continued)

1.2 Interim Statement of Financial Position

Amounts reported in thousand €	GROUP 31/3/2013	GROUP 31/12/2012	COMPANY 31/3/2013	COMPANY 31/12/2012
ASSETS				
Non-Current Assets				
Tangible fixed assets	237.788	240.693	13.109	15.507
Intangible assets	363.122	363.824	55.547	50.602
Investment in subsidiaries and associates	39.823	40.217	158.008	158.008
Other financial assets	7.654	4.913	735	757
Deferred Tax asset	21.954	21.259	10.953	8.918
Other long term receivables	87.861	87.950	450	445
	758.202	**758.856**	**238.802**	**234.237**
Current Assets				
Inventories	43.289	43.533	30.365	31.060
Trade and other short term receivables	179.374	172.739	183.960	194.355
Other Financial Assets	4.059	4.706	0	790
Cash and cash equivalents	139.551	134.973	24.499	5.254
	366.273	**355.951**	**238.824**	**231.459**
TOTAL ASSETS	**1.124.475**	**1.114.807**	**477.626**	**465.696**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other reserves	66.624	61.238	57.012	55.475
Foreign currency translation	(31.863)	(32.404)	0	0
Retained earnings	231.965	226.711	26.009	18.108
	314.415	**303.234**	**130.710**	**121.272**
Non-Controlling interest	76.948	80.615	0	0
Total equity	**391.363**	**383.849**	**130.710**	**121.272**
Non-Current Liabilities				
Long term Debt	335.604	329.730	55.000	55.000
Staff retirement indemnities	6.846	6.567	4.044	3.926
Other long term provisions	14.402	14.509	13.926	14.059
Deferred Tax liability	4.995	5.684	0	0
Other long term liabilities	21.167	21.774	0	0
Finance lease obligation	3.587	5.361	0	0
	386.601	**383.625**	**72.970**	**72.985**
Current Liabilities				
Trade and other short term liabilities	141.296	136.940	61.841	63.318
Short term debt and current portion of long term debt	184.852	185.883	206.277	204.384
Current income taxes payable	16.574	19.623	4.059	1.968
Short term provision	3.789	4.887	1.769	1.769
	346.511	**347.333**	**273.946**	**271.439**
TOTAL LIABILITIES	**733.112**	**730.958**	**346.916**	**344.424**
TOTAL EQUITY AND LIABILITIES	**1.124.475**	**1.114.807**	**477.626**	**465.696**

1. Interim Financial Statements (Continued)

1.3 Interim Statement of Changes in Equity

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2013	**47.689**	**37.068**	**24.170**	**194.307**	**303.234**	**80.615**	**383.849**
Adjustments on the opening balances				(7)	**(7)**	(1)	**(8)**
Period's Results				4.821	**4.821**	9.111	**13.932**
Other comprehensive income/(expense) after tax			3.411	543	**3.954**	(239)	**3.715**
Dividends					**0**	(9.288)	**(9.288)**
Effect due to change in ownership percentage				2.413	**2.413**	(3.250)	**(837)**
Transfer to reserves		267	1.708	(1.975)	**0**	0	**0**
Balances as at 31/03/2013	**47.689**	**37.335**	**29.289**	**200.102**	**314.415**	**76.948**	**391.363**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2012	**47.689**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**
Adjustments on the opening balances				(395)	**(395)**	(1)	**(396)**
Period's Results				4.106	**4.106**	8.546	**12.652**
Other comprehensive income / (expense) after tax			(678)	(1.870)	**(2.548)**	(796)	**(3.344)**
Stock Options Reserves			1		**1**		**1**
Dividends					**0**	(7.439)	**(7.439)**
Transfer to reserves		99	(20.843)	20.744	**0**		**0**
Balances as at 31/03/2012	**47.689**	**36.707**	**34.571**	**181.557**	**300.524**	**76.218**	**376.742**

1. Interim Financial Statements (Continued)

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in thousand €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2013	**47.689**	**29.037**	**26.438**	**18.108**	**121.272**
Period's Results				9.081	**9.081**
Other comprehensive income/(expense) after tax			357		**357**
Transfer to reserves			1.180	(1.180)	**0**
Balances as at 31/03/2013	**47.689**	**29.037**	**27.975**	**26.009**	**130.710**

STATEMENT OF CHANGES IN EQUITY INTRALOT COMPANY (Amounts reported in thousand €)	Share Capital	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2012	**47.689**	**29.037**	**38.312**	**3.525**	**118.563**
Adjustments on the opening balances				(394)	**(394)**
Period's Results				4.502	**4.502**
Other comprehensive income/(expense) after tax			60		**60**
Transfer to reserves			(20.843)	20.843	**0**
Stock Options Reserves			1		**1**
Balances as at 31/03/2012	**47.689**	**29.037**	**17.530**	**28.476**	**122.732**

1. Interim Financial Statements (Continued)

1.4 Interim Cash Flow Statements

	GROUP		COMPANY	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012
Cash flows from operating activities				
Net Profit before Taxation	21.204	15.173	9.135	3.673
Plus/ Less adjustments for:				
Depreciation and Amortization	26.326	20.142	3.832	3.720
Provisions	1.518	(4.165)	38	(4.260)
Exchange rate differences	768	476	0	0
Results from Investing Activities	(3.381)	548	(5.057)	(4.715)
Debit Interest and similar expenses	12.872	8.415	6.014	6.315
Credit Interest and related income	(2.247)	(2.788)	(1.578)	(1.400)
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	933	8.106	695	8.987
Decrease/(increase) of Receivable Accounts	(7.340)	2.574	15.922	7.399
(Decrease)/increase of Payable Accounts (except Banks)	(6.947)	(17.559)	(1.646)	(16.258)
Less:				
Interest Paid and similar expenses paid	9.490	7.693	4.072	4.625
Income Tax Paid	15.309	7.964	0	164
Net Cash from Operating Activities (a)	**18.907**	**15.265**	**23.283**	**(1.328)**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates and other investments	(183)	3.071	816	285
Purchases of tangible and intangible assets	(11.888)	(8.619)	(5.878)	(936)
Proceeds from sales of tangible and intangible assets	34	261	0	0
Interest received	1.955	2.453	327	711
Dividends received	0	0	697	460
Net Cash from Investing Activities (b)	**(10.082)**	**(2.834)**	**(4.038)**	**520**
Financing Activities				
Cash inflows from loans	22.134	6.086	0	0
Repayment of loans	(20.401)	(7.495)	0	0
Repayment of Leasing Obligations	(1.041)	(1.552)	0	0
Dividends paid	(4.939)	(2.681)	0	0
Net Cash from Financing Activities (c)	**(4.247)**	**(5.642)**	0	**0**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**4.578**	**6.789**	**19.245**	**(808)**
Cash and cash equivalents at the beginning of the period	**134.973**	**142.498**	**5.254**	**14.402**
Cash and cash equivalents at the end of the period	**139.551**	**149.287**	**24.499**	**13.594**

2. Notes to the Financial Statements

2.1 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. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Maroussi of Attica.

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.500 people and revenues of € 1.374 millions in 2012. Committed to meeting customer requirements and performance expectations along with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired a worldwide reputation in the global gaming sector.

Approval of the Financial Statements

The Board of Directors of INTRALOT SA approved the Company's and Group's interim financial statements for the period ended 31st March 2013, on the 24th of May 2013.

2.2 Significant Accounting Policies

Basis of Consolidation:

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at the end of the current period. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. The accompanying interim financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as they have been endorsed by the European Union, and IAS 34 "Interim Financial Reporting". Those interim financial statements should be read in conjunction with the Group's annual financial statements as at 31st December 2012.

Adjustments were made to bring in line any dissimilar accounting policies that may had 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 the Group has control.

2.3 Accounting Policies

For the preparation of the interim consolidated financial statements for the three month period ended March 31st, 2013, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual consolidated financial statements (December 31st, 2012), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1st, 2013.

2. Notes to the Financial Statements (Continued)

2.4 New Standards, Interpretations and Amendments of Published Standards

Standards and Interpretations compulsory for the fiscal year 2013

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2013. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IAS 1 (Amendment) "Presentation of Financial Statements"

(COMMISSION REGULATION (EC) No. 475/2012 of 5th June 2012, L146/1—06.06.2012)

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

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within Other Comprehensive Income that may be reclassified or recycled to the profit or loss section of the Income Statement. The Group implemented this amendment on 1st January 2013.

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

(COMMISSION REGULATION (EC) No. 183/2013 of 4th March 2013, L61/6—05.03.2013)

It applies to the annual accounting periods starting on or after 1st January 2013.

The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This is the same relief as was given to existing preparers of IFRS financial statements. This amendment has no impact to the Group's financial statements since the Group has already adopted IFRS.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360—29/12/2012)

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

The amendment retains the existing assets and liabilities offsetting models but requires new disclosure requirements to allow investors to better compare financial statements prepared in accordance with IFRSs and US GAAP. The Group does not expect this amendment to affect its financial statements.

IFRS 13 "Fair Value Measurement"

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011 the IASB and the FASB issued new guidance on fair value measurement and disclosure requirements for International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP). The guidance sets out in IFRS 13 does not change when an entity is required to use fair value, but provides guidance on how to measure fair value. The Group implemented IFRS 13 on 1st January 2013.

2. Notes to the Financial Statements (Continued)

IAS 19 (amendment) "Employee Benefits"

(COMMISSION REGULATION (EC) No. 475/2012 of 5th June 2012, L146/1—06.06.2012)

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

In June 2011 IASB amended IAS 19 removing the option that allows a company to defer some gains and losses that arise from defined benefit plans ("corridor method"). Companies now will have to report these changes as they occur. This will result in companies including any deficit or surplus in a defined benefit plan in their statement of financial position. Also, it requires companies to include service and finance cost in profit or loss and remeasurements in other comprehensive income. The Group implemented this amendment on 1st January 2013.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

The Interpretation 20 clarifies when stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The above amendment will not affect the Group's financial statements.

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

(COMMISSION REGULATION (EC) No. 301/2013 of 27th March 2013, L90/78—28.03.2013)

IASB in its annual improvement program published in May 2012, amendments to 5 existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of January, 2013. The above amendments will not have significant effect on the Group's financial statements.

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

The amendment clarifies that an entity can apply IFRS 1 more than one time under some specific circumstances. Also, an entity can choose to apply IAS 23 on transition date or on an earlier date.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies the comparative disclosures when an entity presents a third statement of financial position because it is required by IFRS 8 or voluntarily. Also, it explains that an entity may include in the first financial statements prepared in accordance to IFRS, extra comparative information so as to provide a better explanation of the IFRS transition effect.

IAS 16 "Property, Plant and Equipment"

The amendment clarifies that servicing equipment and spare parts may be classified as tangible assets and not as inventories, in case they meet the definition of property, plant and equipment.

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies the treatment of income taxation related to distributions to holders and the costs of equity transactions.

2. Notes to the Financial Statements (Continued)

IAS 34 "Interim Financial Reporting"

The amendment clarifies the required disclosures for the assets and liabilities of reportable segments in interim financial statements.

Standards and Interpretations compulsory after 31 December 2013

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2014 and have not been adopted from the Group earlier.

IAS 32 (Amendment) "Financial Instruments: Presentation"

(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360—29/12/2012)

This applies to annual accounting periods starting on or after 1st January 2014.

The amendment clarifies the assets and liabilities offsetting criteria in order to address inconsistencies in current practice. The Group does not expect this amendment to affect its financial statements.

IFRS 9 "Financial Instruments"

This applies to annual accounting periods starting on or after 1st January 2015.

IFRS 9 is the first part of Phase 1 in the work carried out by the International Accounting Standards Board (IASB) for the replacement of IAS 39. The IASB intends to expand IFRS 9 in order to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. According to IFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. The subsequent measurement of financial assets is either at amortized cost or at fair value, depending on the financial entity's business model regarding the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications, except in the rare circumstances when the financial entity's business model changes, in which case the financial entity is required to reclassify the affected financial assets prospectively. According to IFRS 9 principles, all investments in equity instruments should be measured at fair value. However, the management has the option of reporting the realized and unrealized fair value through profit or loss of equity instruments which are not held for trading in the "other comprehensive income". Such designation is made at the time of initial recognition separately for each financial instrument and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or losses while dividends from such investments will continue to be recognized in profit or loss. IFRS 9 annuls the exemption of the measurement at cost of non-listed shares and derivatives in non-listed shares, but provides guidance as to when the cost can be a representative estimation of fair value. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 9 before 1st January 2015.

IFRS 10 "Consolidated Financial Statements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

2. Notes to the Financial Statements (Continued)

On May 2011 the IASB issued IFRS 10 "Consolidated Financial Statements". IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in IAS 27 "Consolidated and Separate Financial Statements" and in SIC-12 "Consolidation—Special Purpose Entities". IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group will implement IFRS 10 on 1st January 2014, with no impact on the consolidation of investments held by the Group.

IFRS 11 "Joint Arrangements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

In May 2011 the IASB issued IFRS 11 "Joint Arrangements". IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities—Non-Monetary Contributions by Venturers". IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method (equity method) to account for interests in jointly controlled entities. The Group will implement IFRS 11 on 1st January 2014, changing the consolidation method for jointly controlled entities from proportionate to equity method.

IFRS 12 "Disclosure of Interests in Other Entities"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

In May 2011 the IASB issued IFRS 12 "Disclosure of Interests in Other Entities". IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group implemented IFRS 12 on 1st January 2014.

IFRS 10, IFRS 11 & IFRS 12 (amendments) "Transition Guidance"

(COMMISSION REGULATION (EC) No. 313/2013 of 4th April 2013, L95/9—05.04.2013)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

On June 2012 the IASB issued additional transition relief in IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" limiting the requirement to provide adjusted comparative information. The amendments explain that the 'date of initial application' in IFRS 10 means 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. Consequently, an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same when applying IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation—Special Purpose Entities" and when applying IFRS 10. As a result, the IASB confirms that relief from retrospective application of IFRS 10 would also apply to an investor's interests in investees that were disposed of during a comparative period in

2. Notes to the Financial Statements (Continued)

such a way that consolidation would not occur in accordance with either IAS 27/SIC-12 or IFRS 10 at the date of initial application. The amendments also clarify how an investor shall adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application is different when applying IFRS 10 when compared with applying IAS 27/SIC-12. Additional transition relief is provided by limiting the requirement to present adjusted comparative information to the period immediately preceding the date of initial application (the 'immediately preceding period'). Presentation of adjusted comparatives for earlier periods is permitted but not required. The IASB has also amended IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" to provide similar relief from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. IFRS 12 is further amended to provide additional transition relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. The Group will implement these amendments on 1st January 2014.

IAS 27 (amendment) "Separate Financial Statements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

In May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 27 that now contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 "Financial Instruments". The Group will implement IAS 27 on 1st January 2014.

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

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

According to EU, this applies to annual accounting periods starting at the latest on or after 1st January 2014. Earlier application is permitted.

In May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 28 that now contains the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Group will implement IAS 28 on 1st January 2014.

IFRS 10, IFRS 12 & IAS 27 (amendments) "Investment Entities"

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted.

In October 2012 the IASB issued additional transition amendments in IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements". The amendments define an investment entity and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27 for investment

2. Notes to the Financial Statements (Continued)

entities. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

2.5 Segment Information

Intralot Group is active in about 50 countries and the segmentation of its subsidiaries is performed based on their geographical position. The financial results are presented in the following operating geographical segments:

European Union:	Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, France, Czech Republic and Slovakia.
Other Europe:	Russia, Moldova and Serbia—Montenegro.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Suriname, Uruguay and St. Lucia.
Other Countries:	Australia, New Zealand, China, South Africa, Turkey, South Korea, Lebanon, Egypt, Azerbaijan, Taiwan and Morocco.

No two operating segments have been added.

The following information is based on the internal financial reports provided to the manager responsible for taking decisions who is the General Director. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments as those of the consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in group level and are included in the column "Eliminations".

	Geographical Sales Breakdown								
	Third parties			Inter-segment			Total		
(in million €)	1Q13	1Q12	Diff %	1Q13	1Q12	Diff %	1Q13	1Q12	Diff %
European Union	171,39	185,68	(7,70)%	14,64	16,28	(10,07)%	186,03	201,96	(7,89)%
Other Europe	2,75	1,44	90,97%	0	0	—	2,75	1,44	90,97%
America	105,06	114,58	(8,31)%	2,47	1,74	41,95%	107,53	116,32	(7,56)%
Other	76,56	45,53	68,15%	0,01	0,01	—	76,57	45,54	68,14%
Eliminations	—	—	—	(17,12)	(18,03)	—	(17,12)	(18,03)	—
Total	**355,76**	**347,23**	**2,46%**	**0,00**	**0,00**	**—**	**355,76**	**347,23**	**2,46%**

	Geographical Profit Breakdown before taxes			Geographical Profit Breakdown after taxes		
(in million €)	1Q13	1Q12	Diff %	1Q13	1Q12	Diff %
European Union	16,56	16,28	1,72%	15,96	18,07	(11,68)%
Other Europe	(0,91)	(0,27)	—	(0,95)	(0,39)	—
America	7,22	3,84	88,02%	5,01	1,19	321,01%
Other	12,13	6,95	74,53%	7,69	5,41	42,14%
Eliminations	(13,80)	(11,63)	—	(13,78)	(11,63)	—
Total	**21,20**	**15,17**	**39,75%**	**13,93**	**12,65**	**10,12%**

2. Notes to the Financial Statements (Continued)

2.6 Contingent Liabilities

A. *LEGAL ISSUES PENDING*

a. On 5th September 2005 an action was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the Company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14th February 2008 when the hearing was postponed for 8th October 2009; at that date the hearing was cancelled due to the national elections. No summons for the schedule of a new hearing date has been served to the company until now. By virtue of the above mentioned action the plaintiff withdrew of the action filed against the Company on 10th January 2003 with the same content, which was set to be heard on 18th May 2005, on which date the said hearing was cancelled. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned action would not be successful.

b. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member 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. and INTRALOT INTERNATIONAL LTD proceeded to an additional joint intervention in favour of OPAP S.A.; this was scheduled for hearing on 3rd May 2007 but following a petition of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal on 28/6/2006 which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals which vindicated the defendants and dismissed the lawsuit with its decision no. 5189/2012. For the above case a provision had been made which has been reversed. No application for cassation has been served to the company until now.

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

d. Against (a) publishing company "I. Sideris—Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT, a lawsuit of Mr. Charalambos Kolymbalis,

2. Notes to the Financial Statements (Continued)

was filed on 8th March 2007 before the Multi Member Athens First Instance Court. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages. Date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012 when the case was heard and the decision no. 5724/2012 of the Athens Multi Member Court of First Instance was issued which dismissed the lawsuit. No appeal has been served to the company until now.

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

f. The Company and its subsidiary "Intralot International Limited" and Mr. Socratis P. Kokkalis, filed before the Athens Multi Member First Instance Court their lawsuit dated 1st November 2012 against the company "Glory Technology Limited" having its registered offices in Cyprus and Mr. Athanassios K. Ktorides, resident of Cyprus, requesting to compel the defendants to pay, jointly and severally, because of slander and their unfair competitive behaviour:

- to the first plaintiff (Intralot) the amount of € 72.860.479,78 (including monetary compensation for moral damages amounting to € 25.000.000) with the legal interest as from the service of the lawsuit
- to the second plaintiff (Intralot International Limited) the amount of € 5.019.081,67 (including monetary compensation for moral damages amounting to € 5.000.000) with the legal interest as from the service of the lawsuit; and
- to the third plaintiff (Mr. Socratis P. Kokkalis) the amount of € 50.424.019,73 (including monetary compensation for moral damages amounting to €25.000.000) with the legal interest as from the service of the lawsuit.

The lawsuit was heard before the abovementioned court on 20th March 2013 in absentia of the defendants and the issue of the decision is pending.

On the other hand, the company "Glory Technology Limited" and Mr. Athanassios K. Ktorides filed before the same court their lawsuit dated 19 March 2013 claiming that with the filing of the abovementioned lawsuit (from which unfair competitive behaviour results, as they allege) moral damage was caused to them. With their lawsuit, the plaintiffs request from the court to compel the Company, "Intralot International Limited" and Mr. Socratis Kokkalis to pay jointly and severally monetary compensation for moral damages amounting to € 25.000.000 to each of the plaintiffs. The hearing of the case has been scheduled for 16th October 2013. The legal counsels of the Company estimate that this lawsuit will not succeed.

g. In Turkey, GSGM filed on 23rd January 2006 before the First Instance Court of Ankara a declaratory action against the 45% subsidiary company Inteltek requesting to be recognized that the calculation of the player's excess payout of the fixed odds betting games, as per their contract, is effected at the end of each separate semester as opposed to on a cumulative basis at the end of the contract. The decision issued in 2007 by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal which was rejected by the court. GSGM filed an appeal against this decision which was rejected and the decision was finalized.

Inteltek had made a provision of TRY 3,3 million (€ 1,4 m) plus TRY 1,89 million (€814 k) relating to interest in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision.

2. Notes to the Financial Statements (Continued)

Moreover, Inteltek claimed the amount of TRY 2,34 million (€ 1m) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21st February 2008 to collect this amount. On 19th March 2009 the court vindicated Inteltek. GSGM filed an appeal against this decision and the appeal was accepted. Inteltek applied for the correction of the decision that was rejected by the higher court which returned the case to the court of first instance. The court of first instance on June 29, 2011 decided to insist on its initial judgment in favour of Inteltek. GSGM filed an appeal and the General Assembly of the Supreme Court of Appeals decided that the decision of the court of first instance on insisting is sufficient and the lawsuit file should be send to a chamber of the Supreme Court of Appeals for evaluation of the appeal requests of GSGM. The Supreme Court vindicated Inteltek and GSGM requested the correction of the decision. Inteltek requested the receivable from GSGM and GSGM paid the amount subject to the lawsuit on 13/12/2012 ie TL 5.797.372,24 (€2.497.575). The Supreme Court rejected the application for the correction of the decision and the decision was finalized.

h. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty amounting to TRY 5.075.465 (€2.186.569,45) imposed on GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM also for the second copy of the contract dated 29th August 2008 with Inteltek as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favour of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which is pending.

i. In Turkey, INTRALOT filed on 21st May 2009, before the Istanbul Court of First Instance a lawsuit against the company Teknoloji Holding A.Ş. (“Teknoloji”) requesting from Teknoloji the amount of TRY 1.415.000 (€609.598,48) on the ground of unjust enrichment, since INTRALOT unjustly paid taxes which Teknoloji had to pay on dividends distributed by Inteltek. At the hearing of 15th September 2011 the court issued its decision and vindicated INTRALOT for the total amount claimed. INTRALOT filed an appeal for the time of the calculation of the interest and for the amount of the overdue interest, while Teknoloji filed an appeal complaining for the reasoning of the decision. The case is pending.

g. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud (“Etesa”), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (€10,1m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. The Company has created relative provision in its financial statements part of which (€3,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

k. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to

2. Notes to the Financial Statements (Continued)

purchase his shares in LOTROM SA for € 2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. To date, no enforcement procedure has been commenced. If an enforcement procedure commences, the abovementioned companies will examine the possibility of filing further legal means at the enforcement procedure.

l. On 24 April 2013 the Company was notified of the existence of a research conducted by the Competition Board of Romania in relation to the contract signed in 2003 with Compania Nationala Loteria Romana regarding the Videolotto program. The investigation procedure is at the stage of documents' collection and, therefore, it is premature to make any estimation for its development.

m. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary "Totolotek Totomix SA" and a relevant administrative procedure was initiated which was concluded with the issue of a second instance decision of the Ministry of Finance for revocation of the six relevant licenses; the company filed a recourse against this decision before the Administrative Courts which was rejected and an appeal will be filed against the respective decision. In relation to all remaining shops a second instance decision of the Ministry of Finance was issued revoking their licenses. The company has filed a recourse before Administrative Courts which is pending. The company's management and its legal advisors estimate that the outcome of the recourse to the Administrative Courts will be finally positive. Since December 2012, new licenses have already been issued by virtue of which the subsidiary "Totolotek Totomix SA" operates and, therefore, the abovementioned cases will not affect its activities.

n. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT holds an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a "Relief Defendant" which means that INTRALOT is not alleged to have been part—directly or indirectly—of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. Intralot agrees with SVL's opinion that the Complaint is wholly without merit and expects that it will be successful in the Florida courts, as it was in the Jamaican courts.

o. In Brazil, a former officer of a subsidiary company filed a lawsuit against such subsidiary requesting several amounts to be paid to him as fees resulting from his labour relationship amounting to appox. € 240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. According to the legal opinion dated 21st August 2012 of the local lawyers, the lawsuit will be dismissed.

Until 24 May 2013, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

2. Notes to the Financial Statements (Continued)

B. *FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES*

COMPANY	YEARS
INTRALOT S.A.	2011 - 2012
BETTING COMPANY S.A.	2007 - 2010
BETTING CYPRUS LTD	2004 - 2012
INTRALOT DE CHILE S.A.	2008 - 2012
INTRALOT DE PERU SAC	2008 - 2012
INTRALOT INC.	2002 - 2012
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2005 - 2012
ROYAL HIGHGATE LTD	2006 - 2012
POLLOT Sp. z o.o.	2010 - 2012
MALTCO LOTTERIES LTD	2008 - 2012
INTRALOT HOLDINGS INTERNATIONAL LTD	2004 - 2012
LOTROM S.A.	2010 - 2012
BILOT EOOD	2005 - 2012
EUROFOOTBALL LTD	2008 - 2012
EUROFOOTBALL PRINT LTD	2008 - 2012
INTRALOT INTERNATIONAL LTD	2010 - 2012
INTRALOT OPERATIONS LTD	2010 - 2012
INTRALOT BUSINESS DEVELOPMENT LTD	2010 - 2012
INTRALOT TECHNOLOGIES LTD	2004 - 2012
INTELTEK INTERNET AS	2008 - 2012
LOTERIA MOLDOVEI S.A.	1/10-31/12/09 & 2010 - 2012
TOTOLOTEK S.A.	2007 - 2012
WHITE EAGLE INVESTMENTS LTD	2010 - 2012
BETA RIAL Sp. z o.o.	2007 - 2012
UNICLIC LTD	2005 - 2012
DOWA LTD	2005 - 2012
INTRALOT NEW ZEALAND LTD	—
INTRALOT ST.LUCIA LTD	2008 - 2012
INTRALOT DOMINICANA S.A.	2009 - 2012
INTRALOT GUATEMALA S.A.	2009 - 2012
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009 - 2012
INTRALOT LATIN AMERICA INC	2008 - 2012
INTRALOT JAMAICA LTD	2008 - 2012
INTRALOT NEDERELAND BV	2011 - 2012
INTRALOT CARIBBEAN VENTURES LTD	2010 - 2012
INTRALOT SURINAME LTD	2009 - 2012
SUPREME VENTURES LTD	2006 - 2012
DC09 LLC	2010 - 2012
KELICOM HOLDINGS CO LTD	2006 - 2012
DINET ZAO	2010 - 2012
INTRALOT DE COLOMBIA (BRANCH)	2008 - 2012
INTRALOT HONG-KONG HOLDINGS LIMITED	2011 - 2012
INTRALOT FRANCE SAS	2010 - 2012
INTRALOT CZECH S.R.O.	2011 - 2012
INTRALOT GERMANY GMBH	2012
GAIN ADVANCE GROUP LTD	—
INTRALOT GAMING MACHINES SpA	2012
CARIBBEAN VLT SERVICES LTD	2012
INTRALOT INVESTMENTS LTD	2012
DEEPSTACK CASINO LLC	—
INTRALOT HOLDINGS LUXEMBROURG S.A.	2012

COMPANY	YEARS
INTRALOT EGYPT LTD	2005 - 2012
E.C.E.S. SAE	2007 - 2012
INTRALOT OOO	2009 - 2012
POLDIN LTD	2007 - 2012
INTRALOT ASIA PACIFIC LTD	—
INTRALOT AUSTRALIA PTY LTD	2009 - 2012
INTRALOT SOUTH AFRICA LTD	—
INTRALOT LUXEMBOURG S.A.	2010 - 2012
INTRALOT ITALIA S.p.A.	2009 - 2012
INTRALOT FINANCE UK PLC	2011 - 2012
INTRALOT IBERIA SAU	2008 - 2012
INTRALOT IBERIA HOLDINGS S.A.	2008 - 2012
TECNO ACCION S.A.	2005 - 2012
GAMING SOLUTIONS INTERNATIONAL SAC	2008 - 2012
GAMING SOLUTIONS INTERNATIONAL LTD	2010 - 2012
INTRALOT BEIJING Co LTD	2007 - 2012
NAFIROL S.A.	—
INTRALOT ARGENTINA S.A.	2007 - 2012
LEBANESE GAMES S.A.L	—
VENETA SERVIZI S.R.L.	2010 - 2012
INTRALOT SOUTH KOREA S.A.	2007 - 2012
SERVICIOS TRANSDATA S.A.	2008 - 2012
SLOVENSKE LOTERIE AS	2008 - 2012
TORSYS S.R.O.	2008 - 2012
INTRALOT DO BRAZIL LTDA	2007 - 2012
OLTP LTDA	2009 - 2012
BILYONER INTERAKTIF HIZMELTER AS	2003 - 2012
LOTRICH INFORMATION Co. LTD	2011 - 2012
GIDANI LTD	2008 - 2012
INTRALOT INTERACTIVE S.A.	2010
INTRALOT INTERACTIVE USA LLC	2009 - 2012
JACKPOT S.p.A.	2010 - 2012
NIKANTRO HOLDINGS CO LTD	2010 - 2012
TACTUS S.R.O.	2008 - 2012
ATROPOS S.A.	2009 - 2012
NETMAN SRL	2010 - 2012
AZERINTELTEK AS	2010 - 2012
INTRALOT TURKEY AS	—
INTRALOT MAROC S.A.	2010 - 2012
INTRALOT MINAS GERAIS LTDA	2010 - 2012
PROMARTA OOO	2010 - 2012
FAVORIT BOOKMAKERS OFFICE OOO	2012
INTRALOT DE MEXICO LTD	2010 - 2012
INTRALOT DISTRIBUTION OOO	2011 - 2012
INTRALOT GAMING SERVICES PTY	2008 - 2012
KeTMS HOLDINGS CO LTD	2005 - 2012
INTRALOT BETTING OPERATIONS RUSSIA LTD	2011 - 2012
NANUM LOTTO LTD	2007 - 2012
INTRALOT LOTTERIES LTD	2011 - 2012
PRECIOUS SUCCESS LTD GROUP	—

2. Notes to the Financial Statements (Continued)

There is a tax audit in progress in Servicios Transdata S.A. for the years 2008-2009, in Intralot Italia S.p.A for the year 2009, in Intralot Jamaica Ltd for the years 2011-2012, in Intralot de Colombia for the year 2008, in Intralot SA for the year 2011 and in Intralot de Chile S.A. for the years 2008-2011. In Jackpot S.p.A the tax audit for the years 01/01/2010-08/03/2012 has been completed but the company has not been notified up to now for the results of this audit. In Intralot De Peru SAC the tax audit for the year 2010 has been completed and the company has been notified that it will be audited also for the year 2011. In 2011, in Lotrom S.A. the tax inspection for the years 1/1/2004-2009 has been completed with an effect in the company's 2011 results of €1,3 mio, in addition to imposing taxes of €1,1 mio due to a different estimation of the tax base recognition of some transnational transactions, which were offset during 2011-2012 with tax receivables after a relevant audit. In addition, there were penalties of € 1 mio that have already been paid during 2012, as a prerequisite for a relative appeal of the company and have been recognised as claims. The company's legal consultants fully disagree and have already started an objection according to the relevant law for the cancellation of taxes imposed and the payback of the fines. The tax inspection in Lotrom S.A., covering the period 01/06/2010-30/11/2011 regarding VAT has been completed.

2.7 Other Selected Explanatory Notes

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

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

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

No such.

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

No such.

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

I. *Stock Option:*

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

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

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

2. Notes to the Financial Statements (Continued)

Company). For the settlement of stock options, the Company will proceed to increases of its share capital.

The duration of this program will be four years, i.e. up to December 2013. Each beneficiary, during each year, will be entitled to exercise options which will not exceed ⅓ of the total number of options granted to him/her.

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

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

On the 12th of February 2010, INTRALOT S.A. announces that according to the Stock Option Plans terms, approved by the General Meeting of Shareholders of 14th December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, during the time program III is in effect,—within a period of four (4) years and not later than 31.12.2013—stock options with exercise price 4 Euro per share which if exercised all, will lead to the issuance of up to 6.227.000 new common Company shares.

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

INTRALOT S.A. announces that during 2013 no right was exercised by the beneficiaries of Program III.

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

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

The total fair value of the options, estimated using the Binomial Model, is € 923 k, which was included in previous year's results.

II. *New Companies of the Group:*

The Group did not establish any new subsidiaries during the first quarter of 2013.

III. *Subsidiaries Share Capital Increase:*

During the first quarter of 2013 the Group completed the share capital increase in Intralot Italia S.p.A and the Group processes from now on 100% of the company.

2. Notes to the Financial Statements (Continued)

IV. *Discontinued Operations in the Group:*

The Group did not proceed to the termination of any company during the first quarter of 2013.

e. Dividends paid (aggregate or per share):

Ordinary share dividend paid amounting to € 4.939 thousand (€2.681 thousand 31/03/12)

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

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

g. Acquisitions and disposals of tangibles and intangible assets:

The change to the Group, due to acquisition of tangible and intangible assets as at March 31, 2013 amounts to € 19.381 thousand while the respective disposals were approximately € 110 thousand.

2. Notes to the Financial Statements (Continued)

2.8 Supplementary Information

A. *CONSOLIDATED COMPANIES AND METHOD OF CONSOLIDATION*

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

I. Full consolidation:		Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	INTRALOT S.A.	Maroussi, Attica	Parent	Parent	—
5.	BETTING COMPANY S.A.	Maroussi, Attica	95%	5%	100%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT DE CHILE S.A.	Santiago, Chile	99,99%		99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%		99,98%
	INTRALOT INC	Atlanta, USA	85%		85%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%		54,95%
1.	ROYAL HIGHGATE LTD	Nicosia, Cyprus	5,69%	29,39%	35,08%
	POLLOT Sp. z o.o.	Warsaw, Poland	100%		100%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%		73%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	LOTROM S.A.	Bucharest, Romania		60%	60%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
21.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
6,7,8	TOTOLOTEK S.A.	Warsaw, Poland		92,89%	92,89%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp. z o.o.	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11,13,2	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG S.A.	Luxemburg, Luxemburg	100%		100%
2.	INTRALOT ITALIA S.p.A.	Rome, Italia		100%	100%
13.	SERVICIOS TRANSDATA S.A.	Lima, Peru		100%	100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%		100%
	TECNO ACCION S.A.	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina	100%		100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%

2. Notes to the Financial Statements (Continued)

	I. Full consolidation:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
17.	TACTUS S.R.O.	Bratislava, Slovakia		51%	51%
	INTRALOT DO BRAZIL LTDA	Sao Paolo, Brazil	80%		80%
18.	OLTP LTDA	Rio de Janeiro, Brazil		80%	80%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA S.A.	St. Dominicus, Dominican Republic		100%	100%
19.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
	INTRALOT NEDERLAND B.V.	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		100%	100%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
14.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
23.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
24.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
19.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%
2,13.	NETMAN SRL	Bucharest, Romania		100%	100%
14.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
	INTRALOT FRANCE S.A.S	Paris, France	100%		100%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
27.	INTRALOT DISTRIBUTION OOO	Moscow, Russia		100%	100%
2.	INTRALOT CZECH S.R.O.	Prague, Czech Republic		100%	100%
19.	CARIBBEAN VLT SERVICES LTD	Castries, St. Lucia		50,001%	50,001%
28.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
29.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
2.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%
30.	INTRALOT GAMING MACHINES S.p.A.	Rome, Italy	2%	98%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus		100%	100%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		100%	100%
25.	DINET ZAO	Moscow, Russia		100%	100%
26.	PROMARTA OOO	Moscow, Russia		100%	100%
31.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		100%	100%
	INTRALOT HOLDINGS LUXEMBOURG S.A.	Luxembourg, Luxembourg	100%		100%
22.	DEEPSTACK CASINO LLC	Atlanta, USA		85%	85%
29.	INTRALOT INVESTMENTS LTD	Nicosia, Cyprus	51%	49%	100%
5.	GAIN ADVANCE GROUP LTD	Hong Kong, China		100%	100%
15.	KETMS HOLDINGS CO LTD	Seoul, South Korea		100%	100%

2. Notes to the Financial Statements (Continued)

II. Equity method:		Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	25%		25%
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
12.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
32.	NANUM LOTTO CO LTD	Seoul, South Korea	15%	14%	29%
5.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China		49%	49%

Subsidiary of the company:

1: Intralot Betting Operations(Cyprus) Ltd
2: Intralot Holdings International Ltd
3: Bilot EOOD
4: Eurofootball Ltd
5: Intralot International Ltd
6: Pollot Sp. z o.o.
7: White Eagle Investments Ltd
8: Beta Rial Sp. z o.o.
9: Uniclic Ltd
10: Betting Company S.A.
11: Intralot Egypt Ltd
12: Intralot South Africa Ltd
13: Intralot Operations Ltd
14: Intralot Iberia S.A.U.
15: Gain Advance Group Ltd
16: Intralot Italia S.p.A
17: Slovenske Loterie AS
18: Intralot Do Brazil Ltda
19: Intralot St.Lucia Ltd
20: Intralot Guatemala S.A.
21: Nikantro Holdings Co Ltd
22: Intralot Inc
23: Intralot Caribbean Ventures Ltd
24: Inteltek Internet AS
25: Kelicom Holdings Co Ltd
26: Dinet ZAO
27: Intralot OOO
28: Intralot Australia PTY LTD
29: Intralot Technologies Ltd
30: Jackpot S.p.A.
31: Intralot Betting Operations Russia Ltd
32: KeTMs Holdings Co Ltd

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IAS 27 are met.

The companies Atropos S.A., Nafirol S.A. and E.C.E.S. SAE are under liquidation while in May 2013 the liquidation of Intralot France S.A.S was completed.

III. Acquisitions

Acquisitions during 2013

The Group has not made an acquisition during the first quarter of 2013.

B. REAL LIENS

A group subsidiary has banking facilities amounting to €29,3 million, consisting of a loan amounting to €20 million, an overdraft of €5 million, and bank guarantee letters of €4,3 million. These facilities are secured by an initial general mortgage on all the subsidiary's present and future assets (At 31/03/2013 the loan balance amounted to €14,1 million and the used guarantee letters to €4 million). Also, a group's subsidiary has a loan of € 2,6 million with mortgage on a building and guarantee letter.

C. PROVISIONS

The Group's provisions at 31/03/2013 that refer to legal issues amount to € 6,9 million, those referring to unaudited tax periods and tax audit expenses amount to € 2,4 million and € 8,9 million refer to other provisions. The respective amounts for the Company amount to € 6,9 million (legal issues), € 1,8 million (provisions for unaudited tax periods and tax audit expenses) and € 7,1 million (other provisions).

D. PERSONNEL EMPLOYED

The personnel employed by the Company and the Group as at the end of the current period were 614 and 5.507 respectively. For the first quarter of 2012, the personnel employed by the Company and the Group were 624 and 5.468 respectively.

2. Notes to the Financial Statements (Continued)

E. RELATED PARTY DISCLOSURES

The most important transactions between the Company and its related parties as per IAS 24 are shown on the table below:

Group	Income		Expenses	
	01/01/2013 - 31/03/2013	01/01/2012 - 31/03/2012	01/01/2013 - 31/03/2013	01/01/2012 - 31/03/2012
Intracom Holdings Group	463	629	3.213	3.861
Turkcell Group	4	10	1.039	504
Intralot South Africa LTD	402	426	0	13
Other related parties	153	1.110	497	1.776
Executives and members of the board	0	0	2.370	1.737
	1.022	**2.175**	**7.119**	**7.891**

Company	Income		Expenses	
	01/01/2013 - 31/03/2013	01/01/2012 - 31/03/2012	01/01/2013 - 31/03/2013	01/01/2012 - 31/03/2012
Intralot Operations LTD	563	489	0	34
Inteltek Internet AS	807	692	0	0
Intracom Holdings Group	463	629	3.240	3.803
Bilyoner Interaktif Hizmelter A.S.	0	1.723	0	0
Intralot Inc	99	1.037	12	37
Betting Company S.A	4	3	1.069	900
Lotrom S.A.	2.967	3.076	433	435
Intralot Nederland BV	393	765	0	0
Intralot International LTD	0	0	1.840	1.940
Tecno Accion S.A.	2.973	3.182	0	14
Maltco Ltd	3.644	158	0	0
Intralot New Zealand LTD	629	1.017	0	0
Intralot Czech LTD	0	1.057	0	0
Other related parties	2.001	2.859	875	2.089
Executives and members of the board	0	0	1.330	1.287
	14.543	**16.687**	**8.799**	**10.539**

Group	Receivable		Payable	
	31/03/2013	31/12/2012	31/03/2013	31/12/2012
Uniclic LTD	4.145	4.087	0	0
Intracom Holdings Group	7.486	6.920	20.242	18.543
Intralot South Africa LTD	386	463	0	0
Other related parties	5.999	6.729	9.099	6.509
Executives and members of the board	647	589	884	894
	18.663	**18.788**	**30.225**	**25.946**

2. Notes to the Financial Statements (Continued)

Company	Receivable		Payable	
	31/03/2013	31/12/2012	31/03/2013	31/12/2012
Intralot Operations LTD	47.982	47.645	0	225
Inteltek Internet A.S.	654	1.764	0	0
Intracom Holdings Group	6.801	6.230	19.530	17.835
Gaming Solutions Int. SAC	9.078	9.026	14	13
Intralot Inc	10.549	10.253	108	92
Intralot Betting S.A.	31	27	6.207	5.990
Betting Cyprus LTD	0	0	5.706	5.706
Uniclic LTD	4.346	4.346	0	0
Intralot International LTD	2.319	2.319	3.141	5.150
Pollot Sp. z o.o.	6.434	6.373	0	0
Intralot de Peru SAC	8.854	8.775	0	0
Intralot Iberia SA Unipersona	1.196	1.069	0	0
Loteria Moldovei S.A.	2.013	2.005	0	0
Lotrom S.A.	(6.787)	(8.965)	3.601	2.059
Intralot Business Development LTD	12.935	12.454	0	0
Intralot Nederland B.V.	15.040	16.910	22	22
Intralot Do Brazil LTDA	13.786	13.285	0	0
Intralot Australia PTY LTD	1.642	1.579	3	3
Intralot Czech LTD	1.937	1.937	0	0
Intralot Beijing	0	0	5.400	5.397
Intralot Lotteries Ltd	295	18.697	0	0
Gaming Solutions Intl Ltda	2.130	2.140	0	0
Maltco Lotteries Ltd	11.919	8.955	0	0
Intralot Dominicana Ltd	2.274	2.230	0	0
Tecno Accion LTD	1.924	6	0	15
Intralot Gaming Services Pty Ltd	5.274	5.081	0	0
Other related parties	7.007	6.485	4.798	7.152
Executives and members of the board	0	0	560	560
	169.633	**180.626**	**49.090**	**50.219**

In the Company's Income, 4.072 thousand (2012: 4.904 thousand) relate to dividends received from the subsidiaries Tecno Accion SA and Maltco Ltd.

The BoD and Key Management Personnel transactions and fees for the Group and the Company for the period 01/01/2013-31/03/2013 were € 2,37 million and € 1,33 million respectively.

F. 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 2.7.d and f, as above):

   See above paragraph 2.7.d and f and 2.8 A III.

ii. Previous paragraph (2.8 F.i.) events effect, if this is higher than 25%, in respect of the consolidated revenues, results, net equity of the current period (by extension of the paragraph 2.7 d and f., as above):

   No such cases.

2. Notes to the Financial Statements (Continued)

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

No such.

iv. Other material events between balance sheet date and the date on which the financial statements are issued (to the extent that this information is not provided in paragraph 2.9):

See bellow, paragraph 2.9.

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 2.7 d and f, as above):

No such effect.

2.9 Subsequent Events

During the second quarter of 2013, the Group sold and leased back, under a finance lease contract, equipment amounting to €35,9 mio.

Maroussi, May 24th, 2013

THE CHAIRMAN OF THE BOARD OF DIRECTORS

S.P. KOKKALIS
ID. No. AI 091040

THE VICE-CHAIRMAN OF THE BoD AND CEO

C.G. ANTONOPOULOS
ID. No. AI 025905

THE GENERAL DIRECTOR OF FINANCE & BUSINESS DEVELOPMENT

I.O. PANTOLEON
ID. No. Σ 637090

THE ACCOUNTING DIRECTOR

N. G.PAVLAKIS
ID.No. AZ 012557
H.E.C. License No. 15230/ A' Class

2. Notes to the Financial Statements (Continued)

2.10.1 Summary Financial Information for the period 1st January 2013 to 31st March 2013

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Company's Number in the General Electronic Commercial Registry: 818201000—(Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)
Figures and information for the period from 1st January to 31st March 2013
According to 4/507/28.4.2009 resolution of the Board of Directors of the Greek Capital Committee
Amounts in thousands €

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

Web Site: **www.intralot.com**
Board of Directors approval date: **May 24th, 2013**

1. STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

	GROUP		COMPANY	
	31.3.2013	31.12.2012	31.3.2013	31.12.2012
ASSETS				
Tangible Assets	237.788	240.693	13.109	15.507
Intangible Assets	363.122	363.824	55.547	50.602
Other Non-Current Assets	157.292	154.339	170.146	168.128
Inventories	43.289	43.533	30.365	31.060
Trade receivables	183.433	177.445	183.960	195.145
Other Current Assets	139.551	134.973	24.499	5.254
TOTAL ASSETS	**1.124.475**	**1.114.807**	**477.626**	**465.696**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	266.726	255.545	83.021	73.583
Shareholders Equity (a)	314.415	303.234	130.710	121.272
Non-Controlling Interests (b)	76.948	80.615	0	0
Total Shareholders Equity (c)=(a)+(b)	**391.363**	**383.849**	**130.710**	**121.272**
Long-term Debt	335.604	329.730	55.000	55.000
Provisions and Other Long term Liabilities	50.997	53.895	17.970	17.985
Short-term Debt	184.852	185.883	206.277	204.384
Other Short-term Liabilities	161.659	161.450	67.669	67.055
Total Liabilities (d)	**733.112**	**730.958**	**346.916**	**344.424**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.124.475**	**1.114.807**	**477.626**	**465.696**

2. Notes to the Financial Statements (Continued)

2. TOTAL COMPREHENSIVE INCOME STATEMENT GROUP/COMPANY

	GROUP		COMPANY	
	1.1-31.3.2013	1.1-31.3.2012	1.1-31.03.2013	1.1-31.3.2012
Sale Proceeds	355.756	347.224	28.396	40.818
Less: Cost of Sales	(285.185)	(287.805)	(14.946)	(30.624)
Gross Profit / (Loss)	**70.571**	**59.419**	**13.450**	**10.194**
Other Operating Income	3.908	4.138	12	397
Selling Expenses	(9.375)	(9.657)	(1.681)	(1.572)
Administrative Expenses	(31.877)	(28.119)	(1.819)	(2.159)
Research and Development Costs	(1.877)	(2.726)	(1.361)	(2.012)
Other Operating Expenses	(2.806)	(1.556)	0	(68)
EBIT	28.756	21.547	8.601	4.780
Interest and similar charges	(12.872)	(8.415)	(6.014)	(6.315)
Interest and related income	2.247	2.788	5.650	6.304
Exchange differences	3.162	(722)	898	(1.096)
Profit / (Loss) from equity method consolidations	123	23	0	0
Operating Profit / (Loss) before tax	**21.204**	**15.173**	**9.135**	**3.673**
Less taxes	(7.272)	(2.521)	(55)	829
Operating Profit / (Loss) after tax (A)	**13.932**	**12.652**	**9.080**	**4.502**
Attributable to:				
—Owners of the parent	4.821	4.106	9.080	4.502
—Non-Controlling Interests	9.111	8.546	0	0
Other comprehensive income for the year, after tax (B)	**3.715**	**(3.344)**	**358**	**60**
Total comprehensive income after of taxes (A) + (B)	**17.647**	**9.308**	**9.438**	**4.562**
Attributable to:				
—Owners of the parent	8.775	1.559	9.438	4.562
—Non-Controlling Interests	8.872	7.749	0	0
Profit / (Loss) after taxes per share (in euro)				
—Basic	0,0303	0,0258	0,0571	0,0283
—Diluted	0,0303	0,0258	0,0571	0,0283
EBITDA	**55.082**	**41.689**	**12.433**	**8.500**

2. Notes to the Financial Statements (Continued)

3. STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

	GROUP		COMPANY	
	31.3.2013	31.3.2012	31.3.2013	31.3.2012
Net equity at the beginning of the period (01/01/2013 and 01/01/2012 respectively)	**383.849**	**375.268**	**121.272**	**118.563**
Effect on retained earnings from previous year's adjustment	(8)	(396)	0	(394)
Total comprehensive income for the year after tax (continuing and discontinuing operations)	17.647	9.308	9.438	4.562
Dividends Distributed	(9.288)	(7.439)	0	0
Effect due to change in ownership percentage	(837)	0	0	0
Exercise of stock option rights	0	1	0	1
Net Equity at the end of the period (31/03/2013 and 31/03/2012 respectively)	**391.363**	**376.742**	**130.710**	**122.732**

2. Notes to the Financial Statements (Continued)

4. CASH FLOW STATEMENT GROUP/COMPANY

	GROUP		COMPANY	
	1.1-31.3.2013	1.1-31.3.2012	1.1-31.3.2013	1.1-31.3.2012
Operating Activities				
Net Profit before Taxation (continuing operations)	21.204	15.173	9.135	3.673
Plus/Less adjustments for:				
Depreciation	26.326	20.142	3.832	3.720
Provisions	1.518	(4.165)	38	(4.260)
Exchange rate differences	768	476	0	0
Results from Investing Activities	(3.381)	548	(5.057)	(4.715)
Debit Interest and similar expenses	12.872	8.415	6.014	6.315
Credit Interest	(2.247)	(2.788)	(1.578)	(1.400)
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	933	8.106	695	8.987
Decrease/(increase) of Receivable Accounts	(7.340)	2.574	15.922	7.399
(Decrease)/increase of Payable Accounts (except banks)	(6.947)	(17.559)	(1.646)	(16.258)
Less:				
Interest Paid and similar expenses paid	9.490	7.693	4.072	4.625
Income Tax Paid	15.309	7.964	0	164
Net Cash from Operating Activities (a)	**18.907**	**15.265**	**23.283**	**(1.328)**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	(183)	3.071	816	285
Purchases of tangible and intangible assets	(11.888)	(8.619)	(5.878)	(936)
Proceeds from sales of tangible and intangible assets	34	261	0	0
Interest received	1.955	2.453	327	711
Dividends received	0	0	697	460
Net Cash from Investing Activities (b)	**(10.082)**	**(2.834)**	**(4.038)**	**520**
Financing Activities				
Cash inflows from Share Capital Increase	0	0	0	0
Cash inflows from loans	22.134	6.086	0	0
Repayment of loans	(20.401)	(7.495)	0	0
Repayment of Leasing Obligations	(1.041)	(1.552)	0	0
Dividends paid	(4.939)	(2.681)	0	0
Net Cash from Financing Activities (c)	**(4.247)**	**(5.642)**	**0**	**0**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**4.578**	**6.789**	**19.245**	**(808)**
Cash and cash equivalents at the beginning of the period	**134.973**	**142.498**	**5.254**	**14.402**
Cash and cash equivalents at the end of the period	**139.551**	**149.287**	**24.499**	**13.594**

2. Notes to the Financial Statements (Continued)

Supplementary information:

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2012 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the interim condensed financial statements.
2. The companies included in the consolidation of 31/03/2013 and not in the consolidation of 31/03/2012 due to subsequent acquisition are the following: Intralot Gaming Machines S.p.A., Intralot Holdings Luxembourg S,A, Deepstack Casino LLC, Intralot Investments LTD, Gain Advance Group LTD, Ktems Holdings Co LTD. Kelicom Holdings Co Ltd, Dinet Zao, Promarta OOO and Favorit Bookmakers Office OOO are included in the Group's financial statements with the method of the full consolidation after the completion of their acquisition and gain of control during the third quarter of 2012. The subsidiary Yugolot LTD was not consolidated 31/03/2013 but had been consolidated 31/03/12 due to the completion of its liquidation on the third quarter of 2012. Also the companies Nanum Lotto CO LTD and Precious Success LTD Group have been consolidated with the equity method. Finally, the subsidiary Intralot Iberia Holdings SA merged with Intralot Iberia SAU on 31/12/12, Intralot Minas Gerais Ltda with Intralot Do Brazil Ltda on 01/10/12 and Torsys SRO with Slovenske Loterie AS on 01/10/12.
3. The Group's and the Company's provision that refer to legal issues up to 31/03/2013 amounts to € 6,9 mio. The Group's provisions stated up to 31/03/2013 that refer to unaudited tax periods amount to € 2,4 mio and the rest € 8,9 mio refer to other provisions. Respectively, the Company stated € 6,9 mio for legal issues, € 1,8 mio for provisions of unaudited tax periods and € 7,1 mio for other provisions.
4. The personnel employed by the Company and the Group during the current period were 614 and 5.507 respectively. The respective period of the year 2012, the personnel employed by the Company and the Group were 624 and 5.468 respectively.
5. Companies that are included in 31/03/2013 consolidated financial statements are presented in note 2.8A of the interim financial report including locations, group percentage ownership and consolidation method.
6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 2.6.B of the interim financial report.
7. The amounts of expense/income included in the Group's and Company's comprehensive income statement of 31/03/2013 amounting to € 3,72 mio (2012: € (3,35) mio) concern: foreign exchange differences of € 303 thousand (2012: € (2,67) mio), derivative valuation of € 844 thousand, (2012: € 1 thousand) while amount of € 2,57 mio (2012: € (678) thousands), concerns the valuation of available for sale financial assets. Respectively, the amount of expense/income recorded in the Company's comprehensive income statement of 31/03/2013, that is € 358 thousands (2012: € 60 thousands) concerns: valuation of derivative of 375 thousand (2012: € 60 thousands) and finally € (17) thousands regarding the valuation of available for sale financial assets.

2. Notes to the Financial Statements (Continued)

8. The amounts of income, expenses, receivables and payables of the Company and Group with related parties, are as follows:

Amounts reported in thousands €	Group	Company
a) Income		
—from subsidiaries	0	13.559
—from associates	554	521
—from other related parties	468	463
b) Expenses		
—to subsidiaries	0	3.746
—to associates	0	0
—to other related parties	4.749	3.723
c) Receivables		
—from subsidiaries	0	157.993
—from associates	847	835
—from other related parties	17.169	10.805
d) Payables		
—to subsidiaries	0	26.010
—to associates	6	6
—to other related parties	29.335	22.514
e) BoD and Key Management Personnel transactions and fees	2.370	1.330
f) BoD and Key Management Personnel receivables	647	0
g) BoD and Key Management Personnel payables	884	560

Maroussi, May 24th, 2013

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

INTRALOT S.A.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

as of and for the year ended December 31, 2012

(IFRS)

INTRALOT S.A.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of the Company INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES, which comprise the separate and consolidated statement of financial position as of 31 December 2012, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES and its subsidiaries as of 31 December 2012, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

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

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

Athens, 27 March 2013

Georgios And. Karamichalis
Certified Public Accountant Auditor
Institute of CPA (SOEL) Reg. No. 15931

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

STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY

Amounts reported in thousands €	Note	GROUP 1/1-31/12/2012	GROUP 1/1-31/12/2011	COMPANY 1/1-31/12/2012	COMPANY 1/1-31/12/2011
Sale Proceeds		1.374.021	1.202.354	139.599	131.718
Less: Cost of Sales		(1.130.994)	(990.123)	(88.239)	(91.877)
Gross profit /(loss)		**243.027**	**212.231**	**51.360**	**39.841**
Other Operating Income		18.602	28.452	517	1.074
Selling Expenses		(43.124)	(38.242)	(7.069)	(7.254)
Administrative Expenses		(118.315)	(108.317)	(10.214)	(9.524)
Research and Development Expenses	**7**	(10.326)	(9.710)	(8.274)	(6.735)
Other Operating Expenses		(9.906)	(12.526)	(19.563)	(12.541)
EBIT		**84.730**	**79.799**	**7.257**	**4.812**
EBITDA		**177.536**	**153.806**	**21.873**	**19.362**
Interest and similar charges	**32**	(43.284)	(35.855)	(24.289)	(25.143)
Interest and related Income	**32**	22.484	22.109	25.530	26.293
Exchange Differences		(831)	(605)	(1.736)	109
Profit/(loss) equity method consolidations		95	(499)	0	0
Operating Profit/(Loss) before tax		**58.422**	**57.038**	**6.262**	**6.120**
Less Taxes:	**8**	(25.365)	(21.453)	(3.284)	(4.515)
Net Profit / (loss) from Continuing Operations (a)		**33.057**	**35.585**	**2.978**	**1.605**
Net Profit / (loss) from Discontinuing Operations (b)		**0**	**0**	**0**	**0**
Net Profit / (loss) (Continuing and Discontinuing Operations) (a) + (b)		**33.057**	**35.585**	**2.978**	**1.605**
Attributable to:					
Owners of the parent		6.116	17.701	2.978	1.605
Non-Controlling Interest		26.941	17.884	0	0
Other comprehensive income after tax					
Valuation of Available for Sale financial instruments		(2.701)	304	37	(1.429)
Derivatives valuation		1.999	190	649	297
Exchange differences on translating foreign operations		(4.967)	(4.385)	0	0
Total comprehensive income/ (expense) after tax		**(5.669)**	**(3.891)**	**686**	**(1.132)**
Total income after tax		**27.388**	**31.694**	**3.664**	**473**
Attributable to:					
Owners of the parent		2.887	17.293	3.664	473
Non-Controlling Interest		24.501	14.401	0	0
Earnings after taxes per share (in €)					
—basic	**9**	0,0385	0,1114	0,0187	0,0101
—diluted	**9**	0,0385	0,1114	0,0187	0,0101
Weighted average number of shares	**9**	158.961.721	158.961.721	158.961.721	158.961.721

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP 31/12/2012	GROUP 31/12/2011	COMPANY 31/12/2012	COMPANY 31/12/2011
ASSETS					
Non Current Assets					
Tangible fixed assets	**11**	240.693	263.640	15.507	24.513
Intangible assets	**12**	363.824	285.436	50.602	43.852
Investment in subsidiaries and associates	**13**	40.217	26.967	158.008	148.647
Other financial assets	**15**	4.913	34.190	757	968
Deferred Tax asset	**8**	21.259	12.318	8.918	7.129
Other long term receivables	**16**	87.950	98.938	445	447
		758.856	**721.489**	**234.237**	**225.556**
Current Assets					
Inventories	**17**	43.533	47.067	31.060	37.003
Trade and other short term receivables	**18**	172.739	175.108	194.355	198.110
Other financial assets	**15**	4.706	0	790	0
Cash and cash equivalents	**19**	134.973	142.498	5.254	14.402
		355.951	**364.673**	**231.459**	**249.515**
TOTAL ASSETS		**1.114.807**	**1.086.162**	**465.696**	**475.071**
EQUITY AND LIABILITIES					
Share Capital	**20**	47.689	47.689	47.689	47.689
Other reserves	**20**	61.238	92.699	55.475	67.349
Foreign currency translation		(32.404)	(29.881)	0	0
Retained earnings	**20**	226.711	188.853	18.108	3.525
		303.234	**299.360**	**121.272**	**118.563**
Non-controlling interest	**20**	80.615	75.908	0	0
Total equity		**383.849**	**375.268**	**121.272**	**118.563**
Non Current Liabilities					
Long term Debt	**21**	329.730	228.009	55.000	260.454
Staff retirement indemnities	**22**	6.567	5.561	3.926	3.423
Other long term provisions	**30**	14.509	16.742	14.059	16.127
Deferred Tax liabilities	**8**	5.684	3.722	0	0
Other long term liabilities	**24**	21.774	20.063	0	0
Finance lease obligation		5.361	7.230	0	0
		383.625	**281.327**	**72.985**	**280.004**
Current Liabilities					
Trade and other short term liabilities	**25**	136.940	130.712	63.318	75.057
Short term debt and current portion of long term debt	**26**	185.883	278.968	204.384	0
Current income taxes payable		19.623	14.089	1.968	0
Short-term provision	**30**	4.887	5.798	1.769	1.447
		347.333	**429.567**	**271.439**	**76.504**
TOTAL LIABILITIES		**730.958**	**710.894**	**344.424**	**356.508**
TOTAL EQUITY AND LIABILITIES		**1.114.807**	**1.086.162**	**465.696**	**475.071**

STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2012	**47.689**	**0**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**
Adjustments on the opening balances					(587)	**(587)**	(103)	**(690)**
Subsidiary Share Capital Increase						**0**	1.027	**1.027**
Year's Results					6.116	**6.116**	26.941	**33.057**
Other comprehensive income/(expense) after tax				(706)	(2.523)	**(3.229)**	(2.440)	**(5.669)**
Stock Options Reserves				1		**1**	0	**1**
Dividends					(562)	**(562)**	(19.252)	**(19.814)**
Effect due to change in ownership percentage					2.135	**2.135**	(1.466)	**669**
Transfer to reserves			460	(31.216)	30.756	**0**	0	**0**
Balances as at 31/12/2012	**47.689**	**0**	**37.068**	**24.170**	**194.307**	**303.234**	**80.615**	**383.849**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 01/01/2011	**47.689**	**0**	**28.782**	**55.232**	**152.395**	**284.098**	**76.929**	**361.027**
Adjustments on the opening balances					1.329	**1.329**	(6)	**1.323**
New Consolidated Entities						**0**	36	**36**
Subsidiary Share Capital Increase						**0**	863	**863**
Year's Results					17.701	**17.701**	17.884	**35.585**
Other comprehensive income/(expense) after tax				494	(902)	**(408)**	(3.483)	**(3.891)**
Stock Options Reserves				379		**379**	0	**379**
Subsidiaries Disposal						**0**	275	**275**
Dividends					(719)	**(719)**	(16.558)	**(17.277)**
Effect due to change in ownership percentage					(3.020)	**(3.020)**	(32)	**(3.052)**
Transfer to reserves			7.826	(14)	(7.812)	**0**	0	**0**
Balances as at 31/12/2011	**47.689**	**0**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**

STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY (Continued)

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2012	**47.689**	**0**	**29.037**	**38.312**	**3.525**	**118.563**
Adjustments on the opening balances					(394)	**(394)**
Year's Results					2.978	**2.978**
Other comprehensive income/(expense) after tax				686		**686**
Stock Options Reserves				1		**1**
Dividends					(562)	**(562)**
Transfer to reserves				(12.561)	12.561	**0**
Balances as at 31/12/2012	**47.689**	**0**	**29.037**	**26.438**	**18.108**	**121.272**

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2011	**47.689**	**0**	**17.061**	**39.065**	**13.996**	**117.811**
Adjustments on the opening balances					619	**619**
Year's Results					1.605	**1.605**
Other comprehensive income/(expense) after tax				(1.132)		**(1.132)**
Stock Options Reserves				379		**379**
Dividends					(719)	**(719)**
Transfer to reserves			11.976		(11.976)	**0**
Balances as at 31/12/2011	**47.689**	**0**	**29.037**	**38.312**	**3.525**	**118.563**

CASH FLOW STATEMENT GROUP/COMPANY

(Amounts reported in thousand of €)	Note	GROUP 1/1-31/12/2012	GROUP 1/1-31/12/2011	COMPANY 1/1-31/12/2012	COMPANY 1/1-31/12/2011
Operating activities					
Net Profit before Taxation		58.422	57.038	6.262	6.120
Plus/Less adjustments for:					
Depreciation and Amortization	6	92.806	74.007	14.616	14.550
Provisions		7.657	12.320	19.720	13.404
Exchange rate differences		(178)	(5.430)	0	0
Results from Investing Activities		(384)	(7.526)	(17.775)	(12.737)
Debit Interest and similar expenses		43.284	35.855	24.289	25.143
Credit Interest		(20.234)	(22.109)	(6.399)	(13.895)
Plus/Less adjustments of working capital to net cash or related to operating activities:					
Decrease/(increase) of Inventories		5.130	(5.247)	8.984	(6.682)
Decrease/(increase) of Receivable Accounts		(12.327)	1.793	(11.847)	18.125
(Decrease)/increase of Payable Accounts (except Banks)		(3.208)	(9.193)	(20.255)	2.663
Less:					
Interest Paid and similar expenses paid		33.609	27.451	15.224	16.644
Income Tax Paid		23.602	22.358	255	6.009
Net Cash from Operating Activities (a)		**113.757**	**81.699**	**2.116**	**24.038**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13	888	4.250	(831)	(2.461)
Purchases of tangible and intangible assets	11,12	(119.013)	(79.593)	(11.825)	(14.475)
Proceeds from sales of tangible and intangible assets		1.760	772	0	50
Interest received		11.460	9.972	2.518	3.767
Dividends received		3.822	0	7.855	8.043
Net Cash from Investing Activities (b)		**(101.083)**	**(64.599)**	**(2.283)**	**(5.076)**
Financing Activities					
Cash inflows from Share Capital Increase		194	863	0	0
Cash inflows from loans		46.168	77.312	0	0
Repayment of loans		(40.339)	(67.273)	(8.419)	(20.150)
Repayment of Leasing Obligations		(5.902)	(10.226)	0	0
Dividends paid		(20.320)	(16.755)	(562)	(716)
Net Cash from Financing Activities (c)		**(20.199)**	**(16.079)**	**(8.981)**	**(20.866)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)		**(7.525)**	**1.021**	**(9.148)**	**(1.904)**
Cash and cash equivalents at the beginning of the year		**142.498**	**141.477**	**14.402**	**16.306**
Cash and cash equivalents at the end of the year	19	**134.973**	**142.498**	**5.254**	**14.402**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF 31 DECEMBER 2012

1. General information

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

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.500 people and revenues of € 1.374 millions in 2012. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

2. Basis of Preparation of the Financial Statements

2.1 Basis of preparation of the Financial Statements

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been adopted by the European Union as of December 31, 2012.

2.3 Financial Statements

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

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

2.4 Changes in accounting policies

For the preparation of the financial statements of year ended December 31, 2012, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2011), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2012.

2. Basis of Preparation of the Financial Statements (Continued)

Standards and Interpretations compulsory for the fiscal year 2012

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2012. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IAS 12 (Amendment) "Income Taxes"

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

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

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(COMMISSION REGULATION (EC) No. 1205/2011 of 22nd November 2011, L305—23.11.2011)

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

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

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

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This amendment has no impact to the Group's financial statements since the Group has already adopted IFRS.

Standards and Interpretations compulsory after 31 December 2012

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2013 and have not been adopted from the Group earlier.

IAS 1 (Amendment) "Presentation of Financial Statements"

(COMMISSION REGULATION (EC) No. 475/2012 of 5th June 2012, L146/1—06.06.2012)

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

2. Basis of Preparation of the Financial Statements (Continued)

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within Other Comprehensive Income that may be reclassified or recycled to the profit or loss section of the Income Statement.

IAS 32 (Amendment) "Financial Instruments: Presentation"

(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360—29/12/2012)

This applies to annual accounting periods starting on or after 1st January 2014.

The amendment clarifies the assets and liabilities offsetting criteria in order to address inconsistencies in current practice. The Group does not expect this amendment to affect its financial statements.

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

It applies to the annual accounting periods starting on or after 1st January 2013.

The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This is the same relief as was given to existing preparers of IFRS financial statements. This amendment has no impact to the Group's financial statements since the Group has already adopted IFRS. This amendment has not yet been adopted by the European Union.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(COMMISSION REGULATION (EC) No.1256/2012 of 13th December 2012, L 360—29/12/2012)

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

The amendment retains the existing assets and liabilities offsetting models but requires new disclosure requirements to allow investors to better compare financial statements prepared in accordance with IFRSs and US GAAP. The Group does not expect this amendment to affect its financial statements.

IFRS 9 "Financial Instruments"

This applies to annual accounting periods starting on or after 1st January 2015.

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

2. Basis of Preparation of the Financial Statements (Continued)

has been adopted will the Group decide whether or not it will implement IFRS 9 before 1st January 2015.

IFRS 10 "Consolidated Financial Statements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011 the IASB issued IFRS 10 "Consolidated Financial Statements". IFRS 10 establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces the consolidation requirements in IAS 27 "Consolidated and Separate Financial Statements" and in SIC-12 "Consolidation—Special Purpose Entities". IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group will implement IFRS 10 on 1st January 2013.

IFRS 11 "Joint Arrangements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011 the IASB issued IFRS 11 "Joint Arrangements". IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities—Non-Monetary Contributions by Venturers". IFRS 11 "Joint Arrangements" provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method (equity method) to account for interests in jointly controlled entities. The Group will implement IFRS 11 on 1st January 2013.

IFRS 12 "Disclosure of Interests in Other Entities"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011 the IASB issued IFRS 12 "Disclosure of Interests in Other Entities". IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group will implement IFRS 12 on 1st January 2013.

IFRS 10, IFRS 11 & IFRS 12 (amendments) "Transition Guidance"

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

In June 2012 the IASB issued additional transition relief in IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" limiting the requirement to provide adjusted comparative information. The amendments explain that the 'date of initial application' in IFRS 10 means 'the beginning of the annual reporting period in which IFRS 10 is applied for the first time'. Consequently, an entity is not required to make adjustments to the previous accounting for its involvement with entities if the consolidation conclusion reached at the date of initial application is the same when applying IAS 27 "Consolidated and Separate Financial Statements" and SIC-12 "Consolidation—Special Purpose Entities" and when applying IFRS 10. As a result, the IASB confirms that relief from retrospective application of IFRS 10 would

2. Basis of Preparation of the Financial Statements (Continued)

also apply to an investor's interests in investees that were disposed of during a comparative period in such a way that consolidation would not occur in accordance with either IAS 27/SIC-12 or IFRS 10 at the date of initial application. The amendments also clarify how an investor shall adjust comparative period(s) retrospectively if the consolidation conclusion reached at the date of initial application is different when applying IFRS 10 when compared with applying IAS 27/SIC-12. Additional transition relief is provided by limiting the requirement to present adjusted comparative information to the period immediately preceding the date of initial application (the 'immediately preceding period'). Presentation of adjusted comparatives for earlier periods is permitted but not required. The IASB has also amended IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" to provide similar relief from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. IFRS 12 is further amended to provide additional transition relief by eliminating the requirement to present comparatives for the disclosures relating to unconsolidated structured entities for any period before the first annual period for which IFRS 12 is applied. These amendments have not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group.

IFRS 10, IFRS 12 & IAS 27 (amendments) "Investment Entities"

This applies to annual accounting periods starting on or after 1st January 2014. Earlier application is permitted.

In October 2012 the IASB issued additional transition amendments in IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements". The amendments define an "investment entity" and introduce an exception to consolidating particular subsidiaries for investment entities. These amendments require an investment entity to measure those subsidiaries at fair value through profit or loss in accordance with IFRS 9 Financial Instruments in its consolidated and separate financial statements. The amendments also introduce new disclosure requirements for investment entities in IFRS 12 and IAS 27 for investment entities. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

IFRS 13 "Fair Value Measurement"

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011 the IASB and the FASB issued new guidance on fair value measurement and disclosure requirements for International Financial Reporting Standards (IFRSs) and US generally accepted accounting principles (GAAP). The guidance sets out in IFRS 13 does not change when an entity is required to use fair value, but provides guidance on how to measure fair value. The Group will implement IFRS 13 on 1st January 2013.

IAS 19 (amendment) «Employee Benefits»

(COMMISSION REGULATION (EC) No. 475/2012 of 5th June 2012, L146/1—06.06.2012)

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

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

2. Basis of Preparation of the Financial Statements (Continued)

IAS 27 (amendment) "Separate Financial Statements"

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 27 that now contains the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. The Standard requires an entity preparing separate financial statements to account for those investments at cost or in accordance with IFRS 9 "Financial Instruments". The Group will implement IAS 27 on 1st January 2013.

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

(COMMISSION REGULATION (EC) No.1254/2012 of 11th December 2012, L 360—29/12/2012)

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

In May 2011, when the IASB issued IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of Interests in Other Entities" also amended IAS 28 that now contains the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The Group will implement IAS 28 on 1st January 2013.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

(COMMISSION REGULATION (EC) No.1255/2012 of 11th December 2012, L 360—29/12/2012)

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

The Interpretation 20 clarifies when stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The above amendment will not affect the Group's financial statements.

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

IASB in its annual improvement program published in May 2012, amendments to 5 existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of January, 2013 and have not yet been adopted by the European Union. The above amendments will not have significant effect on the Group's financial statements.

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

The amendment clarifies that an entity can apply IFRS 1 more than one time under some specific circumstances. Also, an entity can choose to apply IAS 23 on transition date or on an earlier date.

IAS 1 "Presentation of Financial Statements"

The amendment clarifies the comparative disclosures when an entity presents a third statement of financial position because it is required by IFRS 8 or voluntarily. Also, it explains that an entity may include in the first financial statements prepared in accordance to IFRS, extra comparative information so as to provide a better explanation of the IFRS transition effect.

IAS 16 "Property, Plant and Equipment"

The amendment clarifies that servicing equipment and spare parts may be classified as tangible assets and not as inventories, in case they meet the definition of property, plant and equipment.

2. Basis of Preparation of the Financial Statements (Continued)

IAS 32 "Financial Instruments: Presentation"

The amendment clarifies the treatment of income taxation related to distributions to holders and the costs of equity transactions.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the required disclosures for the assets and liabilities of reportable segments in interim financial statements.

3. Significant Accounting Policies

3.1 Basis of Consolidation

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

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

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

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

If the Group loses control over a subsidiary, it:

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

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

3.2 Business combination and goodwill

a) Subsidiaries

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

3. Significant Accounting Policies (Continued)

that are currently exercisable or convertible, are considered when assessing whether Group controls an entity.

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

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

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

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

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

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

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

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

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

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

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

3. Significant Accounting Policies (Continued)

b) Investment in associates

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

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

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

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

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

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate to its carrying value and recognizes the difference in the statement of comprehensive income of the period.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with IAS 39 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate is recognized in the statement of comprehensive income of the period.

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

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group consolidates joint ventures applying the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined "line by line" with similar items in the Group's consolidated financial statements.

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

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

Any intercompany balances and transactions, including unrealized gains, resulting from transactions between the Group and joint ventures, are fully eliminated.

3. Significant Accounting Policies (Continued)

At the date of loss of joint control to a venture and provided the former joint venture does not become a subsidiary or associate, the Group ceases applying the proportionate consolidation method and measures the remaining investment at its fair value. Any difference between the carrying amount of the former joint venture and the fair value of the investment is recognized in statement of comprehensive income. If the joint venture becomes an associate or subsidiary it would be accounted for according to IAS 28 & IAS 27 respectively.

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

3.3 Foreign Currency Translation

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

a) Transactions and balances

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

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

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

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

b) Group companies

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

3.4 Tangible assets

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

3. Significant Accounting Policies (Continued)

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

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

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

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an (after-tax) discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

3.5 Borrowing costs

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

3.6 Intangible assets

Intangible assets acquired individually, are capitalized at cost while those acquired through a business combination at fair values at the acquisition date. Following initial recognition, intangibles are valued at cost less accumulated amortization and any impairment in value. Useful lives of these

3. Significant Accounting Policies (Continued)

intangibles are assessed to be either finite or indefinite. Intangibles with finite useful lives are amortized as follows:

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

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

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

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

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

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

Research and Development Costs

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

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

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

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

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

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

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

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

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

3. Significant Accounting Policies (Continued)

3.7 Financial instruments

i) Financial assets

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

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

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

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

Financial assets at fair value through profit or loss:

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

Loans and receivables:

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

Financial assets held-to-maturity:

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

Available-for-sale financial assets:

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

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

3. Significant Accounting Policies (Continued)

Derecognition of financial assets

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

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

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to a third or more parties, but in parallel has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

When the Group's continuing involvement takes the form of a guarantee over the transferred asset, the extent of continuing involvement is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay ('the guarantee amount'). When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset (including cash-settled options), the extent of the entity's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

(a) significant financial difficulty of the issuer or obligor,

(b) a breach of contract, such as a default or delinquency in interest or principal payments,

(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider,

(d) it becoming probable that the borrower will enter bankruptcy or other financial reorganization,

(e) the disappearance of an active market for that financial asset because of financial difficulties, or

(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.

Financial assets carried at amortised cost

For financial assets carried at amortised cost (loans and receivables or held-to-maturity investments), the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

3. Significant Accounting Policies (Continued)

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows(excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. The carrying amount of the asset shall be reduced either directly or through use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced either directly or by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss—measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that investment previously recognised in the income statement—is removed from other comprehensive income and recognised in the income statement. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income. In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. If, in a subsequent year, the fair value of a debt instrument classified as available for sale, increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

3. Significant Accounting Policies (Continued)

Derivative financial instruments and hedge accounting

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

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

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

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

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

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

Hedge accounting:

Fair value hedge:

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

Cash flow hedge:

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

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

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

3. Significant Accounting Policies (Continued)

income remains in other comprehensive income until the forecast transaction occurs, when is transferred to the statement of comprehensive income.

Hedge of a net investment in a foreign operation:

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

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

ii) Financial liabilities

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

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

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

Interest bearing loans and borrowings:

All interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss:

Include financial liabilities held for trading, that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term and are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Such liabilities, including derivative instruments that are liabilities, are measured at fair value (except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost). Gains or losses from the measurement at fair value are recognized in the statement of comprehensive income.

Financial guarantee contracts:

Include contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently are measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18.

3. Significant Accounting Policies (Continued)

Derecognition of financial liabilities

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

Offsetting of financial instruments

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

Fair value of financial instruments

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

3.8 Inventories

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

3.9 Trade and other short term receivables

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

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

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

3.10 Cash and Cash Equivalents

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

Bank overdrafts are included in the short-term bank loans in the statement of financial position. Also, cheques payables that have not been paid at the balance sheet date are included in short-term liabilities.

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

3. Significant Accounting Policies (Continued)

3.11 Long Term Liabilities

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

3.12 Provisions and Contingent Liabilities

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

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

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

3.13 Leases

Entity of the Group as lessee:

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

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

Entity of the Group as Lessor:

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

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

3. Significant Accounting Policies (Continued)

3.14 Share capital—Treasury shares

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

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

3.15 Share Based Payments

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

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as expenditure in the statement of comprehensive income, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company are included in note 23.

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

3.16 Staff Retirement Indemnities

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

3.17 State Insurance Programs

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

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

3. Significant Accounting Policies (Continued)

3.18 Revenue recognition

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

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

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

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

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

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

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

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

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

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

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

3. Significant Accounting Policies (Continued)

3.19 Taxes

Income tax

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

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

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

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

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

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

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

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

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

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

Sales tax

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

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

3. Significant Accounting Policies (Continued)

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

3.20 Earnings per share

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

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

4. Information Per Segment

Intralot Group is active in about 50 countries and the segmentation of its subsidiaries is performed based on their geographical position. The financial results are presented in the following operating geographical segments:

European Union: . . . . Greece, Italy, Malta, Cyprus, Poland, Luxembourg, Spain, United Kingdom, Nederland, Romania, Bulgaria, France, Czech Republic and Slovakia.

Other Europe: . . . . Russia, Moldova and Serbia & Montenegro.

America: . . . . USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Suriname, Uruguay and St. Lucia.

Other Countries: . . . . Australia, New Zealand, China, South Africa, Turkey, South Korea, Lebanon, Egypt, Azerbaijan, Taiwan and Morocco.

No two operating segments have been added.

The following information is based on the internal financial reports provided to manager responsible for taking decisions who is the General Director. The performance of the segments is evaluated based on the sales and profit/(loss) before tax. The Group applies the same accounting policies for the financial results of the above segments with those of the consolidated financial statements. The transactions between segments are realized within the natural conditions present in the Group with similar way to that with third parties. The intragroup transactions are eliminated in a group level and are included in the column “Eliminations”.

4. Information Per Segment (Continued)

1/1-31/12/2012

(in mio €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	669,53	7,12	451,25	246,12	0,00	1.374,02
Intragroup sales	70,05	0,00	9,60	0,03	(79,68)	0,00
Total Sales	**739,58**	**7,12**	**460,85**	**246,15**	**(79,68)**	**1.374,02**
(Debit)/Credit interest & similar (expenses)/income	12,26	0,47	(0,06)	3,09	(36,56)	(20,80)
Depreciation	(52,71)	(2,20)	(26,03)	(19,38)	7,51	(92,81)
Profit/(loss) consolidated with equity method	0,00	(0,76)	0,00	0,86	0,00	0,10
Write-off & impairment of assets	(3,23)	0,00	(0,26)	0,00	0,00	(3,49)
Profit/ (Loss) before tax	**24,21**	**(1,47)**	**21,67**	**28,27**	**(14,26)**	**58,43**
Taxes	(9,52)	(0,28)	(9,75)	(5,82)	0,00	(25,37)
Profit/(Loss) after Tax	**14,69**	**(1,75)**	**11,92**	**22,45**	**(14,26)**	**33,06**

1/1-31/12/2011

(in mio €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	687,55	4,71	375,89	134,20	0,00	1.202,35
Intragroup sales	63,60	0,00	10,07	7,66	(81,33)	0,00
Total Sales	**751,15**	**4,71**	**385,96**	**141,86**	**(81,33)**	**1.202,35**
(Debit)/Credit interest & similar (expenses)/income	17,42	0,10	0,10	1,78	(33,14)	(13,74)
Depreciation	(49,62)	(0,65)	(21,98)	(8,18)	6,43	(74,00)
Profit/(loss) consolidated with equity method	0,00	(0,69)	(1,01)	1,21	0,00	(0,49)
Write-off & impairment of assets	(7,08)	(0,01)	(0,78)	(0,01)	0,00	(7,88)
Profit/ (Loss) before tax	**39,96**	**0,21**	**19,77**	**17,00**	**(19,90)**	**57,04**
Taxes	(7,20)	(0,47)	(9,89)	(3,89)	0,00	(21,45)
Profit/(Loss) after Tax	**32,76**	**(0,26)**	**9,88**	**13,11**	**(19,90)**	**35,59**

5. Staff costs

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Salaries	88.201	81.259	17.840	17.593
Social security contributions	14.552	14.150	3.509	3.682
Staff retirement indemnities (Note 22)	1.222	1.160	676	717
Other staff costs	9.461	8.396	880	777
Total	**113.436**	**104.965**	**22.905**	**22.769**

5. Staff costs (Continued)

Salaries & Social security contributions per cost center December 31, 2012

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	40.217	11.177	32.197	4.610	88.201
Social security contributions	6.830	1.916	4.724	1.082	14.552
Staff retir. & other costs	5.188	1.106	4.218	171	10.683
	52.235	**14.199**	**41.139**	**5.863**	**113.436**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	5.174	3.100	5.023	4.543	17.840
Social security contributions	1.242	578	608	1.081	3.509
Staff retir. & other costs	934	187	265	170	1.556
	7.350	**3.865**	**5.896**	**5.794**	**22.905**

Salaries & Social security contributions per cost center December 31, 2011

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	37.339	10.243	30.328	3.349	81.259
Social security contributions	6.541	2.078	4.870	661	14.150
Staff retir. & other costs	4.305	977	4.043	231	9.556
	48.185	**13.298**	**39.241**	**4.241**	**104.965**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	6.058	3.071	5.182	3.282	17.593
Social security contributions	1.655	620	746	661	3.682
Staff retir. & other costs	754	225	283	232	1.494
	8.467	**3.916**	**6.211**	**4.175**	**22.769**

The number of employees of the Company and the Group on 31 December 2012 was 617 and 5.541 respectively (31 December 2011 was 629 and 5.512 respectively).

6. Depreciation and amortization

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Depreciation of tangible fixed assets (Note 11)	50.571	47.438	9.840	10.394
Amortization of intangibles (Note 12)	42.235	26.569	4.776	4.156
Total	**92.806**	**74.007**	**14.616**	**14.550**

Depreciation and amortization per cost center

31/12/2012	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	57.711	2.197	31.290	1.608	**92.806**
Company	8.770	1.754	2.484	1.608	**14.616**

6. Depreciation and amortization (Continued)

31/12/2011	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	45.192	2.093	25.121	1.601	**74.007**
Company	8.730	1.746	2.473	1.601	**14.550**

7. Research and Development Costs

Research and development expenses recognized in the statement of comprehensive income of the Group amount to € 10.326 thousand while in the statement of comprehensive income of the parent company they amount to € 8.274 thousand (2011: € 9.710 thousand & € 6.735 thousand).

8. Income Taxes

Corporate income tax is calculated at 20% on the estimated tax assessable profit for the year 01/01-31/12/2012 and 01/01-31/12/2011.

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Income Taxes in the Statement of Comprehensive Income:				
Current income taxes	31.860	20.844	5.072	3.776
Deferred income taxes	(6.495)	609	(1.788)	739
Total income tax expense reported in income statement	**25.365**	**21.453**	**3.284**	**4.515**

The reconciliation of the income based on Greek statutory tax rate is as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Profit before income taxes	**58.422**	**57.038**	**6.262**	**6.120**
Income taxes based on Greek statutory tax rate 20% (2011: 20%)	11.684	11.408	1.252	1.224
Adjustments in opening balance	(99)	50	(113)	0
Tax effect of non-deductible tax expenses	12.975	17.582	4.985	3.792
Tax effect of subsidiaries' losses, for which deferred tax asset was not recognized	(116)	(2.447)	0	0
Tax effect of tax free reserves	(1.698)	0	(1.656)	0
Tax effect of non taxable profits	(12.527)	(13.551)	(2.184)	(648)
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	8.621	8.183	0	0
Deferred tax effect due to tax rate change	(8)	0	0	0
Income tax of previous years after tax audit	5.507	(717)	0	(800)
Provision for additional taxes from future tax audits	1.026	945	1.000	947
Income taxes at effective tax rate as reported in the income statement	**25.365**	**21.453**	**3.284**	**4.515**

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

8. Income Taxes (Continued)

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net deferred tax asset at beginning of the year	**8.596**	**8.880**	**7.129**	**7.868**
Adjustments in opening balance	0	0	0	0
(Debit)/Credit to the consolidated statement of comprehensive income	6.494	(641)	1.789	(739)
Effect from a first time consolidated subsidiary	170	30	0	0
Exchange difference	(467)	327	0	0
Non-consolidated entity due to liquidation	(13)	0	0	0
Deferred tax on other comprehensive income	795	0	0	0
Net deferred tax asset at end of the year	**15.575**	**8.596**	**8.918**	**7.129**

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

	GROUP		COMPANY	
December 31, 2012	Assets	Liabilities	Assets	Liabilities
Subsidiaries' tax losses carried forward	8.033	0	0	0
Inventories—Intercompany profit	(188)	0	(258)	0
Financial assets	1.460	(1.496)	84	0
Long term receivables	479	(63)	0	0
Provisions	165	(504)	0	(504)
Tangible assets	1.197	(5.258)	0	(1.664)
Intangibles assets	4	(2.261)	0	(882)
Receivables	7.076	(1.496)	4.842	(153)
Prepayments	0	0	0	0
Long term liabilities	2.494	(508)	685	0
Current Liabilities	2.854	(719)	506	0
Short Term Loans	6.176	(2.000)	6.162	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	130	0	100	0
Other	0	0	0	0
	29.880	**(14.305)**	**12.121**	**(3.203)**

8. Income Taxes (Continued)

01/01/2012 - 31/12/2012 Deferred income tax	Income Statement	
	GROUP	COMPANY
Prior years' tax losses utilized	(881)	0
Subsidiaries' tax losses carried forward	(3.788)	0
Provisions of the year	235	0
Reversal of provisions utilized	0	0
Tangible assets	(478)	(1.760)
Intangible Assets	(289)	1.214
Financial assets	1.363	91
Short term receivables	(1.737)	(30)
Long Term Receivables	2.868	0
Inventories—impairment	598	608
Staff retirement indemnities	(131)	(101)
Short term Provisions	1.707	(142)
Current Liabilities	(10.724)	(6.828)
Long Term Liabilities	4.762	5.160
Financial lease obligations	0	0
Other	0	0
Deferred Tax (income) / expense	**(6.495)**	**(1.788)**

December 31, 2011	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Subsidiaries' tax losses carried forward	3.829	0	0	0
Inventories—Intercompany profit	413	0	351	0
Financial assets	2.789	0	176	0
Long term receivables	2.650	(85)	0	0
Provisions	61	(969)	0	(645)
Tangible assets	1.451	(6.697)	0	(3.424)
Intangibles assets	334	(1.700)	333	0
Receivables	6.560	(2.623)	6.079	(969)
Prepayments	0	0	0	0
Long term liabilities	5.340	(415)	5.158	0
Current Liabilities	758	(4.308)	0	(613)
Short Term Loans	0	0	0	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	1.021	0	683	0
Other	187	0	0	0
	25.393	**(16.797)**	**12.780**	**(5.651)**

8. Income Taxes (Continued)

01/01/2011 - 31/12/2011 Deferred income tax	Income Statement	
	GROUP	COMPANY
Prior years' tax losses utilized	1.280	0
Subsidiaries' tax losses carried forward	(2.907)	0
Provisions of the year	(793)	(702)
Reversal of provisions utilized	0	0
Tangible assets	(676)	(1.533)
Intangible Assets	499	1.097
Financial assets	(2.096)	(176)
Short term receivables	5.369	2.264
Long Term Receivables	2.455	0
Inventories—impairment	8	0
Staff retirement indemnities	(23)	0
Short term Provisions	456	(68)
Current Liabilities	(1.574)	994
Long Term Liabilities	(1.385)	(1.137)
Financial lease obligations	0	0
Other	(2)	0
Deferred Tax (income) / expense	**611**	**739**

9. Earnings per share

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net profit attributable to shareholders of the parent company	**6.116**	**17.701**	**2.978**	**1.605**
Weighted average number of shares	158.961.721	158.961.721	158.961.721	158.961.721
Less: Weighted average number of treasury shares	0	0	0	0
Weighted average number of shares outstanding	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Basic earnings per share (EPS) (in Euro)	**€ 0,0385**	**€ 0,1114**	**€ 0,0187**	**€ 0,0101**
Weighted average number of shares outstanding (for basic EPS)	158.961.721	158.961.721	158.961.721	158.961.721
Effect of potential exercise of share options (weighted average number outstanding in the year)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Diluted earnings per share (EPS) (in Euro)	**€ 0,0385**	**€ 0,1114**	**€ 0,0187**	**€ 0,0101**

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

10. Dividends

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Declared dividends of ordinary shares in the year:				
Final dividend of 2010	0	13.647	0	719
Interim dividend of 2011	0	3.630	0	0
Final dividend of 2011	17.960	0	562	0
Interim dividend of 2012	1.854	0	0	0
Dividend per Statement of changes in equity	**19.814**	**17.277**	**562**	**719**
Total dividend of 2011: €0,003535(Company €0,003535)	0	562	0	562
Total dividend of 2012: €0,002623(Company €0,002623)	417	0	417	0
Less: dividend paid as of year end	0	0	0	0
Dividend not recognized as a liability as at 31st December	**417**	**562**	**417**	**562**

11. Tangible assets

Tangible assets are analyzed as follows:

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Other Tangible Assets	Total
01/01/2012								
Cost	11.624	28.246	312.748	7.603	119.915	2.339	1.915	484.390
Accumulated Depreciation	0	(7.462)	(124.539)	(4.086)	(84.296)	0	(367)	(220.750)
Net Book value 1/1/2012	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**
COST								
Additions	0	1.032	24.953	567	4.362	2.981	676	34.571
Transfer of assets from (to) other categories	(242)	(133)	1.382	2	713	(1.160)	(542)	20
Transfer from (to) inventories	0	(637)	4.832	0	118	(48)	487	4.752
Disposal	0	(21)	(5.100)	(1.909)	(140)	(70)	0	(7.240)
Write-off	0	(1.114)	(1.242)	(166)	(309)	0	0	(2.831)
Additions due to acquisitions of subsidiaries	0	0	450	16	42	0	61	569
Net exchange differences on foreign currency translation	(109)	(1.103)	(1.181)	(134)	(591)	(331)	6	(3.443)
ACCUMULATED DEPRECIATION								
Depreciation	0	(1.919)	(33.772)	(1.074)	(13.525)	0	(281)	(50.571)
Disposal	0	20	1.940	1.422	108	0	0	3.490
Write off	0	291	907	166	201	0	0	1.565
Additions due to acquisitions of subsidiaries	0	0	(177)	(16)	(14)	0	(22)	(229)
Net exchange differences on foreign currency translation	0	273	94	73	497	0	9	946
Transfer of assets from (to) other categories	0	139	70	3	23	0	(131)	104
Transfer from (to) inventories	0	646	(5.179)	0	(117)	0	0	(4.650)
Net book value—31/12/2012	**11.273**	**18.258**	**176.186**	**2.467**	**26.987**	**3.711**	**1.811**	**240.693**
31/12/2012								
Cost	11.273	26.270	336.842	5.979	124.110	3.711	2.603	510.788
Accumulated Depreciation	0	(8.012)	(160.656)	(3.512)	(97.123)	0	(792)	(270.095)
Net book value—31/12/2012	**11.273**	**18.258**	**176.186**	**2.467**	**26.987**	**3.711**	**1.811**	**240.693**

11. Tangible assets (Continued)

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Other Tangible Assets	Total
01/01/2011								
Cost	11.141	26.474	286.754	6.769	117.986	2.227	900	452.251
Accumulated Depreciation	0	(6.017)	(92.454)	(2.954)	(69.511)	0	(149)	(171.085)
Net Book value 01/01/2011	**11.141**	**20.457**	**194.300**	**3.815**	**48.475**	**2.227**	**751**	**281.166**
COST								
Additions	405	1.513	25.078	791	3.931	1.174	1.674	34.566
Transfer of assets from (to) other categories	0	619	11.142	517	(968)	(803)	0	10.507
Transfer from (to) inventories	0	0	18	0	0	0	0	18
Disposal	0	(437)	(9.772)	(545)	(321)	0	(651)	(11.726)
Write-off	0	(453)	(505)	(57)	(209)	(194)	(3)	(1.421)
Net exchange differences on foreign currency translation	78	530	33	128	(504)	(65)	(5)	195
ACCUMULATED DEPRECIATION								
Depreciation	0	(1.906)	(30.576)	(1.061)	(13.663)	0	(232)	(47.438)
Disposal	0	406	5.714	393	108	0	21	6.642
Write off	0	95	472	58	77	0	1	703
Net exchange differences on foreign currency translation	0	(82)	843	(56)	643	0	(8)	1.340
Transfer of assets from (to) other categories	0	42	(8.550)	(466)	(1.950)	0	0	(10.924)
Transfer from (to) inventories	0	0	12	0	0	0	0	12
Net book value—31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**
31/12/2011								
Cost	11.624	28.246	312.748	7.603	119.915	2.339	1.915	484.390
Accumulated Depreciation	0	(7.462)	(124.539)	(4.086)	(84.296)	0	(367)	(220.750)
Net book value—31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**

COMPANY	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Total
01/01/2012						
Cost	3.030	4.524	1	665	73.197	81.417
Accumulated depreciation	0	(1.983)	(1)	(216)	(54.704)	(56.904)
Net book value 01/01/2012	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**
COST						
Additions	0	0	0	0	834	834
ACCUMULATED DEPRECIATION						
Depreciation	0	(409)	0	(99)	(9.332)	(9.840)
Net book value—31/12/2012	**3.030**	**2.132**	**0**	**350**	**9.995**	**15.507**
31/12/2012						
Cost	3.030	4.524	1	665	74.031	82.251
Accumulated Depreciation	0	(2.392)	(1)	(315)	(64.036)	(66.744)
Net book value—31/12/2012	**3.030**	**2.132**	**0**	**350**	**9.995**	**15.507**

11. Tangible assets (Continued)

COMPANY	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Total
01/01/2011						
Cost	3.030	3.733	1	665	74.631	82.060
Accumulated depreciation	0	(1.351)	(1)	(116)	(44.869)	(46.337)
Net book value 01/01/2011	**3.030**	**2.382**	**0**	**549**	**29.762**	**35.723**
COST						
Additions	0	0	0	0	1.606	1.606
Transfer of assets from (to) other categories	0	791	0	0	(3.040)	(2.249)
ACCUMULATED DEPRECIATION						
Depreciation	0	(459)	0	(100)	(9.835)	(10.394)
Transfer of assets from (to) other categories	0	(173)	0	0	0	(173)
Net book value—31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**
31/12/2011						
Cost	3.030	4.524	1	665	73.197	81.417
Accumulated Depreciation	0	(1.983)	(1)	(216)	(54.704)	(56.904)
Net book value—31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**

A group subsidiary has banking facilities amounting to €29,3 million, consisting of a loan amounting to €20 million, an overdraft of €5 million, and bank guarantee letters of €4,3 million. These facilities are secured by an initial general mortgage on all the subsidiary's present and future assets(At 31/12/2012 the loan balance amounted to €14,2 million, the overdraft balance to €1,7 million while the used guarantee letters to €4 million). Also, a group's subsidiary has a loan of € 2,5 million with mortgage on a building and guarantee letters.

There are no other restrictions, apart from the aforementioned, in the ownership, transfer or other liens on the Group's property.

At 31st December 2012 the Group had no commitments for the purchase of tangible fixed assets.

12. Intangible Assets

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2012						
Cost	83.033	112.990	50.695	38.942	136.996	422.656
Accumulated amortization	(288)	(38.540)	(11.516)	(19.984)	(66.892)	(137.220)
Net book value 01/01/2012	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**
COST						
Additions	435	14.823	11.033	10.560	55.153	92.004
Transfer of assets from (to) other categories	(172)	1.804	(120)	(18.634)	17.564	442
Transfer from (to) inventories	0	3.815	46	(337)	49	3.573
Additions due to acquisitions of subsidiaries	0	1.009	0	0	31.000	32.009
Disposals	0	(68)	0	(9)	0	(77)
Write—off	0	(77)	(107)	(1.358)	0	(1.542)
Net exchange differences on foreign currency translation	(445)	57	(615)	(352)	39	(1.316)
ACCUMULATED AMORTIZATION						
Amortization	0	(8.906)	(3.901)	(2.326)	(27.102)	(42.235)
Disposals	0	4	0	1	0	5
Impairment	(38)	0	0	0	(1.322)	(1.360)
Additions due to acquisitions of subsidiaries	0	(48)	0	0	0	(48)
Net exchange differences on foreign currency translation	0	(128)	174	149	160	355
Transfer of assets from (to) other categories	0	(568)	7	14.929	(14.936)	(568)
Transfer from (to) inventories	0	(3.530)	0	25	(26)	(3.531)
Write—off	0	63	40	574	0	677
Net book value 31/12/2012	**82.525**	**82.700**	**45.736**	**22.180**	**130.683**	**363.824**
31/12/2012						
Cost	82.851	134.353	60.932	28.812	240.801	547.749
Accumulated amortization	(326)	(51.653)	(15.196)	(6.632)	(110.118)	(183.925)
Net book value 31/12/2012	**82.525**	**82.700**	**45.736**	**22.180**	**130.683**	**363.824**

12. Intangible Assets (Continued)

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2011						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	(288)	(31.283)	(8.987)	(16.975)	(47.121)	(104.654)
Net book value 01/01/2011	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
COST						
Additions	0	37.808	9.388	2.973	7.810	57.979
Transfer of assets from (to) other categories	0	618	0	(236)	0	382
Disposals	0	(3.267)	0	(14)	(143)	(3.424)
Write—off	(126)	(87)	0	(178)	(1)	(392)
Net exchange differences on foreign currency translation	78	141	(274)	606	(614)	(63)
ACCUMULATED AMORTIZATION						
Amortization	0	(7.130)	(2.524)	(3.122)	(13.793)	(26.569)
Impairment	0	0	0	0	(6.500)	(6.500)
Disposals	0	400	0	13	0	413
Net exchange differences on foreign currency translation	0	7	(5)	(156)	521	367
Transfer of assets from (to) other categories	0	(620)	0	235	0	(385)
Write—off	0	86	0	21	1	108
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**
31/12/2011						
Cost	83.033	112.990	50.695	38.942	136.996	422.656
Accumulated amortization	(288)	(38.540)	(11.516)	(19.984)	(66.892)	(137.220)
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2012				
Cost	33.652	37.586	17.096	88.334
Accumulated amortization	(20.922)	(8.789)	(14.771)	(44.482)
Net book value 01/01/2012	**12.730**	**28.797**	**2.325**	**43.852**
COST				
Additions	2.007	8.412	1.107	11.526
Transfer of assets from (to) other	0	0	0	0
ACCUMULATED AMORTIZATION				
Amortization	(2.086)	(2.544)	(146)	(4.776)
Transfer of assets from (to) other	0	0	0	0
Net book value 31/12/2012	**12.651**	**34.665**	**3.286**	**50.602**
31/12/2012				
Cost	35.659	45.998	18.203	99.860
Accumulated amortization	(23.008)	(11.333)	(14.917)	(49.258)
Net book value 31/12/2012	**12.651**	**34.665**	**3.286**	**50.602**

12. Intangible Assets (Continued)

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2011				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	(18.913)	(7.588)	(14.042)	(40.543)
Net book value 01/01/2011	**11.315**	**20.894**	**2.930**	**35.140**
COST				
Additions	3.424	9.104	341	12.869
Transfer of assets from (to) other	0	0	(217)	(217)
ACCUMULATED AMORTIZATION				
Amortization	(2.009)	(1.201)	(946)	(4.156)
Transfer of assets from (to) other	0	0	217	217
Net book value 31/12/2011	**12.730**	**28.797**	**2.325**	**43.852**
31/12/2011				
Cost	33.652	37.586	17.096	88.334
Accumulated amortization	(20.922)	(8.789)	(14.771)	(44.482)
Net book value 31/12/2011	**12.730**	**28.797**	**2.325**	**43.852**

13. Investments in subsidiaries and associates

GROUP	% Participation	Country	31/12/2012	31/12/2011
Bilyoner Interactif Hizmelter AS	25%	Turkey	1.820	2.050
Lotrich Information Co Ltd	40%	Taiwan	4.546	4.676
Nanum Lotto Co Ltd	29%	S. Korea	21.373	5.970
Kelicom Holdings Co Ltd Group	33%	Cyprus	0	11.501
Precious Success Ltd Group	49%	China	9.756	0
Intralot South Africa Ltd	45%	S. Africa	2.441	2.459
Other			281	311
			40.217	**26.967**

INTRALOT SA INVESTMENTS IN ASSOCIATES	% Participation	Country	Cost 31/12/12	Imp/ment	Impaired Cost 31/12/12	Impaired Cost 31/12/11
Bilyoner Interactif Hizmelter AS	25%	Turkey	499	0	499	499
Lotrich Information Co Ltd	40%	Taiwan	5.131	0	5.131	5.131
Nanum Lotto Co LTD	15%	S. Korea	5.970	0	5.970	5.970
Intralot South Africa Ltd	45%	S. Africa	2.300	0	2.300	2.300
Other			1	0	1	1
			13.901	**0**	**13.901**	**13.901**

13. Investments in subsidiaries and associates (Continued)

INTRALOT S.A. INVESTMENTS IN SUBSIDIARIES	% Participation	Country	31/12/12	Impairment	31/12/12	31/12/11
Intralot De Chile S.A.	99,99%	Chile	0	0	0	0
Intralot Inc	85%	USA	9.253	0	9.253	9.253
Intralot De Peru SAC	99,98%	Peru	15.759	0	15.759	15.759
Pollot Sp. z o.o.	100%	Poland	3.670	0	3.670	3.670
Poldin Ltd	100%	Poland	17	0	17	17
Intralot Holdings International Ltd	100%	Cyprus	8.464	0	8.464	8.464
Intralot Australia Pty Ltd	100%	Australia	114	0	114	114
Betting Company S.A.	95%	Greece	139	0	139	139
Maltco Lotteries Ltd	73%	Malta	6.993	0	6.993	6.993
Intralot Betting Operations Ltd	54,95%	Cyprus	2.000	0	2.000	2.000
Royal Highgate Ltd	5,69%	Cyprus	225	0	225	225
Inteltek Internet AS	20%	Turkey	67.326	0	67.326	67.326
Loteria Moldovei S.A.	47,90%	Moldavia	656	0	656	656
Intralot Asia Pacific Ltd	100%	China	295	0	295	295
Intralot Luxembourg S.A.	100%	Luxembourg	31	0	31	31
Intralot New Zealand Ltd	100%	N. Zealand	568	0	568	568
Intralot Iberia SAU*	100%	Spain	5.638	0	5.638	635
Intralot Iberia Holdings S.A.*	100%	Spain	0	0	0	60
Tecnoaccion S.A.	50,01%	Argentina	8.225	0	8.225	8.225
Intralot Beijing Co Ltd	100%	China	7.623	0	7.623	1.178
Intralot Argentina S.A.	100%	Argentina	493	0	493	453
Gaming Solutions International Ltd	99%	Colombia	0	0	0	0
Intralot South Korea S.A.	100%	S. Korea	75	0	75	75
Intralot Do Brazil Ltda*	80%	Brazil	6.228	0	6.228	6.387
Intralot Finance UK Plc	100%	UK	57	0	57	57
Intralot Interactive S.A.	51%	Greece	31	0	31	31
Intralot Nederland B.V.	100%	Nederland	91	0	91	91
Intralot France S.A.S.	100%	France	501	(501)	0	501
Intralot Maroc S.A.	99,83%	Morocco	27	0	27	27
Intralot Minas Gerais Ltda*	24%	Brazil	0	0	0	1.442
Other			109	0	109	74
			144.608	**(501)**	**144.107**	**134.746**
GRAND TOTAL			**158.509**	**(501)**	**158.008**	**148.647**

* The subsidiary Intralot Iberia Holdings SA merged with Intralot Iberia SAU on 31/12/12 and Intralot Minas Gerais Ltda with Intralot Do Brazil Ltda on 01/10/12.

13. Investments in subsidiaries and associates (Continued)

Group Structure

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

I. Full consolidation:		Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	INTRALOT S.A.	Maroussi, Attica	Parent	Parent	—
5.	BETTING COMPANY S.A.	Maroussi, Attica	95%	5%	100%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT DE CHILE S.A.	Santiago, Chile	99,99%		99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%		99,98%
	INTRALOT INC	Atlanta, USA	85%		85%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%		54,95%
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	5,69%	29,39%	35,08%
	POLLOT Sp. z o.o.	Warsaw, Poland	100%		100%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%		73%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	LOTROM S.A.	Bucharest, Romania		60%	60%
2.	YUGOLOT LTD	Belgrade, Serbia& Montenegro		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
21.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
6,7,8	TOTOLOTEK S.A.	Warsaw, Poland		92,89%	92,89%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp. z o.o.	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11, 13, 2	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG S.A.	Luxemburg, Luxemburg	100%		100%
2.	INTRALOT ITALIA S.p.A.	Rome, Italia		90%	90%
13.	SERVICIOS TRANSDATA S.A.	Lima, Peru		100%	100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%		100%
	INTRALOT IBERIA HOLDINGS S.A.	Madrid, Spain	100%		100%
	TECNO ACCION S.A.	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina	100%		100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%

13. Investments in subsidiaries and associates (Continued)

	I. Full consolidation:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
17.	TORSYS S.R.O.	Bratislava, Slovakia		51%	51%
17.	TACTUS S.R.O.	Bratislava, Slovakia		51%	51%
	INTRALOT DO BRAZIL LTDA	Sao Paolo, Brazil	80%		80%
18.	OLTP LTDA	Rio de Janeiro, Brazil		80%	80%
18.	INTRALOT MINAS GERAIS LTDA	Minas Gerais, Brazil	24%	55,98%	79,98%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA S.A.	St. Dominicus		100%	100%
19.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
	INTRALOT NEDERLAND B.V.	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		100%	100%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
14.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
23.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
24.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
19.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%
2,13.	NETMAN SRL	Bucharest, Romania		100%	100%
14.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
	INTRALOT FRANCE S.A.S	Paris, France	100%		100%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
28.	INTRALOT DISTRIBUTION OOO	Moscow, Russia		100%	100%
2.	INTRALOT CZECH S.R.O.	Prague, Czech Republic		100%	100%
19.	CARIBBEAN VLT SERVICES LTD	Castries, St. Lucia		50,001%	50,001%
29.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
30.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
2.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%
31.	INTRALOT GAMING MACHINES S.p.A.	Rome, Italy	2%	98%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus		100%	100%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		100%	100%
25.	DINET ZAO	Moscow, Russia		100%	100%
26.	PROMARTA OOO	Moscow, Russia		100%	100%
32.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		100%	100%
	INTRALOT HOLDINGS LUXEMBOURG S.A.	Luxembourg, Luxembourg	100%		100%
22.	DEEPSTACK CASINO LLC	Atlanta, USA		85%	85%
30.	INTRALOT INVESTMENTS LTD	Nicosia, Cyprus	51%	49%	100%
5.	GAIN ADVANCE GROUP LTD	Hong Kong, China		100%	100%
15.	KETMS HOLDINGS CO LTD	Seoul, South Korea		100%	100%

	II. Equity method:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	25%		25%
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
12.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		33%	33%
25.	DINET ZAO	Moscow, Russia		33%	33%
26.	PROMARTA OOO	Moscow, Russia		33%	33%
27.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		24,75%	24,75%
33.	NANUM LOTTO CO LTD	Seoul, South Korea	15%	14%	29%
5.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China		49%	49%

13. Investments in subsidiaries and associates (Continued)

Subsidiary of the company:

1: Intralot Betting Operations(Cyprus) Ltd
2: Intralot Holdings International Ltd
3: Bilot EOOD
4: Eurofootball Ltd
5: Intralot International Ltd
6: Pollot Sp. z o.o.
7: White Eagle Investments Ltd
8: Beta Rial Sp. z o.o.
9: Uniclic Ltd
10: Betting Company S.A.
11: Intralot Egypt Ltd
12: Intralot South Africa Ltd
13: Intralot Operations Ltd
14: Intralot Iberia S.A.U.
15: Gain Advance Group Ltd
16: Intralot Italia S.p.A
17: Slovenske Loterie AS
18: Intralot Do Brazil Ltda
19: Intralot St.Lucia Ltd
20: Intralot Guatemala S.A.
21: Nikantro Holdings Co Ltd
22: Intralot Inc
23: Intralot Caribbean Ventures Ltd
24: Inteltek Internet AS
25: Kelicom Holdings Co Ltd
26: Dinet ZAO
27: Promarta OOO
28: Intralot OOO
29: Intralot Australia PTY LTD
30: Intralot Technologies Ltd
31: Jackpot S.p.A.
32: Intralot Betting Operations Russia Ltd
33. KeTMs Holdings Co Ltd

The subsidiary Intralot Iberia Holdings SA merged with Intralot Iberia SAU on 31/12/12, Intralot Minas Gerais Ltda with Intralot Do Brazil Ltda on 01/10/12 and Torsys Sro with Slovenske Loterie AS on 01/10/2012.

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

Basic Financial Figures	Assets	Liabilities	Revenue	Profits / (Losses) after Taxation
BILYONER INTERAKTIF HIZMELTER AS	12.614	5.335	21.656	6.240
LOTRICH INFORMATION Co. LTD	13.141	1.312	3.117	(201)
NANUM LOTTO CO LTD	119.752	3.504	2.400	(2.377)
PRECIOUS SUCCESS LTD GROUP	19.447	368	39	(126)
KELICOM HOLDINGS CO LTD GROUP	10.414	14.361	1.333	(2.859)
INTRALOT SOUTH AFRICA LTD	15.795	10.963	6.331	350

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

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IAS 27 are met.

The companies Atropos S.A., Nafirol S.A., Intralot France S.A.S and E.C.E.S. SAE are under liquidation. Yugolot's Ltd liquidation has been completed on October 2012 and its results influenced the profit and loss of the fourth quarter of 2012.

14. Business Combination

Acquisitions during 2012

In the third semester of 2012 the Group increased its share in the group of Kelicom Holdings Co Ltd from 33% to 100%. The net assets' carrying value and the fair value of the group Kelicom Holdings Co Ltd at the date in which the Group acquired control were:

	Fair Value	Carrying Value
	€000	€000
Tangible & Intangible fixed assets	32.302	1.302
Deferred tax assets	166	166
Trade and other receivables	21	21
Cash and cash equivalents	2.204	2.204
Total Assets	**34.693**	**3.693**
Non-current liabilities	6.610	6.610
Current liabilities	7.751	7.751
Value of Net Assets	**20.332**	**(10.668)**
Intralot Group 100% participation	**20.332**	
Consideration*	**20.724**	
Goodwill on Acquisition	**392**	
The net cash outflow is analysed as follows:		
Cash and cash equivalents acquired	2.204	
Cash consideration given	0	
Group cash outflow	2.204	

* The above consideration was covered by offsetting receivables.

Furthermore, in the fourth quarter of 2012 the Group acquired 100% of the group Gain Advance Group Ltd which is active in the market of South Korea. The carrying and the fair value of the total assets of Gain Advance Group Ltd at the date when the Group acquired the control were:

	Fair Value	Carrying Value
	€000	€000
Investments	16.865	5.049
Cash and cash equivalents	5	5
Total Assets	**16.870**	**5.054**
Current liabilities	33	83
Value of Net Assets	**16.837**	**4.971**
Intralot Group 100% participation	**16.837**	
Consideration*	**16.881**	
Goodwill on Acquisition	**44**	
The net cash outflow is analysed as follows:		
Cash and cash equivalents acquired	5	
Cash consideration given	0	
Group cash outflow	5	

* The above consideration was covered with the exchange of financial assets.

In addition, in the fourth quarter of 2012 the Group acquired 49% of the group Precious Success Ltd, which is active in the market of China. The consideration was covered with the exchange of financial instruments.

14. Business Combination (Continued)

Establishments during 2012

Investment in Intralot Germany Gmbh by 100% (indirect), in Intralot Betting Operations Russia Ltd by 100% (indirect), in Intralot Holdings Luxembourg S.A. (direct), Intralot Investments Ltd by 100% (direct and indirect), in Intralot Gaming Machines S.p.A (direct and indirect) and in DeepStack Casino LLC (indirect).

Changes in ownership percentage during 2012

The Group decreased its investment in Intralot Brazil Ltda from 99,97% to 80%, through the merger of Minas Gerais Ltda.

Subsidiaries' Share Capital Increase:

Increase in the share capital of Intralot Italia S. p.A by € 10,3 million and in Intralot Beijing Co LTD by the amount of € 6,4 million.

Discontinued Operations in the Group:

The Group proceeded in the termination of the subsidiary Yugolot Ltd after the completion of the liquidation.

15. Other financial assets

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Opening Balance	**34.190**	**37.697**	**968**	**434**
Purchases	5.140	2.303	1.092	1.539
Exchange of financial instrument with shares	61	0	0	0
Disposals	(3.036)	(6.134)	(266)	0
Fair value revaluation	251	324	(197)	(1.005)
Change In the consolidation method	(26.928)	0	0	0
Foreign exchange differences	(59)	0	(50)	0
Closing balance	**9.619**	**34.190**	**1.547**	**968**

The above data concern:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Listed securities	4.019	30.264	50	14
Non-listed securities	5.600	3.926	1.497	954
Total	**9.619**	**34.190**	**1.547**	**968**

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Long-term Financial Assets	4.913	34.190	757	968
Short-term Financial Assets	4.706	0	790	0
Total	**9.619**	**34.190**	**1.547**	**968**

During the year 2012 Group gains from the fair value revaluation of the aforementioned financial assets amounting to € 251 thousand (2011: profit € 324 thousand) come from € 3.529 thousand profit (2011: profit € 2.955 thousand), reported at a special equity reserve and loss of € 3.278 thousand

15. Other financial assets (Continued)

(2011: losses €2.631 thousand) reported to the statement of comprehensive income. Respectively, Company losses of € 197 thousand (2011: losses of € 1.005 thousand) are analyzed to gains of € 37 thousand (2011: losses 21 thousand) recorded at a special equity reserve and to losses of € 234 thousand (2011: losses € 984 thousand) reported to the statement of comprehensive income.

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

16. Other long term receivables

Other long term receivables at 31 December 2012 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Receivables	5.732	1.462	0	0
Receivables from related parties (Note 28)	4.391	9.222	0	0
Rent guarantees	1.812	1.010	0	0
Other receivables	76.015	87.244	445	447
	87.950	**98.938**	**445**	**447**

17. Inventories

Inventories (in thousand €) are analyzed as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Merchandise—Equipment	39.386	45.468	32.795	38.738
Other	5.882	3.334	0	0
	45.268	**48.802**	**32.795**	**38.738**
Impairment	(1.735)	(1.735)	(1.735)	(1.735)
	43.533	**47.067**	**31.060**	**37.003**

For the period ended December 31, 2012 the amount transferred to profit and loss is € 9.463 thousand (2011: € 5.074 thousand) for the Group while the respective amount for the Company is € 20.002 thousand (2011: € 12.165 thousand).

18. Trade and other short term receivables

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade receivables	83.671	66.293	39.599	30.055
Receivables from related parties (Note 28)	14.397	24.538	180.626	178.459
Other receivables[1]	61.365	57.006	19.139	13.776
Less: Provisions	(10.770)	(7.645)	(49.956)	(40.551)
Prepaid expenses and other receivables	24.076	34.916	4.947	16.371
	172.739	**175.108**	**194.355**	**198.110**

(1) In the Group at 31/12/2011 is included a subsidiary's pledged bank deposit of € 4.871 thousand to fulfill the collateral requirements for a bank loan.

The above receivables are non-interest bearing.

18. Trade and other short term receivables (Continued)

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

	GROUP		COMPANY	
	2012	2011	2012	2011
RECEIVABLES				
Trade receivables	89.404	67.755	39.598	30.055
Receivables from other related parties	18.788	33.760	180.626	178.459
Prepaid expenses and other receivables	163.267	180.176	24.532	30.593
Provision for doubtful debt	(10.770)	(7.645)	(49.956)	(40.550)
Total	**260.689**	**274.046**	**194.800**	**198.557**
MATURITY INFORMATION				
0 - 3 months	46.769	50.582	6.801	20.978
3 - 12 months	125.970	124.526	187.554	177.132
More than 1 year	87.950	98.938	445	447
Total	**260.689**	**274.046**	**194.800**	**198.557**

19. Cash and cash equivalents

Bank current accounts are either non-interest bearing or interest bearing and yield income at the daily bank interest rates.

The short term deposits are made for periods from one (1) day to three months depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2012 consist of:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Cash and bank current accounts	114.426	109.465	2.092	1.392
Short term time deposits	20.547	33.033	3.162	13.010
	134.973	**142.498**	**5.254**	**14.402**

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

20. Share Capital and Reserves

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

Reserves

Statutory reserve

In accordance with Greek Commercial Law, companies are required to set aside at least 5% of their annual net profits as shown in their books at Legal Reserve until the cumulative balance reaches at least ⅓ of their paid up share capital. This reserve is not distributable during a company's operating life.

Foreign exchange differences reserve

This reserve includes the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group at 31 December 2012 was debit € 32,4 million (2011: € 29,9 million debit balance).

20. Share Capital and Reserves (Continued)

Tax free reserves and reserves specially taxed

The tax free reserves and reserves specially taxed, represent interest income which is either tax free or has been taxed at 15% at source. This particular income is not taxable provided that there will be sufficient profits from which the respective tax free reserves can be created. Based on Greek tax law, this reserve is exempt from tax provided that it will not be distributed to shareholders. The Company does not intend to distribute this reserve and thus has not provided for deferred tax liability that would have been necessary if the reserve were to be distributed. The balance of these reserves at 31 December 2012 was €18.321 thousand for the Group (2011: €28.446 thousand) and €15.564 thousand for the Company (2011: €7.282 thousand).

Compound Financial Instruments reserve

This reserve refers to the convertible bond (note 21: LOAN A) and amounts to €8.956 thousand (2011: €8.956 thousand) for the Group on 31st December 2012 and for the company to €10.726 thousand (2011: €10.726 thousand).

Stock option reserve

This reserve concerns the stock option rights granted and amounts for the year ended 2012 to €922 thousand for the Group and the Company (2011: €21.765 thousand).

21. Long Term Loans

Long term loans at 31 December 2012 are analyzed as follows:

	Currency	Interest rate	GROUP	COMPANY
Loan A (€200.000.000)	EUR	2,25%	213.727	211.957
Loan B (€62.500.000)	EUR	6,10%	62.500	62.500
Loan C (€300.000.000)	EUR	6,74%	257.378	0
Loan D (25.000.000)	EUR	5,10%	14.255	0
Other			23.321	0
			571.181	274.457
Less: Payable during the next year (Note 26)			(183.685)	(204.384)
Repurchase of loan A			(66.722)	(25.799)
Equity Component			8.956	10.726
Long Term Loans			**329.730**	**55.000**

Sensitivity Analysis in interest rate risk

Year 2012	Change in interest rate	Effect on profit before tax
Euribor 1M	+/− 1%	2.600
Euribor 3M	+/− 1%	625
Euribor 6M	+/− 1%	159

Year 2011	Change in interest rate	Effect on profit before tax
Euribor 1M	+/− 1%	2.500
Euribor 3M	+/− 1%	700

- Loan A: On December 20th, 2006, Intralot Luxembourg ("Issuer") issued a convertible bond with a face value of €200 million maturing on December 20th, 2013, at which point the holders, in case the right to convert was not exercised in 2013, may opt for repayment of €230.076.637,6 (nominal value increased by 15,04%) or conversion into 13.289.036 common shares of Intralot S.A.. Interest is payable semi-annually in arrears at a nominal interest rate of 2,25% per annum. The loan is listed at the Luxembourg Stock Exchange. The Group is in process of

21. Long Term Loans (Continued)

refinancing its convertible bond through capital markets with purpose the expansion of its activities.

- Loan B: The parent company has issued a bond amounting to 62,5 million EURO guaranteed by the parent company and a subsidiary of the Group. The financing bears floating interest with a total average rate equal to 6,10%. The bonds has partial repayment in December 2013 and matures in December 2014.
- Loan C: In June 2012, the Group completed a refinancing agreement, , in its existing Revolving Credit Facility signed by a Group's subsidiary established in UK, maturing in December 2014. The Credit Facility is guaranteed by the parent company of the Group and its subsidiaries and provides a €300 million senior unsecured facility, of which €150 million consists of revolving credit facility while an equal amount is provided as term loan. The abovementioned facility of which 260 million were utilized by the Group bears a floating rate Euribor interest plus an weighted average margin of 6,74%. Amounts under the revolving credit facility may be borrowed, repaid and re-borrowed by the Group from time to time until maturity. Voluntary prepayments and commitment reductions under the Credit Agreement are permitted at any time in whole or in part, without premium or penalty (other than break-funding costs), for the revolving facility part. The Credit Agreement contains customary covenants such as Net Debt/ Ebitda, Debt Cover and Interest Coverage. Group's ability to borrow under the Credit Agreement will depend on its remaining in compliance with the covenants contained in the Credit Agreement, including the maintenance of the applicable financial ratios. Group was in compliance with the covenants under the Credit Agreement as of 31/12/2012.
- Loan D: In July 2012 a foreign subsidiary signed a loan amounting to €25 million, of which 15,86 million were utilized. The financing bears floating interest with a total average rate equal to 5,10%, is paid in monthly instalments and matures in July 2020. The loan is guaranteed with a letter of guarantee provided by the parent company.

The weighted average cost of capital of the long term loans is 4,82% in Euro and from 4% to 12% in the rest of the currencies.

In regards of the maturity loans are categorized as follows:

One to two years: Loan A, B, C

Two to five years: Loan D

22. Staff retirement indemnities

(a) State Insurance Programs: The Group's contributions to the State insurance funds for the year ended 31st December 2012 have been reported expenses and amount to €14.552 thousand as stated in Note 5.

(b) Staff Retirement Indemnities: According to Greek Labor Law, employees are entitled to indemnity on dismissal or retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

22. Staff retirement indemnities (Continued)

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet, details and the basic assumptions used in the actuarial study as at 31st December 2012 are as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Present Value of unfunded liability	6.882	6.535	4.264	4.351
Unrecognized actuarial losses	(315)	(974)	(338)	(928)
Net liability on the balance sheet	**6.567**	**5.561**	**3.926**	**3.423**
Components of the net retirement cost in the year:				
Current service cost	1.044	813	437	413
Interest	245	194	218	173
Amortization of unrecognised actuarial (gain) or loss	0	33	0	33
Amortization of unrecognised service cost	(124)	0	(112)	0
Effect of cutting / settlement / termination benefits	57	120	58	95
Intragroup staff transfer	0	0	75	3
Benefit expense charged to income statement (Note 5)	1.222	1.160	676	717
Additional service cost	0	0	0	0
Total charge to income statement	**1.222**	**1.160**	**676**	**717**
Reconciliation of benefit liability:				
Net liability at beginning of year	5.561	4.808	3.423	2.879
Service cost	1.044	812	437	413
Interest	245	194	218	173
Amortization of unrecognised actuarial (gain) or loss	0	33	0	33
Amortization of unrecognised service cost	(124)	0	(112)	0
Effect of cutting / settlement / termination benefits	56	120	58	95
Benefits paid	(384)	(320)	(174)	(173)
Intragroup staff transfer	0	0	76	3
Subsidiary not consolidated	0	0	0	0
New consolidated entities	143	0	0	0
Foreign exchange difference	26	(86)	0	0
Present Value of the liability at end of year	**6.567**	**5.561**	**3.926**	**3.423**

Basic assumptions:

Discount rate	5%
Percentage of annual salary increases 2013—15:0%, afterwards	4%
Increase in Consumer Price Index	2%

23. Share based benefits

Plans for employee participation in the share capital

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

The Program III was approved by the Second Repeat Session of the Extraordinary General Assembly of the shareholders dated 16.11.2009, that took place on Monday, the 14th of December, 2009. The General Assembly decided the approval of the stock option plan to persons among those referred in paragraph 13, article 13 of Codified Law 2190/1920, as modified and standing (Program III) and more specifically that the above share purchase options be granted to the members of the Board of Directors, to General Directors, to Directors and Managers of the Company and of its

23. Share based benefits (Continued)

affiliated companies, as defined in paragraph 5 of the article 42e of Codified Law 2190/1920, as well as to persons providing services in a regular basis to the Company and/or to the abovementioned affiliates. The exercise price the stock options was fixed to four (4) Euro per share while INTRALOT's shares that will be finally issued, in case all options to be granted are exercised, will not exceed eight millions (8.000.000) shares (i.e. approx. 5,03% of the share capital of the Company). For the settlement of stock options, the Company will proceed to increases of its share capital. The duration of this program will be four years, i.e. up to December 2013. Each beneficiary, during each year, will be entitled to exercise options which will not exceed ⅓ of the total number of options granted to him/her. In the event of a change in the number of shares of the Company until the designation, the provision or the exercise of stock options, both the number of the shares of the beneficiary, and the offer price will be readjusted so as to allow that the proportion of participation of each beneficiary to the share capital of the Company to remain constant. The Company's Board of Directors was authorized to draw up the relative regulation of the above-mentioned Program III and to regulate any other relative detail in relation to this. (Resolution of the Board of Directors on 28.01.2010).

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

INTRALOT S.A. announces that during 2012 no right was exercised by the beneficiaries of Program III.

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

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

The total Option Fair value, estimated using the Binomial Model, is €923 k, of which €1 k are included in the results of 2012.

24. Other Long Term Liabilities

Other long term liabilities at 31 December 2012 include:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Other financial liabilities	0	0	0	0
Guarantees	13.115	12.978	0	0
Amounts due to related parties (Note 28)	43	64	0	0
Other long-term liabilities[1]	8.616	7.021	0	0
	21.774	**20.063**	**0**	**0**

(1) There are included derivative financial instruments with total amount for the Group €4.716 thousand as at 31/12/2012 (31/12/2011 €5.387 thousand).

25. Trade and Other Current Liabilities

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Trade Creditors	38.088	52.095	3.360	14.532
Amounts due to related parties (Note 28)	23.733	25.309	50.219	52.302
Winnings	19.674	17.848	0	0
Other Payables[1]	44.426	25.023	7.312	6.050
Taxes	10.901	10.234	2.314	1.976
Dividends payable	118	203	113	197
	136.940	**130.712**	**63.318**	**75.057**

(1) There are included financial derivatives with total value on 31/12/2012 €1.843 thousand (31/12/2011 €2.918 thousand) for the Group and on 31/12/2012 €1.593 thousand (31/12/2011 €2.242 thousand) for the Company.

The above amounts are non interest bearing.

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

	GROUP		COMPANY	
	2012	2011	2012	2011
PAYABLES				
Trade payables	38.088	52.095	3.360	14.532
Payable to related parties	23.776	25.374	50.219	52.302
Other payables	96.850	73.306	9.739	8.223
Total	**158.714**	**150.775**	**63.318**	**75.057**
MATURITY INFORMATION				
0 - 3 months	62.242	62.155	8.909	28.512
3 - 12 months	74.697	68.557	54.409	46.545
More than 1 year	21.775	20.063	0	0
Total	**158.714**	**150.775**	**63.318**	**75.057**

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

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

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Loan in EURO	168.565	250.003	204.384	0
Loan in USD*	12.110	21.245	0	0
Loan in PEN	227	0	0	0
Loan in PLN	1.555	0	0	0
Loan in JMD	1.171	1.576	0	0
Loan in GTQ	0	264	0	0
Loan in TRY	0	0	0	0
Loan in BRL	57	27	0	0
Loan in ARS	0	41	0	0
	183.685	**273.156**	**204.384**	**0**
Leasing in EURO	7	3.173	0	0
Leasing in USD	2.133	2.594	0	0
Leasing in PEN	0	6	0	0
Leasing in AUD	58	39	0	0
	2.198	**5.812**	**0**	**0**
Total	**185.883**	**278.968**	**204.384**	**0**

* includes loans from related parties amounting to €256 thousand (note 28).

27. Contingent Receivables, Liabilities and Commitments

A. *LEGAL ISSUES PENDING*

a. On 5th September 2005 an action was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the Company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14th February 2008 when the hearing was postponed for 8th October 2009; at that date the hearing was cancelled due to the national elections. No summons for the schedule of a new hearing date has been served to the company until now. By virtue of the above mentioned action the plaintiff withdrew of the action filed against the Company on 10th January 2003 with the same content, which was set to be heard on 18th May 2005, on which date the said hearing was cancelled. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned action would not be successful.

b. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member 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. and INTRALOT INTERNATIONAL LTD proceeded to an additional joint intervention in favour of OPAP S.A.; this was scheduled for hearing on 3rd May 2007 but following a petition of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the

27. Contingent Receivables, Liabilities and Commitments (Continued)

obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal on 28/6/2006 which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals which vindicated the defendants and dismissed the lawsuit with its decision no. 5189/2012. For the above case a provision had been made which has been reversed. No application for cassation has been served to the company until now.

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

d. Against (a) publishing company "I. Sideris—Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT, a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8th March 2007 before the Multi Member Athens First Instance Court. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages. Date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012 when the case was heard and the decision no. 5724/2012 of the Athens Multi Member Court of First Instance was issued which dismissed the lawsuit. No appeal has been served to the company until now.

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

f. The Company and its subsidiary "Intralot International Limited" and Mr. Socratis P. Kokkalis, filed before the Athens Multi Member First Instance Court their lawsuit dated 1 November 2012 against the company "Glory Technology Limited" having its registered offices in Cyprus and Mr. Athanassios K. Ktorides, resident of Cyprus, requesting to compel the defendants to pay, jointly and severally, because of slander and their unfair competitive behaviour:

- to the first plaintiff (Intralot) the amount of € 72.860.479,78 (including monetary compensation for moral damages amounting to € 25.000.000) with the legal interest as from the service of the lawsuit
- to the second plaintiff (Intralot International Limited) the amount of € 5.019.081,67 (including monetary compensation for moral damages amounting to € 5.000.000) with the legal interest as from the service of the lawsuit; and
- to the third plaintiff (Mr. Socratis P. Kokkalis) the amount of 50.424.019,73 € (including monetary compensation for moral damages amounting to 25.000.000 €) with the legal interest as from the service of the lawsuit.

The lawsuit was heard before the abovementioned court on 20 March 2013 in absentia of the defendants and the issue of the decision is pending.

27. Contingent Receivables, Liabilities and Commitments (Continued)

On the other hand, the company "Glory Technology Limited" and Mr. Athanassios K. Ktorides filed before the same court their lawsuit dated 19 March 2013 claiming that with the filing of the abovementioned lawsuit (from which unfair competitive behaviour results, as they allege) moral damage was caused to them. With their lawsuit, the plaintiffs request from the court to compel the Company, "Intralot International Limited" and Mr. Socratis Kokkalis to pay jointly and severally monetary compensation for moral damages amounting to € 25.000.000 to each of the plaintiffs. The hearing of the case has been scheduled for 16 October 2013. The legal counsels of the Company estimate that this lawsuit will not succeed.

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

Inteltek had made a provision of 3,3 million TRY (€ 1,4 m) plus 1,89 million TRY (€802 k) relating to interest in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€ 994k) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21st February 2008 to collect this amount. On 19 March 2009 the court vindicated Inteltek. GSGM filed an appeal against this decision and the appeal was accepted. Inteltek applied for the correction of the decision that was rejected by the higher court which returned the case to the court of first instance. The court of first instance on June 29, 2011 decided to insist on its initial judgment in favour of Inteltek. GSGM filed an appeal and the General Assembly of the Supreme Court of Appeals decided that the decision of the court of first instance on insisting is sufficient and the lawsuit file should be send to a chamber of the Supreme Court of Appeals for evaluation of the appeal requests of GSGM. The Supreme Court vindicated Inteltek and GSGM requested the correction of the decision which is pending. Inteltek requested the receivable from GSGM and GSGM paid the amount subject to the lawsuit on 13/12/2012 ie TL 5.797.372,24 (€ 2.461.625).

h. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty of an amount of TRY 5.075.465 (€2.155.095,33) imposed on GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM also for the second copy of the contract dated 29 August 2008 with Inteltek as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favour of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which is pending.

i. In Turkey, INTRALOT filed on 21 May 2009, before the Istanbul Court of First Instance a lawsuit against the company Teknoloji Holding A.Ş. ("Teknoloji") requesting from Teknoloji the amount of TRY 1.415.000 (€600.823,74) on the ground of unjust enrichment, since INTRALOT unjustly paid taxes which Teknoloji had to pay on dividends distributed by Inteltek. At the hearing of 15th September 2011 the court issued its decision and vindicated INTRALOT for the total amount claimed. INTRALOT filed an appeal for the time of the calculation of the interest and for the amount of the overdue interest, while Teknoloji filed an appeal complaining for the reasoning of the decision. The case is pending.

g. In Colombia, INTRALOT, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games

27. Contingent Receivables, Liabilities and Commitments (Continued)

of chance in Colombia. In accordance with terms of the abovementioned agreement, INTRALOT has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of INTRALOT and for reasons not attributable to INTRALOT and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by INTRALOT as well as to pay damages to INTRALOT (including damages for loss of profit) or alternatively to terminate now the agreement with no liability to INTRALOT. The arbitration court adjudicated in favour of Etesa the amount of 23,6 billion Colombian pesos (€10,1m). The application for annulment of the arbitration award filed by INTRALOT before the High Administrative Court was rejected. The Company filed a lawsuit before the Constitutional Court which was rejected. The Company has created relative provision in its financial statements part of which has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos (€ 3.299.145,31).

k. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for € 2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd and LOTROM SA filed an appeal which was rejected. The abovementioned companies further filed a recourse before the Supreme Court which was heard and rejected. To date, no enforcement procedure has been commenced. If an enforcement procedure commences, the abovementioned companies will examine the possibility of filing further legal means at the enforcement procedure.

l. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary "Totolotek Totomix SA" and a relevant administrative procedure was initiated which was concluded with the issue of a second instance decision of the Ministry of Finance for revocation of the six relevant licenses; the company filed a recourse against this decision before the Administrative Courts which was rejected and an appeal will be filed against the respective decision. In relation to all remaining shops a second instance decision of the Ministry of Finance was issued revoking their licenses. The company has filed a recourse before Administrative Courts which is pending. The company's management and its legal advisors estimate that the outcome of the recourse to the Administrative Courts will be finally positive. Since December 2012, new licenses have already been issued by virtue of which the subsidiary "Totolotek Totomix SA" operates and, therefore, the abovementioned cases will not affect its activities.

m. In August 2012, two British Virgin Island companies filed a Complaint in the United States Bankruptcy Court Southern District of Florida, Miami Division, against numerous defendants, including Supreme Ventures Limited ("SVL"), a publicly traded gaming company listed on the Jamaican Stock Exchange in which INTRALOT holds an indirect shareholding interest. Notably, as per SVL, the lawsuit is based on the same claims (related to demands arose before the acquisition of INTRALOT's participation in SVL), towards third parties, initial shareholders and/or directors of SVL, or not, which were brought in, and were recently rejected by the Jamaican courts, first by the Supreme Court and then again by the Court of Appeals. INTRALOT is named as a "Relief Defendant" which means that INTRALOT is not alleged to have been part—directly or indirectly—of any wrongdoing, since the alleged by the plaintiffs acts are made before the acquisition of SVL's shares by INTRALOT through the Jamaican Stock Exchange. Intralot agrees with SVL's opinion that the Complaint is wholly without merit and expects that it will be successful in the Florida courts, as it was in the Jamaican courts.

n. In Brazil, a former officer of a subsidiary company filed a lawsuit against such subsidiary requesting several amounts to be paid to him as fees resulting from his labour relationship amounting to appox. € 240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. According to the legal opinion dated 21st August 2012 of the local lawyers, the lawsuit will be dismissed.

27. Contingent Receivables, Liabilities and Commitments (Continued)

Until 26 March 2013, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest of the litigations will be finalized without a material effect on the Group's and the Company's financial position and results.

B. *UNAUDITED TAX YEARS*

COMPANY	YEARS
INTRALOT S.A.	2011 - 2012
BETTING COMPANY S.A.	2007 - 2010
BETTING CYPRUS LTD	2004 - 2012
INTRALOT DE CHILE S.A.	2008 - 2012
INTRALOT DE PERU SAC	2008 - 2012
INTRALOT INC.	2002 - 2012
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2005 - 2012
ROYAL HIGHGATE LTD	2006 - 2012
POLLOT Sp. z o.o.	2010 - 2012
MALTCO LOTTERIES LTD	2007 - 2012
INTRALOT HOLDINGS INTERNATIONAL LTD	2004 - 2012
LOTROM S.A.	2010 - 2012
YUGOLOT LTD	—
BILOT EOOD	2005 - 2012
EUROFOOTBALL LTD	2008 - 2012
EUROFOOTBALL PRINT LTD	2008 - 2012
INTRALOT INTERNATIONAL LTD	2005 - 2012
INTRALOT OPERATIONS LTD	2005 - 2012
INTRALOT BUSINESS DEVELOPMENT LTD	2006 - 2012
INTRALOT TECHNOLOGIES LTD	2004 - 2012
INTELTEK INTERNET AS	2007 - 2012
LOTERIA MOLDOVEI S.A.	1/10-31/12/09 & 2010 - 2012
TOTOLOTEK S.A.	2006 - 2012
WHITE EAGLE INVESTMENTS LTD	2010 - 2012
BETA RIAL Sp. z o.o.	2006 - 2012
UNICLIC LTD	2005 - 2012
DOWA LTD	2005 - 2012
INTRALOT NEW ZEALAND LTD	—
INTRALOT ST.LUCIA LTD	2008 - 2012
INTRALOT DOMINICANA S.A.	2009 - 2012
INTRALOT GUATEMALA S.A.	2009 - 2012
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009 - 2012
INTRALOT LATIN AMERICA INC	2008 - 2012
INTRALOT JAMAICA LTD	2008 - 2012
INTRALOT NEDERELAND BV	2011 - 2012
INTRALOT CARIBBEAN VENTURES LTD	2010 - 2012
INTRALOT SURINAME LTD	2009 - 2012
SUPREME VENTURES LTD	2005 - 2012
DC09 LLC	2010 - 2012
KELICOM HOLDINGS CO LTD	2006 - 2012
DINET ZAO	2009 - 2012
INTRALOT DE COLOMBIA (BRANCH)	2010 - 2012
INTRALOT HONG-KONG HOLDINGS LIMITED	2011 - 2012
INTRALOT FRANCE SAS	2010 - 2012
INTRALOT CZECH S.R.O.	2012
INTRALOT GERMANY GMBH	—
GAIN ADVANCE GROUP LTD	—
INTRALOT GAMING MACHINES SpA	—
CARIBBEAN VLT SERVICES LTD	2012
INTRALOT EGYPT LTD	2005 - 2012
E.C.E.S. SAE	2007 - 2012
INTRALOT OOO	2009 - 2012
POLDIN LTD	2006 - 2012
INTRALOT ASIA PACIFIC LTD	—
INTRALOT AUSTRALIA PTY LTD	2008 - 2012
INTRALOT SOUTH AFRICA LTD	—
INTRALOT LUXEMBOURG S.A.	2010 - 2012
INTRALOT ITALIA S.p.A.	2009 - 2012
INTRALOT FINANCE UK PLC	2011 - 2012
INTRALOT IBERIA SAU	2008 - 2012
INTRALOT IBERIA HOLDINGS S.A.	2008 - 2012
TECNO ACCION S.A.	2005 - 2012
GAMING SOLUTIONS INTERNATIONAL SAC	2008 - 2012
GAMING SOLUTIONS INTERNATIONAL LTD	2010 - 2012
INTRALOT BEIJING Co LTD	2007 - 2012
NAFIROL S.A.	—
INTRALOT ARGENTINA S.A.	2007 - 2012
LEBANESE GAMES S.A.L	—
VENETA SERVIZI S.R.L.	2010 - 2012
INTRALOT SOUTH KOREA S.A.	2007 - 2012
SERVICIOS TRANSDATA S.A.	2008 - 2012
SLOVENSKE LOTERIE AS	2008 - 2012
TORSYS S.R.O.	2008 - 2012
INTRALOT DO BRAZIL LTDA	2007 - 2012
OLTP LTDA	2009 - 2012
BILYONER INTERAKTIF HIZMELTER AS	2003 - 2012
LOTRICH INFORMATION Co. LTD	2011 - 2012
GIDANI LTD	2007 - 2012
INTRALOT INTERACTIVE S.A.	2010
INTRALOT INTERACTIVE USA LLC	2009 - 2012
JACKPOT S.p.A.	2010 - 2012
NIKANTRO HOLDINGS CO LTD	2010 - 2012
TACTUS S.R.O.	2008 - 2012
ATROPOS S.A.	2009 - 2012
NETMAN SRL	2010 - 2012
AZERINTELTEK AS	2010 - 2012
INTRALOT TURKEY AS	—
INTRALOT MAROC S.A.	2010 - 2012
INTRALOT MINAS GERAIS LTDA	2010 - 2012
PROMARTA OOO	2009 - 2012
FAVORIT BOOKMAKERS OFFICE OOO	2011 - 2012
INTRALOT DE MEXICO LTD	2010 - 2012
INTRALOT DISTRIBUTION OOO	2011 - 2012
INTRALOT GAMING SERVICES PTY	2008 - 2012
KeTMS HOLDINGS CO LTD	2005 - 2012
INTRALOT BETTING RUSSIA LTD	2011 - 2012
NANUM LOTTO LTD	2007 - 2012
INTRALOT LOTTERIES LTD	2011 - 2012

27. Contingent Receivables, Liabilities and Commitments (Continued)

There is a tax audit in progress in Intralot de Peru SAC for the year 2010, in Servicios Transdata S.A. for the year 2008, in Intralot Italia S.p.A for the year 2009 and in Jackpot S.p.A for the period 1/1/2010-08/03/2012. Furthermore, the tax audit has been completed in Pollot Sp. z o.o. for the years 01/01/2005-31/12/2009, in Favorit Bookmakers Office OOO for the period 01/01/2009-31/12/2011 and in OLTP for the year 2009 as well as the VAT audit for the period 01/7-31/12/2007 in Totolotek S.A.. In the meantime, in Lotrom S.A. the tax inspection for the years 1/1/2004-2009 was completed with an effect in the company prior year's results of €1,3 mio, in addition to imposing taxes of €1,1 mio due to different estimation of the tax base recognition of some transnational transactions, which were set-off during prior year against tax receivables of the company amounting to € 0,3 mio, while the remaining balance will be set-off against further tax receivables after a relevant audit. In addition, there have been penalties of € 1 mio that have already been paid during 2012, as a prerequisite for a relative appeal of the company and have been recognised as claims. The company's legal consultants fully disagree and have already started an objection according to the relevant law for the cancellation of taxes imposed and the payback of the fines. A new tax inspection is under progress in Lotrom S.A., covering the period 01/06/2010-30/11/2011 regarding VAT. Also, the tax inspection for the years 01/01/2005-31/12/2009 in the companies Intralot International Ltd and Intralot Operations Ltd has been completed and for the years 01/01/2006-31/12/2009 in Business Development Ltd and as a result of the relevant negotiation with the responsible Cypriot authorities, the Group has managed to achieve a material discount on the initial claim, which finally amounts to € 6 mio and it was paid within the year 2013. It should be reminded that, following the revision notice to income tax return for the years 2005-2009, solely Intralot International Ltd was informed about a claim from tax authorities amounting to € 15,2 mio. The company and its legal consultants in cooperation with tax consultants consider this claim as groundless but taking into consideration the difficult fiscal condition in Cyprus the company decided to proceed in an agreement with the tax authorities for the amount of € 6 mio which will be paid in 2013. The companies Intralot Interactive S.A. and Betting Company S.A. have received an annual tax audit report with an unqualified opinion for the year 2012 from an audit company based on POL.1159/22.7.2011.

C. *COMMITMENTS*

(i) Operating lease payment commitments:

At 31st December 2012 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31st December 2012.

Future minimum lease payments of non-cancelable lease contracts as at 31st December 2012 are as follows:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Within 1 year	9.356	9.007	1.943	1.892
Between 2 and 5 years	32.335	31.706	7.273	7.423
Over 5 years	9.537	10.823	4.876	5.350
Total	51.228	51.536	14.092	14.665

(ii) Guarantees:

The Company and the Group at 31st December 2012 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Guarantees to third parties on behalf of subsidiaries	0	0	258.046	208.301
Bank guarantee letters	148.357	243.305	82.357	99.350
Other guarantees	9.300	500	9.300	0
	157.657	**243.805**	**349.703**	**307.651**

27. Contingent Receivables, Liabilities and Commitments (Continued)

(iii) Financial lease payment commitments:

GROUP	Minimum of the lease payments 31/12/2012	Present value of the minimum lease payments 31/12/2012	Minimum of the lease payments 31/12/2011	Present value of the minimum lease payments 31/12/2011
Within one year	2.488	2.199	6.343	5.812
After one year but not more than five years	5.696	5.360	7.860	7.229
After more than five years	0	0	0	0
Minus: Interest	(625)	0	(1.162)	0
Total	**7.559**	**7.559**	**13.041**	**13.041**

COMPANY	Minimum of the lease payments 31/12/2012	Present value of the minimum lease payments 31/12/2012	Minimum of the lease payments 31/12/2011	Present value of the minimum lease payments 31/12/2011
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
After more than five years	0	0	0	0
Minus: Interest	0	0	0	0
Total	**0**	**0**	**0**	**0**

28. Related Parties Disclosures

INTRALOT acquires goods and services from or sells goods and provides services to various related parties in the course of its ordinary business.

These related parties consist of subsidiaries, associates or other related companies being under common control and/or administration with INTRALOT.

28. Related Parties Disclosures (Continued)

Below there is a summary presentation of the transactions and balances with the related parties for the year 2012:

Amounts in thousand €	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
a) *Sales of goods and services*				
• to Subsidiaries	0	0	54.305	40.528
• to Associates	4.460	3.242	6.754	4.851
• to Other Related parties	4.845	7.755	4.577	5.655
b) *Purchases of goods and services*				
• from Subsidiaries	0	0	16.224	23.268
• from Associates	19	10	19	0
• from Other Related parties	23.251	19.338	19.504	16.953
c) *Receivables*(1)				
• from Subsidiaries	0	0	169.809	158.744
• from Associates	903	8.428	893	3.609
• from Other Related parties	17.296	24.738	9.924	16.106
d) *Liabilities*(2)				
• to Subsidiaries	0	0	27.872	29.106
• to Associates	6	13	6	13
• to Other Related Parties	25.046	26.455	21.781	22.718
e) *Transactions and fees of key management personnel*	9.671	9.095	5.075	5.608
f) *Receivables from key management personnel*	589	594	0	0
g) *Payables to key management personnel*	894	857	560	465

(1) *The respective amounts analysed as follows:*

Total due from related parties	18.788	33.760	180.626	178.459
(less) long term portion (Note 16)	4.391	9.222	0	0
Short term from related parties (Note 18)	14.397	24.538	180.626	178.459

(2) *The respective amounts analysed as follows:*

Total due to related parties	25.946	27.325	50.219	52.302
(less) long term loans	1.914	1.952	0	0
(less) long term liabilities (Note 24)	43	64	0	0
Short term to related parties (Note 25 & 26)	23.989	25.309	50.219	52.302

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for the above receivable. For the year ended 31 December 2012, the Company has raised a provision of € €17 mil. that relates to provision for doubtful debts of receivables from subsidiaries and has been recognized in the statement of comprehensive income of the year. The cumulative provisions for 31/12/2012 amount to €43,6 million.

29. Derivatives

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

29. Derivatives (Continued)

Interest Rate Hedge:

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

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

Interest Rate and foreign exchange Hedge:

Positions: Cross Currency Swap
Inception of contract: 12/08/2011
Expiration: 12/08/2014
Amount: € 4,88 million

Positions: Cross Currency Swap
Inception of contract: 29/09/2011
Expiration: 12/08/2014
Amount: € 0,9 million

Forward Currency Contracts/ Currency Options:

The Group has two open positions on option contracts, which qualifies for hedge accounting, amounting to AUD 5,48 million.

The Group from the fair value revaluation on 31/12/2012 of the above mentioned derivatives and the settlement of derivative instruments that had in its possession from 2011, recognized a gain of € 1,9 million (including deferred tax) in equity and a loss of €2,73 million in income statement.

FAIR VALUE ESTIMATION

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

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

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

The levels of fair value are the following:

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

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

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

29. Derivatives (Continued)

GROUP	Fair value 31/12/2012	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	9.619	4.809	168	4.642
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	6.559	0	6.559	0

COMPANY	Fair Value 31/12/2012	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	1.547	840	0	707
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	1.593	0	1.593	0

During 2012 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

GROUP	Fair Value 31/12/2011	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	34.190	3.578	27.269	3.343
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	8.304	0	8.304	0

COMPANY	Fair Value 31/12/2011	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	968	14	0	954
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	2.242	0	2.242	0

During 2011 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

30. Other short and long term provisions

The Group's provisions in 31/12/2012 that refer to legal issues amount to €6,9 million, to unaudited tax periods and tax audit expenses amount to €2,4 million and €10,1 million refer to other provisions. The respective amounts for the Company amount to €6,9 million (legal issues), €1,8 million (provisions for unaudited tax periods and tax audit expenses from chartered auditors) and €7,1 million (other provisions).

Moreover, in the statement of comprehensive income of the Group is included an amount of €1,4 million, which refers to an estimate for impairment of tangible and intangible assets and amount €3,1 million which refers to receivable bad debts from third parties. Respectively, in the Company's statement of comprehensive income is included an amount of €17 million that concerns estimate for impaired recoverable value of receivables from subsidiaries and an amount of €2 million that concerns estimate for impaired recoverable value of receivables from third parties.

31. Comparatives

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

32. Debit / Credit Interest -Contiguous Expense /Income

	GROUP		COMPANY	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Interest Expense	(17.841)	(19.257)	(13.216)	(14.052)
Losses on investments	(1.930)	(1.258)	(252)	(984)
Losses on derivatives	(3.447)	(3.828)	(1.502)	(2.439)
Finance costs	(18.587)	(9.848)	(9.319)	(7.668)
Discounting	(1.479)	(1.664)	0	0
Finance Expense	**(43.284)**	**(35.855)**	**(24.289)**	**(25.143)**
Interest Income	12.578	10.696	5.429	5.715
Gains on investments	7.133	12.316	596	6.574
Gains on derivatives	375	1.606	374	1.606
Dividends	2.250	0	19.131	12.398
Discounting	148	(2.509)	0	0
Finance Income	**22.484**	**22.109**	**25.530**	**26.293**
Net Finance income/expense	**(20.800)**	**(13.746)**	**1.241**	**1.150**

33. Subsequent events

In January 2013, INTRALOT USA announced that the South Carolina Education Lottery (SCEL) approved an extension of its contract to continue to provide central gaming and statewide retail network systems, including associated gaming products and support services. The initial 7-year contract was extended for three additional years, until 2018, as provided in the original contract.

In January 2013, INTRALOT's subsidiary in Cyprus, Royal Highgate Public Company Limited, announced that it received an "A class" betting license, in order to continue to offer retail Betting services in the country, including the selection of sports events, odds compilation and risk management. The duration of the new license is 2 years. The license was granted according to the new Betting Law, which concerns companies that wish to offer retail betting services in the country.

In March 2013, in Spain INTRALOT repealed the betting license of its subsidiary in the Madrid region. This development has negligible effect in the financial results of the Group.

Following the recent events in Cyprus, INTRALOT discloses regarding the exposure of the Group's companies in Cyprus the following:

A. Bank Accounts

The balances of the Group's companies which were held in Cypriot banks based on the most recent data were:

Bank of Cyprus: 3 companies with the following amounts: EUR 0.48 mil, EUR 1.05 mil. and EUR 0.39 mil, respectively.

CPB: one company with EUR 0.1 mil. and 5 companies with minor amounts (between EUR 2,200 - 12,050)

B. Cypriot bank bonds

Bank of Cyprus bond booked at EUR 0.9 mil. in our accounts

33. Subsequent events (Continued)

C. Financials

The contribution of the activities of the Group's companies in Cyprus to the Group's revenues was 1.3% and to Ebitda 0.4% in 2012, while it is not possible to project the crisis' impact on their financials from the specific operations. In any case, they contribute a very small percentage to the consolidated financials and practically do not affect the Group's results.

Maroussi, March 26th, 2013

THE CHAIRMAN OF THE BOARD OF DIRECTORS

S.P. KOKKALIS
ID. No. AI 091040

THE VICE-CHAIRMAN OF THE BoD AND CEO

C.G. ANTONOPOULOS
ID. No. AI 025905

THE GENERAL DIRECTOR OF FINANCE & BUSINESS DEVELOPMENT

I.O. PANTOLEON
ID. No. Σ 637090

THE ACCOUNTING DIRECTOR

N.G.PAVLAKIS
ID.No. AZ 012557
H.E.C. License No. 15230/ A' Class

34. Summary Financial Information for the year January 1st to December 31st 2012

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Company's Number in the General Electronic Commercial Registry: 818201000—(Public Companies (S.A.) Reg. No.: 27074/06/B/92/9)
Domicile: 64 Kifissias Av. & 3 Premetis Str., Maroussi 151 25
Financial data and information of Group and Company from 1 January to 31 December 2012
(Published in terms of article 135 of Law 2190, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS)
Amounts in thousands euro

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

Regulatory Authority:	Ministry of Regional Development and Competitiveness (Societe Anonyme and Credit Division)	**Board of Directors:**	Chairman—Socrates P. Kokkalis Vice-Chairman and CEO—Constantinos G. Antonopoulos Member—Andreas V. Papoulias
Web Site:	www.intralot.com		Member—Fotios Th. Mavroudis
Financial Statements approval date:	March 26, 2013		Member—Dimitrios Ch. Klonis
Certified Auditor:	George A.Karamichalis (Reg.No/S.O.E.L 15931)		Member—Dimitrios C. Chatzigrigoriadis*
Auditor Firm:	S.O.L S.A.(Reg.No/S.O.E.L. 125)		Member—Anastasios M. Tsoufis*
Type of Auditor's Report:	Unqualified		Member—Sotirios N. Filos* Member—Petros K. Souretis

* Independent non-executive directors

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

1. STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
ASSETS				
Tangible Fixed Assets	240.693	263.640	15.507	24.513
Intangible Assets	363.824	285.436	50.602	43.852
Other Non-Current Assets	154.339	172.413	168.128	157.191
Inventories	43.533	47.067	31.060	37.003
Trade accounts receivable	177.445	175.108	195.145	198.110
Other Current Assets	134.973	142.498	5.254	14.402
TOTAL ASSETS	**1.114.807**	**1.086.162**	**465.696**	**475.071**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	255.545	251.671	73.583	70.874
Shareholders Equity (a)	303.234	299.360	121.272	118.563
Non-Controlling Interests (b)	80.615	75.908	0	0
Total Shareholders Equity (c)=(a)+(b)	383.849	375.268	121.272	118.563
Long-term Debt	329.730	228.009	55.000	260.454
Provisions / Other Long term Liabilities	53.895	53.318	17.985	19.550
Short-term Debt	185.883	278.968	204.384	0
Other Short-term Liabilities	161.450	150.599	67.055	76.504
Total Liabilities (d)	730.958	710.894	344.424	356.508
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.114.807**	**1.086.162**	**465.696**	**475.071**

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

2. TOTAL COMPREHENSIVE INCOME STATEMENT GROUP / COMPANY

	GROUP		COMPANY	
	1.1-31.12.2012	1.1-31.12.2011	1.1-31.12.2012	1.1-31.12.2011
Sale Proceeds	1.374.021	1.202.354	139.599	131.718
Less: Cost of Sales	(1.130.994)	(990.123)	(88.239)	(91.877)
Gross Profit / (Loss)	**243.027**	**212.231**	**51.360**	**39.841**
Other Operating Income	18.602	28.452	517	1.074
Selling Expenses	(43.124)	(38.242)	(7.069)	(7.254)
Administrative Expenses	(118.315)	(108.317)	(10.214)	(9.524)
Research and Development Costs	(10.326)	(9.710)	(8.274)	(6.735)
Other Operating Expenses	(9.906)	(12.526)	(19.563)	(12.541)
EBIT	**84.730**	**79.799**	**7.257**	**4.812**
Interest and similar charges	(43.284)	(35.855)	(24.289)	(25.143)
Interest and related income	22.484	22.109	25.530	26.293
Exchange differences	(831)	(605)	(1.736)	109
Profit / (Loss) from equity method consolidations	95	(499)	0	0
Operating Profit / (Loss) before tax	**58.422**	**57.038**	**6.262**	**6.120**
Less: Taxes	(25.385)	(21.453)	(3.284)	(4.515)
Operating Profit / (Loss) after tax (A)	**33.057**	**35.585**	**2.978**	**1.605**
Attributable to:				
—Owners of the parent	6.116	17.701	2.978	1.605
—Non-Controlling Interests	26.941	17.884	0	0
Other comprehensive income for the year, after tax (B)	**(5.669)**	**(3.891)**	**686)**	**(1.132)**
Total comprehensive income after taxes (A) + (B)	**27.388**	**31.694**	**3.664**	**473**
Attributable to:				
—Owners of the parent	2.887	17.293	3.664	473
—Non-Controlling Interests	24.501	14.401	0	0
Profit / (Loss) after taxes per share (in euro)				
—basic	0,0385	0,1114	0,0187	0,0101
—diluted	0,0385	0,1114	0,0187	0,0101
Proposed dividend per share (in €)	0,002623	0,003535	0,002623	0,003535
EBITDA	**177.536**	**153.806**	**21.873**	**19.362**

Supplementary information:

1. The same accounting policies have been followed, compared with previous year financial statements 31/12/11 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the year-end financial statements.

2. The companies included in the consolidation of 31/12/12 and not in the consolidation of 31/12/11 due to subsequent acquisition are the following: Intralot Germany Gmbh, Intralot Betting Operations Russia LTD, Intralot Gaming Machines S.P.A, Intralot Holdings Luxembourg S.A., Deepstack Casino LLC, Intralot Investments LTD, Gain Advance Group LTD and Ketms Holdings CO LTD. Also the companies Nanum Lotto CO LTD and Precious Success LTD Group have been consolidated with the equity method. Kelicom Holdings Co Ltd, Dinet Zao, Promarta OOO and Favorit Bookmakers Office OOO are included in the Group's financial statements with the method of the full consolidation after the completion of their acquisition and gain of control during the third quarter of 2012. The associate Cyberarts Licensing LLC has not been consolidated since October 2011, when its disposal was completed. During 2012 the liquidation process of the subsidiary company Yugolot LTD was completed. Finally, the subsidiary Intralot Iberia Holdings SA merged with Intralot Iberia SAU on 31/12/12, Intralot Minas Gerais Ltda with Intralot Do Brazil Ltda on 01/10/12 and Torsys SRO with Slovenske Loterie AS on 01/10/12. (note 13 of the annual financial statements).

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

3. The Group's provisions that refer to legal issues up to 31/12/12 amounted to € 6,9 mio. The Group's provisions that refer to unaudited tax periods amounted to € 2,4 mio and the rest € 10,1 mio to other provisions. Respectively, the Company stated € 6,9 mio for provisions of legal issues, € 1,8 mio for unaudited tax periods and € 7,1 mio for other provisions.

4. The personnel employed as at 31/12/12 by the Company were 617 and by the Group were 5.541. Respectively, as at 31/12/11, the personnel employed by the Company were 629 and by the Group were 5.512.

5. Companies that are included in 31/12/12 consolidated financial statements are presented in note 13 in the annual financial report including locations, group percentage ownership and consolidation method.

6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 27.B of the annual financial report.

7. The amounts of expense/income included in the Group's comprehensive income statement as at 31/12/12 of € (5,7) mio (2011 : € (3,9) mio) concern: foreign exchange differences of € (5) mio (2011 : € (4,4) mio), derivative valuation of € 2 mio (2011: € 190 k), while ending amount of € (2,7) mio (2011: € 304 k), concerns the valuation of available for sale financial assets. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/12 for the Company, amounted to € 686 k (2011: € (1,1) mio) regard: revaluation of available for sale financial assets, amounted to € 37 k (2011: € (1,4) mio) and € 649 k (2011: € 297 k) concerns valuation of derivative.

8. The Board will propose to the annual ordinary general meeting of shareholders, as per share dividend for 2012 the amount of € 0,002623.

9. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

	Group	Company
a) Income		
—from subsidiaries	0	54.305
—from associates	4.460	6.754
—from other related parties	4.845	4.577
b) Expenses		
—to subsidiaries	0	16.224
—to associates	19	19
—to other related parties	23.251	19.504
c) Receivables		
—from subsidiaries	0	169.809
—from associates	903	893
—from other related parties	17.296	9.924
d) Payables		
—to subsidiaries	0	27.872
—to associates	6	6
—to other related parties	25.046	21.781
e) BoD and Key Management Personnel transactions and fees	9.671	5.075
f) BoD and Key Management Personnel receivables	589	0
g) BoD and Key Management Personnel payables	894	560

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

3. STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Net equity at the beginning of the year (1/1/2012 and 1/1/2011 respectively)	375.268	361.027	118.563	117.811
Effect on retained earnings from previous years adjustment	(690)	1.323	(394)	619
New consolidated entities	0	36	0	0
Total comprehensive income for the year after tax (continuing and discontinuing operations)	27.388	31.694	3.664	473
Increase / (decrease) in share capital	1.027	863	0	0
Dividends Distributed	(19.814)	(17.277)	(562)	(719)
Exercise of stock option rights	1	379	1	379
Sale of Subsidiary	0	275	0	0
Effect due to change in ownership percentage	669	(3.052)	0	0
Net Equity at the end of the year (31/12/2012 and 31/12/2011 respectively)	**383.849**	**375.268**	**121.272**	**118.563**

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

4. CASH FLOW STATEMENT GROUP / COMPANY

	GROUP		COMPANY	
	1.1-31.12.2012	1.1-31.12.2011	1.1-31.12.2012	1.1-31.12.2011
Operating Activities				
Net Profit before Taxation (continuing operations)	58.422	57.038	6.262	6.120
Plus/Less adjustments for:				
Depreciation and Amortization	92.806	74.007	14.616	14.550
Provisions	7.657	12.320	19.720	13.404
Exchange rate differences	(178)	(5.430)	0	0
Results from Investing Activities	(384)	(7.526)	(17.775)	(12.737)
Debit Interest and similar expenses	43.284	35.855	24.289	25.143
Credit Interest	(20.234)	(22.109)	(6.399)	(13.895)
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	5.130	(5.247)	8.984	(6.682)
Decrease/(increase) of Receivable Accounts	(12.327)	1.793	(11.847)	18.125
(Decrease)/increase of Payable Accounts (except Banks)	(3.208)	(9.193)	(20.255)	2.663
Less:				
Interest Paid and similar expenses paid	33.609	27.451	15.224	16.644
Income Tax Paid	23.602	22.358	255	6.009
Net Cash from Operating Activities (a)	**113.757**	**81.699**	**2.116**	**24.038**
Investing Activities				
Purchases of subsidiaries, associates, joint ventures and other investments	888	4.250	(831)	(2.461)
Purchases of tangible and intangible assets	(119.013)	(79.593)	(11.825)	(14.475)
Proceeds from sales of tangible and intangible assets	1.760	772	0	50
Interest received	11.460	9.972	2.518	3.767
Dividends received	3.822	0	7.855	8.043
Net Cash from Investing Activities (b)	**(101.083)**	**(64.599)**	**(2.283)**	**(5.076)**
Financing Activities				
Cash inflows from Share Capital Increase	194	863	0	0
Cash inflows from loans	46.168	77.312	0	0
Repayment of loans	(40.339)	(67.273)	(8.419)	(20.150)
Repayment of Leasing Obligations	(5.902)	(10.226)	0	0
Dividends paid	(20.320)	(16.755)	(562)	(716)
Net Cash from Financing Activities (c)	**(20.199)**	**(16.079)**	**(8.981)**	**(20.866)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**(7.525)**	**1.021**	**(9.148)**	**(1.904)**
Cash and cash equivalents at the beginning of the year	**142.498**	**141.477**	**14.402**	**16.306**
Cash and cash equivalents at the end of the year	**134.973**	**142.498**	**5.254**	**14.402**

34. Summary Financial Information for the year January 1st to December 31st 2012 (Continued)

Maroussi, March 26th, 2013

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

INTRALOT S.A.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

as of and for the year ended December 31, 2011

(IFRS)

INTRALOT S.A.

INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate and Consolidated Financial Statements

We have audited the accompanying separate and consolidated financial statements of «INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES» Company and its subsidiaries, which comprise the separate and consolidated statement of financial position (or the separate and consolidated balance sheet) as of 31 December 2011, the separate and consolidated statement of comprehensive income (or income statement and additional comprehensive income), the separate and consolidated statement of changes in equity and the separate and consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate and Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's system of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and its subsidiaries as of 31 December 2011, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Reference to Other Legal and Regulatory Requirements

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

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

c) For the year 2011 the Company till today has not accepted the Tax Audit by Certified Auditors Accountants that is required by the provisions of article 82 par. 5, L. 2238/1994 (Income Tax Code).

Athens, 30th March 2012

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

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

STATEMENT OF COMPREHENSIVE INCOME GROUP/COMPANY

Amounts reported in thousands €	Note	GROUP 1/1-31/12-2011	GROUP 1/1-31/12-2010	COMPANY 1/1-31/12-2011	COMPANY 1/1-31/12-2010
Sale Proceeds		1.202.354	1.115.721	131.718	163.545
Less: Cost of Sales		(990.123)	(909.977)	(91.877)	(108.856)
Gross profit /(loss)		**212.231**	**205.744**	**39.841**	**54.689**
Other Operating Income		28.452	26.288	1.074	210
Selling Expenses		(38.242)	(37.396)	(7.254)	(7.387)
Administrative Expenses		(108.317)	(99.733)	(9.524)	(11.318)
Research and Development Expenses	**7**	(9.710)	(8.069)	(6.735)	(5.431)
Other Operating Expenses		(12.526)	(6.059)	(12.541)	(30.728)
EBIT		**79.799**	**84.457**	**4.812**	**35**
EBITDA		**153.806**	**152.662**	**19.362**	**24.218**
Interest and similar charges	**32**	(35.855)	(35.237)	(25.143)	(20.238)
Interest and related Income	**32**	22.109	22.466	26.293	29.294
Exchange Differences		(605)	11.127	109	2.167
Profit/(loss) equity method consolidations		(499)	1.559	0	0
Operating Profit/(Loss) before tax		**57.038**	**80.690**	**6.120**	**11.258**
Less Taxes:	**8**	(21.453)	(25.900)	(4.515)	(9.204)
Net Profit / (loss) from Continuing Operations (a)		**35.585**	**54.790**	**1.605**	**2.054**
Net Profit / (loss) from Discontinuing Operations (b)		**0**	**0**	**0**	**0**
Net Profit / (loss) (Continuing and Discontinuing Operations) (a) + (b)		**35.585**	**54.790**	**1.605**	**2.054**
Attributable to:					
Owners of the parent		17.701	36.626	1.605	2.054
Minority Interest		17.884	18.164	0	0
Other comprehensive income after tax					
Valuation of Available for Sale financial instruments		304	4.058	(1.429)	(65)
Derivatives valuation		190	(2.757)	297	(941)
Exchange differences on translating foreign operations		(4.385)	162	0	0
Total comprehensive income/ (expense) after tax		**(3.891)**	**1.463**	**(1.132)**	**(1.006)**
Total income after tax		**31.694**	**56.253**	**473**	**1.048**
Attributable to:					
Owners of the parent		17.293	33.917	473	1.048
Minority Interest		14.401	22.336	0	0
Earnings after taxes per share (in €)					
—basic	**9**	0,1114	0,2304	0,0101	0,0129
—diluted	**9**	0,1114	0,2304	0,0101	0,0129
Weighted average number of shares	**9**	158.961.721	158.961.721	158.961.721	158.961.721

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP 31/12/2011	GROUP 31/12/2010	COMPANY 31/12/2011	COMPANY 31/12/2010
ASSETS					
Non Current Assets					
Tangible fixed assets	**11**	263.640	281.166	24.513	35.723
Intangible assets	**12**	285.436	263.520	43.852	35.140
Investment in subsidiaries and associates	**13**	26.967	20.518	148.647	147.727
Other financial assets	**15**	34.190	29.098	968	434
Deferred Tax asset	**8**	12.318	13.835	7.129	7.868
Other long term receivables	**16**	98.938	110.468	447	440
		721.489	**718.605**	**225.556**	**227.332**
Current Assets					
Inventories	**17**	47.067	41.171	37.003	30.319
Trade and other short term receivables	**18**	175.108	187.679	198.110	221.152
Other financial assets	**15**	0	8.599	0	0
Cash and cash equivalents	**19**	142.498	141.477	14.402	16.306
		364.673	**378.926**	**249.515**	**267.777**
TOTAL ASSETS		**1.086.162**	**1.097.531**	**475.071**	**495.109**
EQUITY AND LIABILITIES					
Share Capital	**20**	47.689	47.689	47.689	47.689
Other reserves	**20**	92.699	84.014	67.349	56.126
Foreign currency translation		(29.881)	(28.980)	0	0
Retained earnings	**20**	188.853	181.375	3.525	13.996
		299.360	**284.098**	**118.563**	**117.811**
Minority interest	**20**	75.908	76.929	0	0
Total equity		**375.268**	**361.027**	**118.563**	**117.811**
Non Current Liabilities					
Long term Debt	**21**	228.009	477.464	260.454	278.515
Staff retirement indemnities	**22**	5.561	4.808	3.423	2.879
Other long term provisions	**30**	16.742	16.624	16.127	15.725
Deferred Tax liabilities	**8**	3.722	4.955	0	0
Other long term liabilities	**24**	20.063	18.801	0	0
Finance lease obligation		7.230	16.008	0	0
		281.327	**538.660**	**280.004**	**297.119**
Current Liabilities					
Trade and other short term liabilities	**25**	130.712	148.083	75.057	74.824
Short term debt and current portion of long term debt	**26**	278.968	28.913	0	0
Current income taxes payable		14.089	16.432	0	4.855
Short-term provision	**30**	5.798	4.416	1.447	500
		429.567	**197.844**	**76.504**	**80.179**
TOTAL LIABILITIES		**710.894**	**736.504**	**356.508**	**377.298**
TOTAL EQUITY AND LIABILITIES		**1.086.162**	**1.097.531**	**475.071**	**495.109**

STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Opening Balance 01/01/2011	**47.689**	**0**	**28.782**	**55.232**	**152.395**	**284.098**	**76.929**	**361.027**
Adjustments on the opening balances					1.329	**1.329**	(6)	**1.323**
New Consolidated Entities						**0**	36	**36**
Subsidiary Share Capital Increase						**0**	863	**863**
Period's Results					17.701	**17.701**	17.884	**35.585**
Other comprehensive income/(expense) after tax				494	(902)	**(408)**	(3.483)	**(3.891)**
Stock Options Reserves				379		**379**	0	**379**
Subsidiaries Disposal						**0**	275	**275**
Dividends					(719)	**(719)**	(16.558)	**(17.277)**
Effect due to change in ownership percentage					(3.020)	**(3.020)**	(32)	**(3.052)**
Transfer to reserves			7.826	(14)	(7.812)	**0**	0	**0**
Balances as at 31/12/2011	**47.689**	**0**	**36.608**	**56.091**	**158.972**	**299.360**	**75.908**	**375.268**

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

STATEMENT OF CHANGES IN EQUITY GROUP/COMPANY (Continued)

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Share Premium	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 01/01/2011	**47.689**	**0**	**17.061**	**39.065**	**13.996**	**117.811**
Adjustments on the opening balances					619	**619**
Period's Results					1.605	**1.605**
Other comprehensive income/(expense) after tax				(1.132)		**(1.132)**
Stock Options Reserves				379		**379**
Dividends					(719)	**(719)**
Transfer to reserves			11.976		(11.976)	**0**
Balances as at 31/12/2011	**47.689**	**0**	**29.037**	**38.312**	**3.525**	**118.563**

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

CASH FLOW STATEMENT GROUP/COMPANY

(Amounts reported in thousand of €)	Note	GROUP 1/1-31/12/2011	GROUP 1/1-31/12/2010	COMPANY 1/1-31/12/2011	COMPANY 1/1-31/12/2010
Operating activities					
Net Profit before Taxation		57.038	80.690	6.120	11.258
Plus/Less adjustments for:					
Depreciation and Amortization	6	74.007	68.204	14.550	14.506
Provisions		12.320	(9.484)	13.404	13.419
Exchange rate differences		(5.430)	4.765	0	0
Results from Investing Activities		(7.526)	(12.406)	(12.737)	(16.608)
Debit Interest and similar expenses		35.855	35.237	25.143	20.238
Credit Interest		(22.109)	(22.466)	(13.895)	(3.846)
Plus/Less adjustments of working capital to net cash or related to operating activities:					
Decrease/(increase) of Inventories		(5.247)	16.015	(6.682)	15.722
Decrease/(increase) of Receivable Accounts		1.793	(43.669)	18.125	(47.069)
(Decrease)/increase of Payable Accounts (except Banks)		(9.193)	(10.772)	2.663	13.302
Less:					
Interest Paid and similar expenses paid		27.451	23.269	16.644	13.703
Income Tax Paid		22.358	23.904	6.009	11.801
Net Cash from Operating Activities (a)		**81.699**	**58.941**	**24.038**	**(4.582)**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	13	4.250	6.441	(2.461)	(689)
Purchases of tangible and intangible assets	11,12	(79.593)	(107.573)	(14.475)	(14.764)
Proceeds from sales of tangible and intangible assets		772	2.011	50	0
Interest received		9.972	12.037	3.767	3.846
Dividends received		0	0	8.043	15.753
Net Cash from Investing Activities (b)		**(64.599)**	**(87.084)**	**(5.076)**	**4.146**
Financing Activities					
Cash inflows from Share Capital Increase		863	25	0	0
Cash inflows from loans		77.312	64.442	0	0
Repayment of loans		(67.273)	(53.592)	(20.150)	0
Repayment of Leasing Obligations		(10.226)	(7.086)	0	0
Dividends paid		(16.755)	(53.280)	(716)	(23.838)
Net Cash from Financing Activities (c)		**(16.079)**	**(49.491)**	**(20.866)**	**(23.838)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)		**1.021**	**(77.634)**	**(1.904)**	**(24.274)**
Cash and cash equivalents at the beginning of the year		**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the year	19	**142.498**	**141.477**	**14.402**	**16.306**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF 31 DECEMBER 2011

1. General information

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

INTRALOT is one of the leading suppliers of integrated gaming and transaction processing systems, while its footprint straddles five continents, with presence in 50 countries, more than 5.500 people and revenues of € 1.202 millions in 2011. Committed to meeting customer requirements and performance expectations and with a demonstrated ability to adapt to new markets and overcome technological and cultural constraints, INTRALOT has acquired an excellent reputation in the global gaming sector.

2. Basis of Preparation of the Financial Statements

2.1 Basis of preparation of the Financial Statements

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

2.2 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (IAS) and Interpretations issued by International Financial Reporting Interpretations Committee (IFRIC), that have been adopted by the European Union as of December 31, 2011.

2.3 Financial Statements

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

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

2.4 Changes in accounting policies

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

2. Basis of Preparation of the Financial Statements (Continued)

Standards and Interpretations compulsory for the fiscal year 2011

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

IAS 24 (Revised 2009) "Related Party Disclosures"

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

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

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

IAS 32 (Amendment) "Financial Instruments: Presentation"

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

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

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

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

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

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

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

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

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

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

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

IFRIC 19 "Extinguishing Financial Liabilities with equity instruments"

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

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

2. Basis of Preparation of the Financial Statements (Continued)

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

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

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

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

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

Standards and Interpretations compulsory after 31 December 2011

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

IAS 1 (Amendment) "Presentation of Financial Statements"

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

The amendments to IAS 1 require companies preparing financial statements in accordance with IFRSs to group together items within Other Comprehensive Income that may be reclassified or recycled to the profit or loss section of the income statement. This amendment has not yet been adopted by the European Union.

IAS 12 (Amendment) "Income Taxes"

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

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

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

(COMMISSION REGULATION (EC) No. 1205/2011 of 22 November 2011, L305—23.11.2011)

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

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

2. Basis of Preparation of the Financial Statements (Continued)

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

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

The amendment retains the existing assets and liabilities offsetting models and instead issue new disclosure requirements to allow investors to better compare financial statements prepared in accordance with IFRSs or US GAAP. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This applies to annual accounting periods starting on or after 1st January 2014.

The amendment clarifies the assets and liabilities offsetting criteria in order to address inconsistencies in current practice. The Group does not expect this amendment to affect its financial statements. This amendment has not yet been adopted by the European Union.

IFRS 9 "Financial Instruments"

This applies to annual accounting periods starting on or after 1st January 2015.

IFRS 9 is the first part of Phase 1 in the work carried out by the International Accounting Standards Board (IASB) for the replacement of IAS 39. The IASB intends to expand IFRS 9 in order to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. According to IFRS 9, all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. The subsequent measurement of financial assets is either at amortized cost or at fair value, depending on the financial entity's business model regarding the management of financial assets and the contractual cash flows of the financial asset. IFRS 9 prohibits reclassifications, except in the rare circumstances when the financial entity's business model changes, in which case the financial entity is required to reclassify the affected financial assets prospectively. According to IFRS 9 principles, all investments in equity instruments should be measured at fair value. However, the management has the option of reporting the realized and unrealized fair value through profit or loss of equity instruments which are not held for trading in the "other comprehensive income". Such designation is made at the time of initial recognition separately for each financial instrument and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or losses while dividends from such investments will continue to be recognized in profit or loss. IFRS 9 annuls the exemption of the measurement at cost of non-listed shares and derivatives in non-listed shares, but provides guidance as to when the cost can be a representative estimation of fair value. The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been adopted yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 9 before 1 January 2015.

IFRS 10 "Consolidated Financial Statements"

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

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

2. Basis of Preparation of the Financial Statements (Continued)

therefore, be implemented earlier by the Group. Only when it has been adopted will the Group decide whether or not it will implement IFRS 10 before 1 January 2013.

IFRS 11 "Joint Arrangements"

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

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

IFRS 12 "Disclosure of Interests in Other Entities"

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

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

IFRS 13 "Fair Value Measurement"

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

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

IAS 19 (amendment) «Employee Benefits»

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

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

2. Basis of Preparation of the Financial Statements (Continued)

IAS 27 (amendment) "Separate Financial Statements"

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

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

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

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

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

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

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

The amendment proposes guidance on how an entity should resume presenting financial statements in accordance with International Financial Reporting Standards (IFRSs) after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation. This amendment has no impact to the Group's financial statements since it has already adopted IFRS. This amendment has not yet been adopted by the European Union.

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

It applies to the annual accounting periods starting on or after 1st January 2013.

The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition. This is the same relief as was given to existing preparers of IFRS financial statements. This amendment has no impact to the Group's financial statements since it has already adopted IFRS. This amendment has not yet been adopted by the European Union.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine"

It applies to the annual accounting periods starting on or after 1st January 2013.

The Interpretation 20 clarifies when stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods. The above amendment will not affect the Group's financial statements.

3. Significant Accounting Policies

3.1 Basis of Consolidation

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

Subsidiaries are fully consolidated from the date on which the Group obtains control and cease to be consolidated from the date on which control is transferred out of the Group.

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

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

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

If the Group loses control over a subsidiary, it:

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

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

3.2 Business combination and Goodwill

a) Subsidiaries

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

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

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

3. Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

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

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

b) Investment in associates

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

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

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

3. Significant Accounting Policies (Continued)

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

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

If the Group's share of losses of an associate equals or exceeds its interest in the associate, the Group discontinues recognizing its share of further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies the requirements of the relative IFRSs to determine whether it is necessary to recognize any additional impairment loss with respect to its net investment in the associate. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate to its carrying value and recognizes the difference in the statement of comprehensive income of the period.

The Group discontinues the use of the equity method from the date when it ceases to have significant influence over an associate and accounts for the investment in accordance with IAS 39 measuring the investment at fair value. Any difference between the carrying amount and the fair value of the investment in associate is recognized in statement of comprehensive income of the period.

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

c) Interest in joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. The Group consolidates joint ventures applying the proportionate consolidation method, whereby the Group's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined "line by line" with similar items in the Group's consolidated financial statements.

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

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

Any intercompany balances and transactions, including unrealized gains, resulting from transactions between the Group and joint ventures, are fully eliminated.

At the date of loss of joint control to a venture and provided the former joint venture does not become a subsidiary or associate, the Group ceases applying the proportionate consolidation method and measures the remaining investment at its fair value. Any difference between the carrying amount of the former joint venture and the fair value of the investment is recognized in statement of comprehensive income. If the joint venture becomes an associate or subsidiary it would be accounted for according to IAS 28 & IAS 27 respectively.

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

3.3 Foreign Currency Translation

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

3. Significant Accounting Policies (Continued)

a) Transactions and balances

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

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

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

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

b) Group companies

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

3.4 Tangible assets

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

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

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

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

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

As regards hardware and software leased under operating lease, these assets, in the group statement of financial position are disclosed in acquisition cost values and have been depreciated using the straight line method and according to the lower period between the useful life and the contract life,

3. Significant Accounting Policies (Continued)

taking also into account their residual value at the end of the relative contract life as well as the collecting cost. In case of the respective contracts renewal, the assets' remaining net book value is depreciated according to the renewed contract life.

The carrying values of plant, property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value minus selling expenses and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the statement of comprehensive income.

3.5 Borrowing costs

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

3.6 Intangible assets

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

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

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

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

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

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

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

3. Significant Accounting Policies (Continued)

Research and Development Costs

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

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

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

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

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

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

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

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

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

3.7 Financial instruments

i) Financial assets

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

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

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

The subsequent measurement of financial assets depends on their classification on the following categories:

Financial assets at fair value through profit or loss:

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

Loans and receivables:

Include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on acquisition over the

3. Significant Accounting Policies (Continued)

period to maturity. Gains or losses arising from derecognition and impairment are recognized in the statement of comprehensive income as finance costs or income, as well as the EIR income through the amortization process.

Financial assets held-to-maturity:

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

Available-for-sale financial assets:

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

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

Derecognition of financial assets

The Group ceases to recognise a financial asset when and only when:

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

When the Group has transferred its rights to receive cash flows from an asset or has assumed a contractual obligation to pay the cash flows to one or more parties, but in parallel has neither transferred nor retained substantially all the risks and rewards of the asset nor has transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

When the Group's continuing involvement takes the form of a guarantee over the transferred asset, the extent of continuing involvement is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Group could be asked to repay ('the guarantee amount'). When the entity's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset (including cash-settled options), the extent of the entity's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option on an asset that is measured at fair value, the extent of the continuing involvement is limited to the lower of the fair value of the transferred asset and the option's exercise price.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or

3. Significant Accounting Policies (Continued)

more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the holder of the asset about the following loss events:

(a) significant financial difficulty of the issuer or obligor;

(b) a breach of contract, such as a default or delinquency in interest or principal payments;

(c) the lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

(e) the disappearance of an active market for that financial asset because of financial difficulties; or

(f) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets.

Financial assets carried at amortised cost

For financial assets carried at amortised cost (loans and receivables or held-to-maturity investments), the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows(excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (ie the effective interest rate computed at initial recognition). If the loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. The carrying amount of the asset shall be reduced either directly or through use of an allowance account and the amount of the loss is recognised in the income statement. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced either directly or by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the income statement.

Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

3. Significant Accounting Policies (Continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss—measured as the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss on that investment previously recognised in the income statement—is removed from other comprehensive income and recognised in the income statement. Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale shall not be reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the income statement. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the income statement. If, in a subsequent year, the fair value of a debt instrument classified as available-for-sale, increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

Derivative financial instruments and hedge accounting

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

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

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

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

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are

3. Significant Accounting Policies (Continued)

assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedge accounting:

Fair value hedge:

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

Cash flow hedge:

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

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

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

Hedge of a net investment in a foreign operation:

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

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

ii) Financial liabilities

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

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

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

Interest bearing loans and borrowings:

All interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any

3. Significant Accounting Policies (Continued)

discount or premium on settlement. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized or impaired, as well as through the amortization process.

Financial liabilities at fair value through profit or loss:

Include financial liabilities held for trading, that are acquired or incurred principally for the purpose of selling or repurchasing it in the near term and are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking, or it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Such liabilities, including derivative instruments that are liabilities, are measured at fair value (except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost). Gains or losses from the measurement at fair value are recognized in the statement of comprehensive income.

Financial guarantee contracts:

Include contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently are measured at the higher of the amount determined in accordance with IAS 37 and the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18.

Derecognition of financial liabilities

Financial liabilities are derecognized when the obligation is cancelled, extinguished or doesn't exist anymore. In case of an existing liability replaced by another from the same lender but under substantially different terms, or in case that there are substantial changes in terms of an existing liability, then the initial financial liability is derecognized and a new liability recognized, and the resulting difference between balances is recognized in the statement of comprehensive income.

Offsetting of financial instruments

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

Fair value of financial instruments

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

3.8 Inventories

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

3. Significant Accounting Policies (Continued)

3.9 Trade and other short term receivables

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

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

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

3.10 Cash and Cash Equivalents

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

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

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

3.11 Long Term Liabilities

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

3.12 Provisions and Contingent Liabilities

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

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

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

3. Significant Accounting Policies (Continued)

3.13 Leases

Entity/Group as lessee:

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

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

Entity/Group as Lessor:

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

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

3.14 Share capital—Treasury shares

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

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

3.15 Share Based Payments

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

The Group provides stock options to executives and employees. The fair value of the executives and employees, who receive these stock options, is recognized according to IFRS 2 as an expenditure in the statement of comprehensive income, with a respective increase of equity, during the period that these services are received and the options provided. The estimation of the total amount of the stock options expenditure during the vesting period is based on the provided stock options fair value at the grant date. The stock options fair value is measured using the proper valuation model depending on the terms of each program, taking into account the proper data such as volatility, discounting factor and dividend yield. Detailed information about the relative stock option programs of the Company included in note 23.

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

3. Significant Accounting Policies (Continued)

3.16 Staff Retirement Indemnities

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

3.17 State Insurance Programs

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

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

3.18 Revenue recognition

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

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

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

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

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

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

- ***Game management:*** The Group undertakes the provision of value added services, such as the design, organization and/ or management of games, advertising and sales promotion,

3. Significant Accounting Policies (Continued)

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

- ***Game operation:*** In this category, the Group has the full game operating license in a country. In the case of operating the game the Company undertakes the overall organization of the games provided (installation of information systems, advertising and promotion, establishment of sales network, receipt of the payments from players, payment of winnings to players e.t.c). Revenue recognition in this category occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals the total amount received from the player-customer. Especially in the case of VLT, revenue is measured as the "net drop" (total price minus winnings/payout) received from the player-customer.
- ***Interest income:*** Interest income is recognized in the statement of comprehensive income using the effective interest rate method.
- ***Dividends:*** Dividend income is recognized in the statement of comprehensive income when the Group's right to receive the payment is established.
- ***Rental income:*** Rental income arising from operating leases is accounted for on a straight-line basis during the lease term.

3.19 Taxes

Income tax

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

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

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

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

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

- the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent

3. Significant Accounting Policies (Continued)

that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

Sales tax

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

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

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

3.20 Earnings per share

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

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

4. Information Per Segment

	Geographical Sales Breakdown								
	Third parties			Inter-segmental			Total		
(in million €)	12M11	12M10	Diff %	12M11	12M10	Diff %	12M11	12M10	Diff %
European Union	687,55	760,80	(9,63)%	63,60	85,60	(25,70)%	751,15	846,40	(11,25)%
Rest of Europe*	4,71	5,28	(10,80)%	0,00	0,07	—	4,71	5,35	(11,96)%
America	375,89	277,39	35,51%	10,07	14,46	(30,36)%	385,96	291,85	32,25%
Other countries	134,20	72,25	85,74%	7,66	1,21	533,06%	141,86	73,46	93,11%
Eliminations	—	—	—	(81,33)	(101,34)	—	(81,33)	(101,34)	—
Total	**1.202,35**	**1.115,72**	**7,76%**	**0,00**	**0,00**	**—**	**1.202,35**	**1.115,72**	**7,76%**

4. Information Per Segment (Continued)

(in million €)	Geographical Profits Breakdown before taxes			Geographical Profits Breakdown after taxes		
	12M11	12M10	Diff %	12M11	12M10	Diff %
European Union	39,96	111,00	(64,00)%	32,76	97,80	(66,50)%
Rest of Europe*	0,21	1,31	(83,97)%	(0,26)	1,25	—
America	19,77	12,35	60,08%	9,88	1,61	513,66%
Other countries	17,00	1,94	776,29%	13,11	0,04	326,75%
Eliminations	(19,90)	(45,91)	—	(19,90)	(45,91)	—
Total	**57,04**	**80,69**	**(29,31)%**	**35,59**	**54,79**	**(35,04)%**

* Segments outside reportable limits/disclosure criteria.

5. Staff costs

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Salaries	81.259	76.971	17.593	16.132
Social security contributions	14.150	11.564	3.682	3.114
Staff retirement indemnities (Note 22)	1.160	1.500	717	488
Other staff costs	8.396	8.226	777	777
Total	**104.965**	**98.261**	**22.769**	**20.511**

Salaries & Social security contributions per cost center December 31, 2011

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	37.339	10.243	30.328	3.349	81.259
Social security contributions	6.541	2.078	4.870	661	14.150
Staff retir. & other costs	4.305	977	4.043	231	9.556
	48.185	**13.298**	**39.241**	**4.241**	**104.965**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	6.058	3.071	5.182	3.282	17.593
Social security contributions	1.655	620	746	661	3.682
Staff retir. & other costs	754	225	283	232	1.494
	8.467	**3.916**	**6.211**	**4.175**	**22.769**

5. Staff costs (Continued)

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

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	37.329	9.711	28.351	1.580	76.971
Social security contributions	5.490	1.632	3.995	447	11.564
Staff retir. & other costs	4.903	1.190	3.489	144	9.726
	47.722	**12.533**	**35.835**	**2.171**	**98.261**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	6.839	2.646	5.129	1.518	16.132
Social security contributions	1.558	499	611	446	3.114
Staff retir. & other costs	759	147	215	144	1.265
	9.156	**3.292**	**5.955**	**2.108**	**20.511**

The number of employees of the Company and the Group on 31 December 2011 was 629 and 5.512 respectively (31 December 2010 was 634 and 5.380 respectively).

6. Depreciation and amortization

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Depreciation of tangible fixed assets (Note 11)	47.438	43.653	10.394	11.133
Amortization of intangibles (Note 12)	26.569	24.551	4.156	3.373
Total	**74.007**	**68.204**	**14.550**	**14.506**

Depreciation and amortization per cost center

31/12/2011	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	45.192	2.093	25.121	1.601	**74.007**
Company	8.730	1.746	2.473	1.601	**14.550**

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

7. Research and Development Expenses

Research and development expenses recognized in the consolidated statement of comprehensive income amount to € 9.710 thousand and in the statement of comprehensive income of the parent company they amount to € 6.735 thousand (2010: € 8.069 thous. & € 5.431 thous.).

8. Income Taxes

Corporate income tax is calculated at 20% and 24% on the estimated tax assessable profit for the year 01/01-31/12/2011 and 01/01-31/12/2010 respectively.

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Income Taxes in the Statement of Comprehensive Income:				
Current income taxes	20.844	19.494	3.776	7.847
Deferred income taxes	609	6.406	739	1.357
Total income tax expense reported in income statement	**21.453**	**25.900**	**4.515**	**9.204**

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Profit before income taxes	**57.038**	**80.690**	**6.120**	**11.258**
Income taxes based on Greek statutory tax rate 20% (2010: 24%)	11.408	19.317	1.224	2.702
Adjustments in opening balance	50	(1.582)	0	(2.180)
Tax effect of non-deductible tax expenses	17.582	10.355	3.792	5.988
Tax effect of subsidiaries' losses, for which deferred tax asset was not recognized	(2.447)	(1.539)	0	0
Tax effect of tax free reserves	0	323	0	0
Tax effect of non taxable profits	(13.551)	(7.423)	(648)	(3.258)
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	8.183	18	0	0
Deferred tax effect due to tax rate change	0	1.110	0	1.097
Social responsibility tax	0	5.253	0	4.855
Income tax of previous years after tax audit	(717)	0	(800)	0
Provision for additional taxes from future tax audits	945	68	947	0
Income taxes at effective tax rate as reported in the income statement	**21.453**	**25.900**	**4.515**	**9.204**

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

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net deferred tax asset at beginning of the year	**8.880**	**13.308**	**7.868**	**9.224**
Adjustments in opening balance	0	0	0	0
(Debit)/Credit to the consolidated statement of comprehensive income	(641)	(7.211)	(739)	(1.356)
Effect from a first time consolidated subsidiary	30	804	0	0
Exchange difference	327	1.979	0	0
Net deferred tax asset at end of the year	**8.596**	**8.880**	**7.129**	**7.868**

8. Income Taxes (Continued)

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

December 31, 2011	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Subsidiaries' tax losses carried forward	3.829	0	0	0
Inventories—Intercompany profit	413	0	351	0
Financial assets	2.789	0	176	0
Long term receivables	2.650	(85)	0	0
Provisions	61	(969)	0	(645)
Tangible assets	1.451	(6.697)	0	(3.424)
Intangibles assets	334	(1.700)	333	0
Receivables	6.560	(2.623)	6.079	(969)
Prepayments	0	0	0	0
Long term liabilities	5.340	(415)	5.158	0
Current Liabilities	758	(4.308)	0	(613)
Short Term Loans	0	0	0	0
Finance Lease Liabilities	0	0	0	0
Staff retirement indemnities	1.021	0	683	0
Other	187	0	0	0
	25.393	**(16.797)**	**12.780**	**(5.651)**

01/01/2011 - 31/12/2011 Deferred income tax	Income Statement	
	GROUP	COMPANY
Prior years' tax losses utilized	1.280	0
Subsidiaries' tax losses carried forward	(2.907)	0
Provisions of the year	(793)	(702)
Reversal of provisions utilized	0	0
Tangible assets	(676)	(1.533)
Intangible Assets	499	1.097
Financial assets	(2.096)	(176)
Short term receivables	5.369	2.264
Long Term Receivables	2.455	0
Inventories—impairment	8	0
Staff retirement indemnities	(23)	0
Short term Provisions	456	(68)
Current Liabilities	(1.574)	994
Long Term Liabilities	(1.385)	(1.137)
Financial lease obligations	0	0
Other	(2)	0
Deferred Tax (income) / expense	**611**	**739**

8. Income Taxes (Continued)

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

01/01/2010 - 31/12/2010 Deferred income tax	Income Statement	
	GROUP	COMPANY
Prior years' tax losses utilized	1.680	0
Subsidiaries' tax losses carried forward	(541)	0
Provisions of the year	2.047	1.112
Reversal of provisions utilized	0	0
Tangible assets	(3.034)	(3.091)
Intangible Assets	962	810
Financial assets	(951)	0
Short term receivables	8.846	6.825
Long Term Receivables	1.918	0
Inventories—impairment	(3.660)	(3.662)
Staff retirement indemnities	(92)	(92)
Short term Provisions	2.130	395
Current Liabilities	(2.056)	226
Long Term Liabilities	(843)	(1.166)
Financial lease obligations	0	0
Other	0	0
Deferred Tax (income) / expense	**6.406**	**1.357**

9. Earnings per share

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net profit attributable to shareholders of the parent company	**17.701**	**36.626**	**1.605**	**2.054**
Weighted average number of shares	158.961.721	158.961.721	158.961.721	158.961.721
Less: Weighted average number of treasury shares	0	0	0	0
Weighted average number of shares outstanding	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Basic earnings per share (EPS) (in Euro)	**€ 0,1114**	**€ 0,2304**	**€ 0,0101**	**€ 0,0129**
Weighted average number of shares outstanding (for basic EPS)	158.961.721	158.961.721	158.961.721	158.961.721
Effect of potential exercise of share options (weighted average number outstanding in the year)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**158.961.721**	**158.961.721**	**158.961.721**	**158.961.721**
Diluted earnings per share (EPS) (in Euro)	**€ 0,1114**	**€ 0,2304**	**€ 0,0101**	**€ 0,0129**

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

10. Dividends

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Declared dividends of ordinary shares in the year:				
Final dividend of 2009	0	49.091	0	23.844
Interim dividend of 2010	0	4.195	0	0
Final dividend of 2010	13.647	0	719	0
Interim dividend of 2011	3.630	0	0	0
Dividend per Statement of changes in equity	**17.277**	**53.286**	**719**	**23.844**
Total dividend of 2010: € 0,004523 (Company € 0,004523)	0	719	0	719
Total dividend of 2011: € 0,003535 (Company € 0,003535)	562	0	562	0
Less: dividend paid as of year end	0	0	0	0
Dividend not recognized as a liability as at 31st December	**562**	**719**	**562**	**719**

11. Tangible assets

Tangible assets are analyzed as follows:

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Other Tangible Assets	Total
1/1/2011								
Cost	11.141	26.474	286.754	6.769	117.986	2.227	900	452.251
Accumulated Depreciation	0	(6.017)	(92.454)	(2.954)	(69.511)	0	(149)	(171.085)
Net Book value 1/1/2011	**11.141**	**20.457**	**194.300**	**3.815**	**48.475**	**2.227**	**751**	**281.166**
COST								
Additions	405	1.513	25.078	791	3.931	1.174	1.674	34.566
Transfer of assets from (to) other categories	0	619	11.142	517	(968)	(803)	0	10.507
Transfer from (to) inventories	0	0	18	0	0	0	0	18
Disposal	0	(437)	(9.772)	(545)	(321)	0	(651)	(11.726)
Write-off	0	(453)	(505)	(57)	(209)	(194)	(3)	(1.421)
Net exchange differences on foreign currency translation	78	530	33	128	(504)	(65)	(5)	195
ACCUMULATED DEPRECIATION								
Depreciation	0	(1.906)	(30.576)	(1.061)	(13.663)	0	(232)	(47.438)
Impairment	0	0	0	0	0	0	0	0
Disposal	0	406	5.714	393	108	0	21	6.642
Write off	0	95	472	58	77	0	1	703
Net exchange differences on foreign currency translation	0	(82)	843	(56)	643	0	(8)	1.340
Transfer of assets from (to) other categories	0	42	(8.550)	(466)	(1.950)	0	0	(10.924)
Transfer from (to) inventories	0	0	12	0	0	0	0	12
Net book value—31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**
31/12/2011								
Cost	11.624	28.246	312.748	7.603	119.915	2.339	1.915	484.390
Accumulated Depreciation	0	(7.462)	(124.539)	(4.086)	(84.296)	0	(367)	(220.750)
Net book value—31/12/2011	**11.624**	**20.784**	**188.209**	**3.517**	**35.619**	**2.339**	**1.548**	**263.640**

11. Tangible assets (Continued)

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

11. Tangible assets (Continued)

COMPANY	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Total
1/1/2011						
Cost	3.030	3.733	1	665	74.631	82.060
Accumulated depreciation	0	(1.351)	(1)	(116)	(44.869)	(46.337)
Net book value 01/01/2011	**3.030**	**2.382**	**0**	**549**	**29.762**	**35.723**
COST						
Additions	0	0	0	0	1.606	1.606
Transfer of assets from (to) other categories	0	791	0	0	(3.040)	(2.249)
ACCUMULATED DEPRECIATION						
Depreciation	0	(459)	0	(100)	(9.835)	(10.394)
Transfer of assets from (to) other categories	0	(173)	0	0	0	(173)
Net book value- 31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**
31/12/2011						
Cost	3.030	4.524	1	665	73.197	81.417
Accumulated Depreciation	0	(1.983)	(1)	(216)	(54.704)	(56.904)
Net book value- 31/12/2011	**3.030**	**2.541**	**0**	**449**	**18.493**	**24.513**

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

A group subsidiary has a mortgage on other assets of € 8,4 million for the payment of a loan amounting to € 3,9 million and bank guarantee letters of € 4,5 million (31/12/2011 there was no use of the loan while the guarantee letters used were €3,9 million). Also, a group's subsidiary has a loan of € 3,28 million with mortgage on a building and guarantee letters.

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

At 31st December 2011 the Group had no commitments for the purchase of tangible fixed assets.

12. Intangible Assets

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2011						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	(288)	(31.283)	(8.987)	(16.975)	(47.121)	(104.654)
Net book value 01/01/2011	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
COST						
Additions	0	37.808	9.388	2.973	7.810	57.979
Transfer of assets from (to) other categories	0	618	0	(236)	0	382
Disposals	0	(3.267)	0	(14)	(143)	(3.424)
Write-off	(126)	(87)	0	(178)	(1)	(392)
Net exchange differences on foreign currency translation	78	141	(274)	606	(614)	(63)
ACCUMULATED AMORTIZATION						
Amortization	0	(7.130)	(2.524)	(3.122)	(13.793)	(26.569)
Impairment	0	0	0	0	(6.500)	(6.500)
Disposals	0	400	0	13	0	413
Net exchange differences on foreign currency translation	0	7	(5)	(156)	521	367
Transfer of assets from (to) other categories	0	(620)	0	235	0	(385)
Write-off	0	86	0	21	1	108
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**
31/12/2011						
Cost	83.033	112.990	50.695	38.942	136.996	422.656
Accumulated amortization	(288)	(38.540)	(11.516)	(19.984)	(66.892)	(137.220)
Net book value 31/12/2011	**82.745**	**74.450**	**39.179**	**18.958**	**70.104**	**285.436**

12. Intangible Assets (Continued)

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	OTHER	LICENCES	TOTAL
1/1/2010						
Cost	59.123	60.643	29.541	34.675	109.205	293.187
Accumulated amortization	(289)	(26.992)	(8.074)	(11.368)	(40.843)	(87.566)
Net book value 01/01/2010	**58.834**	**33.651**	**21.467**	**23.307**	**68.362**	**205.621**
COST						
Additions	23.583	18.679	20.647	6.853	19.570	89.332
Transfer of assets from (to) other categories	(1)	(2.923)	(1.340)	(6.477)	1.590	(9.151)
Additions due to acquisitions of subsidiaries	0	319	0	402	0	721
Disposals	0	(103)	(6.950)	0	0	(7.053)
Write-off	0	(4)	(961)	(879)	(276)	(2.120)
Net exchange differences on foreign currency translation	376	1.166	644	1.217	(145)	3.258
ACCUMULATED AMORTIZATION						
Amortization	0	(5.927)	(2.488)	(2.227)	(13.909)	(24.551)
Impairment	0	(72)	0	0	0	(72)
Disposals	0	0	280	0	0	280
Net exchange differences on foreign currency translation	0	(630)	(28)	(712)	114	(1.256)
Transfer of assets from (to) other categories	1	2.566	1.314	(2.735)	7.506	8.652
Additions due to acquisitions of subsidiaries	0	(229)	0	0	0	(229)
Write-off	0	1	9	67	11	88
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**
31/12/2010						
Cost	83.081	77.777	41.581	35.791	129.944	368.174
Accumulated amortization	(288)	(31.283)	(8.987)	(16.975)	(47.121)	(104.654)
Net book value 31/12/2010	**82.793**	**46.494**	**32.594**	**18.816**	**82.823**	**263.520**

12. Intangible Assets (Continued)

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2011				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	(18.913)	(7.588)	(14.042)	(40.543)
Net book value 01/01/2011	**11.315**	**20.894**	**2.930**	**35.140**
COST				
Additions	3.424	9.104	341	12.869
Transfer of assets from (to) other	0	0	(217)	(217)
ACCUMULATED AMORTIZATION				
Amortization	(2.009)	(1.201)	(946)	(4.156)
Transfer of assets from (to) other	0	0	217	217
Net book value 31/12/2011	**12.730**	**28.797**	**2.325**	**43.852**
31/12/2011				
Cost	33.652	37.586	17.096	88.334
Accumulated amortization	(20.922)	(8.789)	(14.771)	(44.482)
Net book value 31/12/2011	**12.730**	**26.797**	**2.325**	**43.852**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT (Internally generated)	LICENCES	TOTAL
1/1/2010				
Cost	23.344	17.946	16.825	58.115
Accumulated amortization	(17.777)	(6.138)	(13.255)	(37.170)
Net book value 01/01/2010	**5.567**	**11.808**	**3.570**	**20.945**
COST				
Additions	6.884	10.536	147	17.567
ACCUMULATED AMORTIZATION				
Amortization	(1.136)	(1.450)	(787)	(3.373)
Net book value 31/12/2010	**11.316**	**20.894**	**2.931**	**35.140**
31/12/2010				
Cost	30.228	28.482	16.972	75.683
Accumulated amortization	(18.913)	(7.588)	(14.042)	(40.543)
Net book value 31/12/2010	**11.315**	**20.894**	**2.930**	**35.140**

13. Investments in subsidiaries and associates

GROUP	% Participation	Country	31/12/2011	31/12/2010
Bilyoner Interactif Hizmelter AS	25%	Turkey	2.050	1.758
Lotrich Information Co Ltd	40%	Taiwan	4.676	4.785
Nanum Lotto Co Ltd	15%	Korea	5.970	5.970
Kelicom Holdings Co Ltd Group	33%	Cyprus	11.501	0
CyberArts Licensing LCC	29,75%	USA	0	4.075
Intralot South Africa Ltd	45%	S. Africa	2.459	3.623
Other			311	307
			26.967	**20.518**

INTRALOT SA INVESTMENTS IN ASSOCIATES	% Participation	Country	Cost 31/12/11	Imp/ment	Impaired Cost 31/12/11	Impaired Cost 31/12/10
Bilyoner Interactif Hizmelter AS	25%	Turkey	499	0	499	499
Lotrich Information Co Ltd	40%	Taiwan	5.131	0	5.131	5.131
Nanum Lotto Co LTD	15%	Korea	5.970	0	5.970	5.970
Intralot South Africa Ltd	45%	S. Africa	2.300	0	2.300	2.300
Other			1	0	1	1
			13.901	**0**	**13.901**	**13.901**

INTRALOT S.A. INVESTSMENTS IN SUBSIDIARIES	% Participation	Country	Cost 31/12/11	Impairment	Impaired Cost 31/12/11	Impaired Cost 31/12/10
Intralot De Chile S.A.	99,99%	Chile	0	0	0	0
Intralot Inc	85%	USA	9.253	0	9.253	9.253
Intralot De Peru SAC	99,98%	Peru	15.759	0	15.759	15.759
Pollot Sp. z o.o.	100%	Poland	3.687	0	3.687	3.687
Intralot Holdings International Ltd	100%	Cyprus	8.464	0	8.464	8.464
Intralot Australia Pty Ltd	100%	Australia	114	0	114	114
Betting Company S.A.	95%	Greece	139	0	139	139
Maltco Lotteries Ltd	73%	Malta	6.993	0	6.993	6.993
Intralot Betting Operations Ltd	54,95%	Cyprus	2.000	0	2.000	2.000
Royal Highgate Ltd	5,69%	Cyprus	225	0	225	182
Inteltek Internet AS	20%	Turkey	67.326	0	67.326	67.326
Loteria Moldovei S.A.	47,90%	Moldavia	656	0	656	656
Intralot Asia Pacific Ltd	100%	China	295	0	295	295
Intralot Luxembourg S.A.	100%	Luxembourg	31	0	31	31
Intralot New Zealand Ltd	100%	N. Zealand	568	0	568	568
Intralot Iberia SAU	100%	Spain	635	0	635	635
Intralot Iberia Holdings S.A.	100%	Spain	60	0	60	60
Tecnoaccion S.A.	50,01%	Argentina	8.225	0	8.225	8.225
Intralot Beijing Co Ltd	100%	China	1.178	0	1.178	551
Intralot Argentina S.A.	89,79%	Argentina	453	0	453	453
Gaming Solutions International Ltd	99%	Colombia	0	0	0	0
Intralot South Korea S.A.	100%	S. Korea	75	0	75	75
Intralot Do Brazil Ltda	99,97%	Brazil	6.387	0	6.387	6.387
Intralot Finance UK Plc	100%	UK	57	0	57	57
Intralot Interactive S.A.	51%	Greece	31	0	31	31
Intralot Nederland B.V.	100%	Nederland	91	0	91	91
Intralot France S.A.S.	100%	France	501	0	501	251
Intralot Maroc S.A.	99,83%	Morocco	27	0	27	27
Intralot Minas Gerais Ltda	24%	Brazil	1.442	0	1.442	1.442
Other			75	(1)	74	74
			134.747	**(1)**	**134.746**	**133.826**
GRAND TOTAL			**148.648**	**(1)**	**148.647**	**147.727**

13. Investments in subsidiaries and associates (Continued)

Group Structure

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

I. Full consolidation:		Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	Intralot S.A.	Maroussi, Attica	Parent	Parent	—
5.	BETTING COMPANY S.A.	Maroussi, Attica	95%	5%	100%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT DE CHILE S.A.	Santiago, Chile	99,99%		99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%		99,98%
	INTRALOT INC	Atlanta, USA	85%		85%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%		54,95%
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	5,69%	29,39%	35,08%
	POLLOT Sp. z o.o.	Warsaw, Poland	100%		100%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%		73%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	LOTROM S.A.	Bucharest, Romania		60%	60%
2.	YUGOLOT LTD	Belgrade, Serbia& Montenegro		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
14.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
21.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
6,7,8	TOTOLOTEK SA	Warsaw, Poland		92,89%	92,89%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
2.	BETA RIAL Sp. z o.o.	Warsaw, Poland		100%	100%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
9.	DOWA LTD	Nicosia, Cyprus		30%	30%
	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%		100%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus		88,24%	88,24%
11,13,2	E.C.E.S. SAE	Cairo, Egypt		90,03%	90,03%
2.	INTRALOT OOO	Moscow, Russia		100%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%		100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
	INTRALOT LUXEMBOURG S.A.	Luxemburg, Luxemburg	100%		100%
2.	INTRALOT ITALIA S.p.A.	Rome, Italia		90%	90%
13.	SERVICIOS TRANSDATA S.A.	Lima, Peru		100%	100%
	INTRALOT IBERIA SAU	Madrid, Spain	100%		100%
	INTRALOT IBERIA HOLDINGS S.A.	Madrid, Spain	100%		100%
	TECNO ACCION S.A.	Buenos Aires, Argentina	50,01%		50,01%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%		100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
15.	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina	89,79%	10,21%	100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%
16.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italia		90%	90%
	INTRALOT SOUTH KOREA	Seoul, S. Korea	100%		100%
	INTRALOT FINANCE UK PLC	London, United Kingdom	100%		100%
	ATROPOS S.A.	Maroussi, Athens	100%		100%
2.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
17.	TORSYS S.R.O.	Bratislava, Slovakia		51%	51%

13. Investments in subsidiaries and associates (Continued)

	I. Full consolidation	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
17.	TACTUS S.R.O.	Bratislava, Slovakia		51%	51%
	INTRALOT DO BRAZIL LTDA	Sao Paolo, Brazil	99,97%		99,97%
18.	OLTP LTDA	Rio de Janeiro, Brazil		93%	93%
18.	INTRALOT MINAS GERAIS LTDA	Minas Gerais, Brazil	24%	55,98%	79,98%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Athens	51%	24%	75%
14.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
19.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
20.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
2.	INTRALOT ST. LUCIA LTD	Castries, St. Lucia		100%	100%
19.	INTRALOT DOMINICANA S.A.	St. Dominicus		100%	100%
19.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
	INTRALOT NEDERLAND B.V.	Amsterdam, Nederland	100%		100%
2.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
22.	INTRALOT INTERACTIVE USA LLC	Atlanta, USA		85%	85%
2.	JACKPOT S.p.A	Rome, Italy		100%	100%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
14.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
19.	INTRALOT CARIBBEAN VENTURES LTD	Castries, St. Lucia		50,05%	50,05%
25.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
26.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
19.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
22.	DC09 LLC	Wilmington, USA		41,65%	41,65%
2,13.	NETMAN SRL	Bucharest, Romania		100%	100%
15.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
	INTRALOT FRANCE S.A.S	Paris, France	100%		100%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
30.	INTRALOT DISTRIBUTION OOO	Moscow, Russia		100%	100%
2.	INTRALOT CZECH S.R.O.	Prague, Czech Republic		100%	100%
19.	CARIBBEAN VLT SERVICES LTD	Castries, St. Lucia		50,001%	50,001%
31.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
32.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%

	II. Equity method:	Domicile	Direct Part'n %	Indirect Part'n %	Total Part'n %
	BILYONER INTERAKTIF HIZMELTER AS	Istanbul, Turkey	25%		25%
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
23.	CYBERARTS LICENSING LLC	Berkley, USA		29,75%	29,75%
24.	CYBERARTS INC	Berkley, USA		29,75%	29,75%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
12.	GIDANI LTD	Johannesburg, South Africa		8,10%	8,10%
2.	KELICOM HOLDINGS CO LTD	Nicosia, Cyprus		33%	33%
27.	DINET ZAO	Moscow, Russia		33%	33%
28.	PROMARTA OOO	Moscow, Russia		33%	33%
29.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		24,75%	24,75%

Subsidiary of the company:

1: Intralot Betting Operations(Cyprus) Ltd
2: Intralot Holdings International Ltd
3: Bilot EOOD
4: Eurofootball Ltd
5: Intralot International Ltd
6: Pollot Sp. z o.o.
7: White Eagle Investments Ltd
8: Beta Rial Sp. z o.o.
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 S.p.A
17: Slovenske Loterie AS
18: Intralot Do Brazil Ltda
19: Intralot St.Lucia Ltd
20: Intralot Guatemala S.A.
21: Nikantro Holdings Co Ltd
22: Intralot Inc
23: Intralot Interactive USA LLC
24: CyberArts Licensing LLC
25: Intralot Caribbean Ventures Ltd
26: Inteltek Internet AS
27: Kelicom Holdings Co Ltd
28: Dinet ZAO
29: Promarta OOO
30: Intralot OOO
31: Intralot Australia PTY LTD
32: Intralot Technologies Ltd

13. Investments in subsidiaries and associates (Continued)

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

Basic Financial Figures	Assets	Liabilities	Revenue	Profits / (Losses) after Taxation
BILYONER INTERAKTIF HIZMELTER AS	12.966	4.767	19.471	5.620
LOTRICH INFORMATION Co. LTD	14.438	2.657	2.910	(182)
KELICOM HOLDINGS CO LTD GROUP	10.293	11.865	4.518	(2.522)
INTRALOT SOUTH AFRICA LTD	35.548	30.750	7.750	(111)

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

The entity Inteltek Internet AS is consolidated with the full method as the requirements of IAS 27 are met.

The companies Yugolot Ltd and E.C.E.S. SAE are under liquidation.

During the fourth quarter of 2011, the Group proceeded in the sale of the associate CyberArts Licencing LLC. The result of this transaction decreased Group's profit by € 372 thous.

14. Business Combination

Acquisitions during 2011

Investment in Kelicom Holdings Co Limited

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

Establishments during 2011

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

Participation in Intralot Distribution OOO with 100% (indirect).

Participation in Intralot Czech S.R.O. with 100% (indirect).

Participation in Caribbean VLT Services Ltd with 50,001% (indirect).

Participation in Intralot Gaming Services PTY με 100% (indirect).

Participation in Intralot Lotteries Ltd με 100% (direct and indirect).

Changes in ownership percentage during 2011

The Group increased the percent of investment in Totolotek S.A. from 92,45% to 92,89%, in Jackpot S.p.A from 51% to 100% and in Royal Highgate Ltd from 33,21% to 35,08%.

Subsidiaries' Share Capital Increase:

Increase in Intralot France SAS share capital by € 250 thousand.

Increase in Venetta Servizi S.R.L. share capital by € 400 thousand.

Increase in Intralot Italia S.p.a. share capital by € 8,6 million.

Increase in Intralot Beijing Co LTD share capital by € 600 thousand.

Discontinued Operations in the Group:

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

15. Other financial assets

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Opening Balance	**37.697**	**49.124**	**434**	**498**
Purchases	2.303	6.620	1.539	0
Additions due to subsidiaries acquisition	0	139	0	0
Disposals	(6.134)	(12.529)	0	0
Fair value revaluation	324	(1.238)	(1.005)	(64)
Change in consolidation method	0	(4.795)	0	0
Foreign exchange differences	0	376	0	0
Closing balance	**34.190**	**37.697**	**968**	**434**

The above data concern:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Listed securities	30.264	28.681	14	35
Non-listed securities	3.926	9.016	954	399
Total	**34.190**	**37.697**	**968**	**434**

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Long-term Financial Assets	34.190	29.098	968	434
Short-term Financial Assets	0	8.599	0	0
Total	**34.190**	**37.697**	**968**	**434**

During the year 2011 the Group gains from the fair value revaluation of the aforementioned financial assets amounting to € 324 thousand (2010: losses € 1.238 thousand) are analyzed to € 2.955 thousand profit (2010: profit € 694 thousand), reported as a special equity reserve and to € 2.631 (2010: losses €1.932 thousand) thousand loss reported to the statement of comprehensive income. Respectively, Company losses of € 1.005 thousand (2010: losses of € 64 thousand) are analyzed to losses of € 21 thousand recorded as a special equity reserve and to losses of € 984 thousand (2010: losses € 64 thousand) reported to the statement of comprehensive income. Included in the losses to the statement of comprehensive income are losses of € 1,26 million regarding impairment losses of Greek Government bonds due to application of the Public Sector Involvement programme (PSI). The respective amounts for the Company amount to losses of € 0,98 million. The above bonds are classified under as financial assets carried at amortized cost and their nominal value before PSI was €2,5 million (€ 1,5 million maturing on March 2012 and €1 million on September 2040). The carrying value before impairment losses was €2,12 million and the respective value after impairment was €0,86 million. The impairment losses were calculated, according to IAS 39 provisions, using the present value of estimated future contractual cash flows method, as those resulting from the PSI, discounted using the original effective interest rate that calculated on the recognition of bonds and which on a weighted average basis came up to 7,66%.

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

16. Other long term receivables

Other long term receivables at 31 December 2011 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Receivables	1.462	2.868	0	0
Receivables from related parties (Note 28)	9.222	24.922	0	0
Rent guarantees	1.010	1.414	0	0
Other receivables	87.244	81.264	447	440
	98.938	**110.468**	**447**	**440**

17. Inventories

Inventories (in thousand €) are analyzed as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Merchandise—Equipment	45.468	39.680	38.738	32.056
Other	3.334	3.226	0	0
	48.802	**42.906**	**38.738**	**32.056**
Impairment	(1.735)	(1.735)	(1.735)	(1.737)
	47.067	**41.171**	**37.003**	**30.319**

For the period ended December 31, 2011 the amount transferred to profit and loss is € 5.074 thous. (2010: € 18.268 thous.) for the Group while the respective amount for the Company is € 12.165 thous. (2010: € 42.759 thous).

18. Trade and other short term receivables

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade receivables	66.293	94.926	30.055	32.643
Receivables from related parties (Note 28)	24.538	21.958	178.459	182.497
Other receivables[(1)]	57.006	43.218	13.776	17.672
Less: Provisions	(7.645)	(7.266)	(40.551)	(30.409)
Prepaid expenses and other receivables	34.916	34.843	16.371	18.749
	175.108	**187.679**	**198.110**	**221.152**

(1) Included derivative financial instruments with total value on 31/12/2010 € 80 thous. for the Group. Also, in the Group at 31/12/2011 is included a subsidiary's pledged bank deposit of € 4.871 thous. to fulfill the collateral requirements for a bank loan.

The above receivables are non- interest bearing.

18. Trade and other short term receivables (Continued)

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

	GROUP		COMPANY	
	2011	2010	2011	2010
RECEIVABLES				
Trade receivables	67.755	97.793	30.055	32.643
Receivables from other related parties	33.760	46.880	178.459	182.497
Prepaid expenses and other receivables	180.176	160.740	30.593	36.861
Provision for doubtful debt	(7.645)	(7.266)	(40.550)	(30.409)
Total	**274.046**	**298.147**	**198.557**	**221.592**
MATURITY INFORMATION				
0 - 3 months	50.582	58.918	20.978	20.533
3 - 12 months	124.526	128.761	177.132	200.619
More than 1 year	98.938	110.468	447	440
Total	**274.046**	**298.147**	**198.557**	**221.592**

19. Cash and cash equivalents

Bank current accounts are either non- interest bearing or interest bearing and yield income at the daily bank interest rates.

The short term deposits are made for periods from one (1) day to one month depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2011 consist of:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Cash and bank current accounts	109.465	100.134	1.392	1.700
Short term time deposits	33.033	41.343	13.010	14.606
	142.498	**141.477**	**14.402**	**16.306**

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

20. Share Capital and Reserves

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

Reserves

Statutory reserve

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

20. Share Capital and Reserves (Continued)

Foreign exchange differences reserve

This reserve includes the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group at 31 December 2011 was debit € 30 million (2010: € 29 million debit balance).

Tax free reserves and reserves specially taxed

The tax free reserves and reserves specially taxed, represent interest income which is either tax free or has been taxed at 15% at source. This particular income is not taxable provided that there will be sufficient profits from which the respective tax free reserves can be created. Based on Greek tax law, this reserve is exempt from tax provided that it will not be distributed to shareholders. The Company does not intend to distribute this reserve and thus has not provided for deferred tax liability that would have been necessary if the reserve were to be distributed. The balance of these reserves at 31 December 2011 was € 28.446 thousand for the Group (2010: 28.460 thousand) and € 7.282 thousand for the Company (2010: € 7.282 thousand).

Compound Financial Instruments reserve

This reserve refers to the convertible bond (note 21: LOAN A) and amounts to € 8.956 thousand (2010: € 11.608 thousand) for the Group on 31st December 2011 and for the company to € 10.726 thousand (2010: € 12.134 thousand).

Stock option reserve

This reserve concerns the stock option rights granted and amounts for the year ended 2011 to € 21.765 thous. for the Group and the Company(2010: € 21.386 thous.).

21. Long Term Loans

Long term loans at 31 December 2011 are analyzed as follows:

	Currency	Interest rate	GROUP	COMPANY
Loan A(€200.000.000)	EUR	2,25%	206.453	204.683
Loan B(€70.000.000)	EUR	5,11%	70.000	70.000
Loan C (€250.000.000)	EUR	3,02%	249.721	0
Other			30.574	0
			556.748	274.683
Less: Payable during the next year (Note 26)			(273.156)	0
Repurchase of loan A			(64.539)	(24.955)
Equity Component			8.956	10.726
Long Term Loans			**228.009**	**260.454**

Sensitivity Analysis in interest rate risk

Year 2011	Change in interest rate	Effect on profit before tax
Euribor 1M	+/− 1%	2.500
Euribor 3M	+/− 1%	700

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

- Loan A: On December 20th, 2006, Intralot Luxembourg ("Issuer") issued a convertible bond with a face value of € 200 million maturing on December 20th, 2013, at which point the holders,

21. Long Term Loans (Continued)

in case the right to convert was not exercised in 2013, may opt for repayment of € 230.076.637,6 (nominal value increased by 15,04%) or conversion into 13.289.036 common shares of Intralot S.A.. Interest is payable semi-annually in arrears at a nominal interest rate of 2,25% per annum. The loan is listed at the Luxembourg Stock Exchange.

- Loan B: On July 2010 the parent company refinanced a bond issue of 70 million EURO. The financing bears floating interest with a total average rate equal to 5,11%. The bonds mature in July 2014.
- Loan C: On December 2007 a foreign subsidiary signed a revolving credit facility agreement for € 500 million for 5 years, of which 250 million were utilized by the Group. The loan bears a total average rate equal to 3,02%. The Group is in process of renewing the credit facility.

The weighted average long term loans interest rate is 3,01% in Euro and from 4% up to 12% in other currencies.

In regards of the maturity loans are categorized as follows:

One to two years: Loan A, C

Two to five years: Loan B

During 2011, the Group repurchased part of Intralot SA own convertible bond with a total nominal value of € 45,7 million (approximately 23% of the original nominal value of € 200 m at the issue date) prior to its final maturity. The carrying value that derecognized due to the repurchase amounted to € 52,3 m, and allocated € 49,65 m to the liabilities component and € 2,65 m to equity component. The difference between the fair value of the repurchased bonds and their carrying value measured with the amortized cost method, amounting to € 8,65 m was recognized in the income statement under "Finance Income" in accordance with IAS32 "Financial Instruments: Disclosures and Presentation". The equity component was recognized directly in equity as a deduction from reserves.

22. Staff retirement indemnities

(a) State Insurance Programs: The Group's contributions to the State insurance funds for the year ended 31st December 2011 have been reported expenses and amount to € 14.150 thousand as stated in Note 5.

(b) Staff Retirement Indemnities: According to Greek Labor Law, employees are entitled to indemnity on dismissal or retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal or retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

22. Staff retirement indemnities (Continued)

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet, details and the basic assumptions used in the actuarial study as at 31st December 2011 are as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Present Value of unfunded liability	6.535	5.815	4.351	3.840
Unrecognized actuarial losses	(974)	(1.007)	(928)	(961)
Net liability on the balance sheet	**5.561**	**4.808**	**3.423**	**2.879**
Components of the net retirement cost in the year:				
Current service cost	813	1.283	413	307
Interest	194	192	173	168
Amortization of unrecognised actuarial (gain) or loss	33	2	33	2
Effect of cutting / settlement / termination benefits	120	23	95	5
Intragroup staff transfer	0	0	3	6
Benefit expense charged to income statement (Note 5)	1.160	1.500	717	488
Additional service cost	0	0	0	0
Total charge to income statement	**1.160**	**1.500**	**717**	**488**
Reconciliation of benefit liability:				
Net liability at beginning of year	4.808	3.762	2.879	2.420
Service cost	812	1.283	413	307
Interest	194	192	173	168
Amortization of unrecognised actuarial (gain) or loss	33	1	33	1
Effect of cutting / settlement / termination benefits	120	23	95	5
Benefits paid	(320)	(486)	(173)	(29)
Intragroup staff transfer	0	0	3	7
Subsidiary not consolidated	0	0	0	0
New consolidated entities	0	0	0	0
Foreign exchange difference	(86)	33	0	0
Present Value of the liability at end of year	**5.561**	**4.808**	**3.423**	**2.879**

Basic assumptions:

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

23. Share based benefits

Plans for employee participation in the share capital

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

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

The approval of the program of stock option plan to persons among those referred in paragraph 13, article 13 of Codified Law 2190/1920, as modified and in force (Program III) was decided and more specifically that the above share purchase options to be granted to the Board of Directors members, to General Directors, to Directors and Managers of the Company and of its

23. Share based benefits (Continued)

affiliated companies, as defined in paragraph 5 of article 42e of Codified Law 2190/1920, as well as to persons providing services in a regular basis to the Company and/or to the abovementioned affiliates.

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

The duration of this program will be four-year, i.e. up to December 2013. Each beneficiary, during each year, will be entitled to exercise options which will not exceed ⅓ of the total number of options granted to him/her.

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

The Company's Board of Directors was authorized to draw up the relative regulation of above-mentioned Program III and to regulate any other relative detail in relation to this program. (Resolution of the Board Of Directors on 28.01.2010).

Finally, the amendment of the current stock option program (Program II) for purchase of shares was decided, so that no more options to be granted other than those already granted.

On February 12, 2010 INTRALOT S.A. announces that according to the Stock Option Plans for senior Company and Group executives, approved by the General Meeting of Shareholders of 14 December 2009, 235 persons mentioned in article 13 par. 13 of Codified Law 2190/1920 as in force, are entitled to exercise, at the duration that the program III is in effect,—within a period of four (4) years and not later than 31.12.2013—stock options with exercise price 4 Euro per share which if exercised all, will be issued until 6.227.000 new common Company shares.

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

INTRALOT S.A. announces that in the year 2011 no right is exercised by the beneficiaries of Program III.

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

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

The total Option Fair value, estimated with a Binomial Model, is € 923 k, of which € 378 k are included in the results of the year.

24. Other Long Term Liabilities

Other long term liabilities at 31 December 20101 include:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Other financial liabilities	0	0	0	0
Guarantees	12.978	12.465	0	0
Amounts due to related parties (Note 28)	64	63	0	0
Other long term liabilities[1]	7.021	6.273	0	0
	20.063	**18.801**	**0**	**0**

(1) There are included derivative financial instruments with total amount for the Group € 5.387 thousand as at 31/12/2011 (31/12/2010 € 3.750 thous.).

25. Trade and Other Current Liabilities

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Trade Creditors	52.095	74.589	14.531	20.035
Amounts due to related parties (Note 28)	25.309	31.721	52.303	49.353
Winnings	17.848	12.784	0	0
Other Payables[1]	25.023	21.886	6.050	4.519
Taxes	10.234	6.772	1.976	592
Dividends payable	203	331	197	325
	130.712	**148.083**	**75.057**	**74.824**

(1) Included financial derivatives with total value on 31/12/2011 € 2.918 thous. (31/12/2010 € 7.226 thous.) for the Group and on 31/12/2011 € 2.242 thous. (31/12/2010 € 2.539 thous.) for the Company.

The above amounts are non interest bearing.

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

	GROUP		COMPANY	
	2011	2010	2011	2010
PAYABLES				
Trade payables	52.095	74.589	14.531	20.035
Payable to related parties	25.374	31.784	52.303	49.353
Other payables	73.306	60.511	8.223	5.436
Total	**150.775**	**166.884**	**75.057**	**74.824**
MATURITY INFORMATION				
0 - 3 months	62.155	56.800	28.512	21.039
3 - 12 months	68.557	91.283	46.545	53.785
More than 1 year	20.063	18.801	0	0
Total	**150.775**	**166.884**	**75.057**	**74.824**

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

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

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Loan in EURO	250.003	2.809	0	0
Loan in USD	21.245	23.175	0	0
Loan in PEN	0	3	0	0
Loan in PLN	0	451	0	0
Loan in JMD	1.576	0	0	0
Loan in GTQ	264	0	0	0
Loan in TRY	0	69	0	0
Loan in BRL	27	0	0	0
Loan in ARS	41	511	0	0
	273.156	**27.018**	**0**	**0**
Leasing in EURO	3.173	0	0	0
Leasing in USD	2.594	1.822	0	0
Leasing in PEN	6	0	0	0
Leasing in AUD	39	73	0	0
	5.812	**1.895**	**0**	**0**
Total	**278.968**	**28.913**	**0**	**0**

27. Contingent Receivables, Liabilities and Commitments

A. *LEGAL ISSUES PENDING*

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

b. On 4th January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member First Instance Court of Athens, with which the plaintiff claims the payment of the amount of €3.668.378,60 plus accrued interests from OPAP S.A., pleading that OPAP S.A. should pay this amount to him as profit, in addition to the amount already paid to him. Since "Betting Company S.A." has a legitimate interest in OPAP S.A. winning the lawsuit, "Betting Company S.A.", the companies INTRALOT S.A., INTRALOT INTERNATIONAL LTD and the joint venture "INTRALOT S.A.-Intralot International Ltd" proceeded to an additional joint intervention in favor of OPAP S.A.; this was scheduled for hearing on 3rd May 2005 but following a petition of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal which had been rejected by the Athens Court of Appeals with its decision

27. Contingent Receivables, Liabilities and Commitments (Continued)

no. 6377/2007. The defendants filed an appeal before the Supreme Court which was heard on 9th November 2009 and decision no. 1252/2010 was issued accepting the appeal and referring back the case to the Athens Court of Appeals in order to be heard again. The hearing date was the 26th January 2012 when the case was heard and the issue of the decision is pending. The Company considers that it has strong arguments in order to have a positive outcome on this case. For the above case a provision had been made which has been reversed.

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

d. Against (a) publishing company "I. Sideris—Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e) INTRALOT a lawsuit of Mr. Charalambos Kolymbalis, was filed on 8/3/2007; date of the hearing was set the 20th February 2008 when it was postponed for 4th March 2009 and then again for 24th February 2010; on that date the hearing of the case was cancelled due to strike of the judicial secretaries. New hearing date was scheduled the 23rd May 2012. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages.

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

f. In Turkey, GSGM filed on 23rd January 2006 before the First Instance Court of Ankara a declaratory action against the 45% subsidiary company Inteltek requesting to be recognized that the calculation of the player's excess payout of the fixed odds betting games, as per their contract, is effected at the end of each separate semester (as opposed to on a cumulative basis for all semesters at the end of the contract). Next hearing following the appointment of experts had been set for November 16, 2006 when the hearing was postponed for January 30, 2007 when it was heard. The decision issued by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal. On 18th October 2007, Inteltek was notified that the appeal was rejected and, consequently, the decision of the First Instance Court of Ankara is final. GSGM filed an appeal against this decision which was rejected and the case file was sent back to the First Instance Court and the decision was finalized. Inteltek had made a provision of 3,3 million TRY (€ 1,3 m) (plus 1,89 million TRY (€774K) relating to interest) in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,34 million (€958k) (plus interest) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21st February 2008 to collect this amount. On 19 March 2009 the court vindicated Inteltek. GSGM filed an appeal against this decision and the appeal was accepted. Inteltek applied for the correction of the decision that was rejected by the higher court which returned the case to the court of first instance. The court of first instance on June 29, 2011 decided to insist on its initial judgment in favor of Inteltek. GSGM filed an appeal and the case is pending. Inteltek has not made any provisions for income regarding this case in its financial statements relating to the period ending on 31st December 2011.

g. In Turkey, GSGM filed before the Ankara Tax Court a lawsuit against the local Tax Authority requesting the annulment of a penalty of an amount of TRY 5.075.465 (€2.077.384) imposed on

27. Contingent Receivables, Liabilities and Commitments (Continued)

GSGM, since the Tax Authority considers that stamp duty should have been paid by GSGM for the second copy of the contract dated 29 August 2008 with Inteltek as well as for the letter of guarantee securing the minimum turnover of GSGM games. Inteltek intervened in the case before the abovementioned court in favor of GSGM because, according to the contract dated 29th August 2008, GSGM may request from Inteltek the amount that will be finally obliged to pay, if any. The decision issued by the court vindicates GSGM and Inteltek and the abovementioned penalty was cancelled. The Tax Authority filed an appeal which is pending.

h. In Turkey, Intralot filed on 21 May 2009, before the Istanbul Court of First Instance a lawsuit against the company Teknoloji Holding A.Ş. ("Teknoloji") requesting from Teknoloji the amount of TRY 1.415.000 (€579.158) on the ground of unjust enrichment, since Intralot unjustly paid taxes which Teknoloji had to pay on dividends distributed by Inteltek. At the hearing of 15th September 2011 the court issued its decision and vindicated Intralot for the total amount claimed. Intralot filed an appeal for the time of the calculation of the interest and for the amount of the overdue interest, while Teknoloji filed an appeal complaining for the reasoning of the decision. The case is pending.

i. In Colombia, Intralot, on 22nd July 2004, entered into an agreement with an entity called Empresa Territorial para la salud ("Etesa"), under which it was granted with the right to operate games of chance in Colombia. In accordance with terms of the abovementioned agreement, Intralot has submitted an application to initiate arbitration proceedings against Etesa requesting to be recognized that there has been a disruption to the economic balance of abovementioned agreement to the detriment of Intralot (and for reasons not attributable to Intralot) and that Etesa to be compelled to the modification of the financial terms of the agreement in the manner specified by Intralot as well as to pay damages to Intralot (including damages for loss of profit); or alternatively to terminate now the agreement with no liability to Intralot. The arbitration court adjudicated in favor of Etesa the amount of 23,6 billion Colombian pesos (€9,4m). The application for annulment of the arbitration award filed by Intralot before the High Administrative Court was rejected. The Company examines the possibility of exercising further legal means available. ETESA requested the payment of a letter of guarantee in the amount of 7.694.081.042 Colombian pesos (€ 3.068.467) issued by Banco de Bogota, granted with counter-guarantees of a respective amount issued by Société Générale & Geniki Bank. The payment of the counter-guarantees had been suspended pursuant to provisional decisions issued by the Greek court as well as by the French court. In France, the court issued a decision which rejected the Company's petition but also decided not to order the decision's provisional execution until it becomes final. The Company filed an appeal against this decision which was rejected. The Company has created relative provision in its financial statements.

j. Against the subsidiary Intralot Holdings International Ltd., a shareholder of LOTROM SA and against LOTROM SA, another shareholders of LOTROM SA, Mr. Petre Ion filed a lawsuit before the competent court of Bucharest requesting that Intralot Holdings International Ltd to be obliged to purchase his shares in LOTROM SA for € 2.500.000 and that LOTROM SA to be obliged to register in the shareholders book such transfer. Following the hearing of 28th September 2010 a decision of the court was issued accepting the lawsuit of the plaintiff. Intralot Holdings International Ltd. and LOTROM SA filed an appeal which is pending which was rejected. The Company filed a recourse which is pending.

k. In Poland, as a result of bet making points controls conducted by Custom Service bodies in 6 shops, a gambling law breach was claimed to be made by the "E-Promotion" program of the subsidiary "Totolotek Totomix SA" and a relevant administrative procedure was initiated. Totolotek Totomix SA's legal advisor strongly believes that there is no breach of law or a threaten to the licenses continuation and appeal proceedings have been initiated that are pending.

Until 26 March 2012, apart from the legal issues for which a provision has been recognised, the Group Management estimates that the rest litigation will be finalized without a material effect on the Group's and the Company's financial position and results.

27. Contingent Receivables, Liabilities and Commitments (Continued)

B. *UNAUDITED TAX YEARS*

COMPANY	YEARS
INTRALOT S.A.	2011
BETTING COMPANY S.A.	2007 - 2011
BETTING CYPRUS LTD	2004 - 2011
INTRALOT DE CHILE S.A.	2008 - 2011
INTRALOT DE PERU SAC	2007 - 2011
INTRALOT INC.	2002 - 2011
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2005 - 2011
ROYAL HIGHGATE LTD	2006 - 2011
POLLOT Sp. z o.o.	2005 - 2011
MALTCO LOTTERIES LTD	2005 - 2011
INTRALOT HOLDINGS INTERNATIONAL LTD	2004 - 2011
LOTROM S.A.	2010 - 2011
YUGOLOT LTD	—
BILOT EOOD	2005 - 2011
EUROFOOTBALL LTD	2008 - 2011
EUROFOOTBALL PRINT LTD	2005 - 2011
INTRALOT INTERNATIONAL LTD	2005 - 2011
INTRALOT OPERATIONS LTD	2005 - 2011
INTRALOT BUSINESS DEVELOPMENT LTD	2006 - 2011
INTRALOT TECHNOLOGIES LTD	2004 - 2011
INTELTEK INTERNET AS	2007 - 2011
LOTERIA MOLDOVEI S.A.	1/10-31/12/09 & 2010 - 2011
TOTOLOTEK S.A.	2005 - 2011
WHITE EAGLE INVESTMENTS LTD	2010 - 2011
BETA RIAL Sp. z o.o.	2005 - 2011
UNICLIC LTD	2005 - 2011
DOWA LTD	2005 - 2011
INTRALOT NEW ZEALAND LTD	2011
INTRALOT ST.LUCIA LTD	2009 - 2011
INTRALOT DOMINICANA S.A.	2009 - 2010
INTRALOT GUATEMALA S.A.	2009 - 2011
LOTTERIA Y APUESTOSA DE GUATEMALA S.A.	2009 - 2011
INTRALOT LATIN AMERICA INC	2009 - 2011
INTRALOT JAMAICA LTD	—
INTRALOT NEDERELAND BV	2010 - 2011
INTRALOT CARIBBEAN VENTURES LTD	2010 - 2011
INTRALOT SURINAME LTD	2010 - 2011
SUPREME VENTURES LTD	2006 - 2011
DC09 LLC	2010 - 2011
KELICOM HOLDINGS CO LTD	2006 - 2011
DINET ZAO	2006 - 2011
INTRALOT DE COLOMBIA (BRANCH)	2009 - 2011
INTRALOT HONG-KONG HOLDINGS LIMITED	2011
INTRALOT FRANCE SAS	2010 - 2011
INTRALOT CZECH S.R.O.	2011
CARIBBEAN VLT SERVICES LTD	2011

COMPANY	YEARS
INTRALOT EGYPT LTD	2006 - 2011
E.C.E.S. SAE	2007 - 2011
INTRALOT OOO	2008 - 2011
POLDIN LTD	2005 - 2011
INTRALOT ASIA PACIFIC LTD	—
INTRALOT AUSTRALIA PTY LTD	2006 - 2011
INTRALOT SOUTH AFRICA LTD	—
INTRALOT LUXEMBOURG S.A.	2010 - 2011
INTRALOT ITALIA S.p.A.	2010 - 2011
INTRALOT FINANCE UK PLC	2008 - 2011
INTRALOT IBERIA SAU	2007 - 2011
INTRALOT IBERIA HOLDINGS S.A.	2007 - 2011
TECNO ACCION S.A.	2005 - 2011
GAMING SOLUTIONS INTERNATIONAL SAC	2007 - 2011
GAMING SOLUTIONS INTERNATIONAL LTD	2009 - 2011
INTRALOT BEIJING Co LTD	2007 - 2011
NAFIROL S.A.	—
INTRALOT ARGENTINA S.A.	—
LEBANESE GAMES S.A.L	—
VENETA SERVIZI S.R.L.	2010 - 2011
INTRALOT SOUTH KOREA S.A.	2007 - 2011
SERVICIOS TRANSDATA S.A.	2007 - 2011
SLOVENSKE LOTERIE AS	2008 - 2011
TORSYS S.R.O.	2008 - 2011
INTRALOT DO BRAZIL LTDA	2008 - 2011
OLTP LTDA	2009 - 2011
BILYONER INTERAKTIF HIZMELTER AS	2003 - 2011
LOTRICH INFORMATION Co. LTD	2010 - 2011
GIDANI LTD	2007 - 2011
INTRALOT INTERACTIVE S.A.	2009 - 2011
INTRALOT INTERACTIVE USA LLC	2009 - 2011
JACKPOT S.p.A.	2009 - 2011
NIKANTRO HOLDINGS CO LTD	2009 - 2011
TACTUS S.R.O.	2009 - 2011
ATROPOS S.A.	2009 - 2011
NETMAN SRL	2010 - 2011
AZERINTELTEK AS	2010 - 2011
INTRALOT TURKEY AS	2008 - 2011
INTRALOT MAROC S.A.	2010 - 2011
INTRALOT MINAS GERAIS LTDA	2010 - 2011
PROMARTA OOO	2004 - 2011
FAVORIT BOOKMAKERS OFFICE OOO	2008 - 2011
INTRALOT DE MEXICO LTD	2010 - 2011
INTRALOT DISTRIBUTION OOO	2011
INTRALOT GAMING SERVICES PTY	2011
INTRALOT LOTTERIES LTD	2011

There is a tax audit in progress in Intralot De Peru SAC for the year 2010 and in Servicios Transdata S.A. for the year 2008. In Intralot Italia S.p.A. the tax inspection for the year 2009 was completed. In the meantime, in Lotrom S.A. the tax inspection for the years 01/01/2004-2009 was completed with an effect in the company results of €1,3 mio, as well as imposed taxes amounting to €1,1 mio due to different estimation for the tax base recognition of some transnational transactions, which were set-off against tax receivables of the company amounting to €0,3 mio, while the remaining

27. Contingent Receivables, Liabilities and Commitments (Continued)

balance will be set-off against further tax receivables after a relevant audit, as well as penalties of €1 mio that have already paid during the first quarter of 2012, as a prerequisite for a relative appeal of the company and have been recognised as claims. The company's legal consultants fully disagree and have already started the objection procedure according to the relevant law for cancellation of taxes imposed and paid back the fines. The income tax inspection in Intralot S.A. for the years 01/01/2008-31/12/2009 has been completed and had an impact of € 1,4 million in the company's results, but also resulted in a tax refund recognized for the year 2008 amounting to € 2 million. Also, it is in progress the tax inspection in the years 01/01/2005-31/12/2009 for the companies Intralot International Ltd and Intralot Operations Ltd and for the years 01/01/2006-31/12/2009 for Business Development Ltd. Intralot International Ltd has received a revised income tax notification on 22/11/11, with which the company and its legal consultants fully disagree and have already started the objection procedure according to the relevant law.

C. *COMMITMENTS*

(i) Operating lease payment commitments:

At 31st December 2011 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31st December 2011.

Future minimum lease payments of non cancelable lease contracts as at 31st December 2011 are as follows:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Within 1 year	9.007	9.647	1.892	2.174
Between 2 and 5 years	31.706	32.993	7.423	8.904
Over 5 years	10.823	14.867	5.350	7.895
Total	51.536	57.507	14.665	18.973

(ii) Guarantees:

The Company and the Group at 31st December 2011 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Guarantees to third parties on behalf of subsidiaries	0	0	208.301	248.136
Bank guarantee letters	243.305	189.839	99.350	100.684
Other guarantees	500	1.431	0	0
	243.805	**191.270**	**307.651**	**348.820**

27. Contingent Receivables, Liabilities and Commitments (Continued)

(iii) Financial lease payment commitments:

GROUP	Minimum of the lease payments 31/12/2011	Present value of the minimum lease payments 31/12/2011	Minimum of the lease payments 31/12/2010	Present value of the minimum lease payments 31/12/2010
Within one year	6.343	5.812	2.320	1.895
After one year but not more than five years	7.860	7.229	19.892	16.008
After more than five years	0	0	0	0
Minus: Interest	(1.162)	0	(4.309)	0
Total	**13.041**	**13.041**	**17.903**	**17.903**

COMPANY	Minimum of the lease payments 31/12/2011	Present value of the minimum lease payments 31/12/2011	Minimum of the lease payments 31/12/2010	Present value of the minimum lease payments 31/12/2010
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
After more than five years	0	0	0	0
Minus: Interest	0	0	0	0
Total	**0**	**0**	**0**	**0**

28. Related Parties Disclosures

INTRALOT acquires goods and services from or sells goods and provides services to various related parties in the course of its ordinary business.

These related parties consist of subsidiaries, associates or other related companies being under common control and/or administration with INTRALOT.

28. Related Parties Disclosures (Continued)

Below there is a summary presentation of the transactions and balances with the related parties for the year 2011:

	GROUP		COMPANY	
Amounts in thousand €	**31/12/2011**	**31/12/2010**	**31/12/2011**	**31/12/2010**
a) *Sales of goods and services*				
• to Subsidiaries	0	0	40.528	70.132
• to Associates	3.242	13.083	4.851	6.903
• to Other Related parties	7.755	9.350	5.655	5.472
b) *Purchases of goods and services*				
• from Subsidiaries	0	0	23.268	13.344
• from Associates	10	4.714	0	0
• from Other Related parties	19.338	34.833	16.953	30.786
c) *Receivables*(1)				
• from Subsidiaries	0	0	158.744	167.198
• from Associates	8.428	1.847	3.609	1.963
• from Other Related parties	24.738	44.935	16.106	13.336
d) *Liabilities*(2)				
• to Subsidiaries	0	0	29.106	20.069
• to Associates	13	13	13	13
• to Other Related Parties	26.455	42.003	22.718	29.057
e) *Transactions and fees of key management personnel*	9.095	8.916	5.608	5.437
f) *Receivables from key management personnel*	594	98	0	0
g) *Payables to key management personnel*	857	436	465	214

(1) *The respective amounts analysed as follows:*

Total due from related parties	33.760	46.880	178.459	182.497
(less) long term portion (Note 16)	9.222	24.922	0	0
Short term from related parties (Note 18)	24.538	21.958	178.459	182.497

(2) *The respective amounts analysed as follows:*

Total due to related parties	27.325	42.452	52.303	49.353
(less) long term loans	1.951	10.668	0	0
(less) long term liabilities (Note 24)	64	63	0	0
Short term to related parties (Note 25)	25.309	31.721	52.303	49.353

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the end of the year are not secured and their settlement is made in cash. No guarantees are provided or taken for the above receivable. For the year ended 31 December 2011, the Company has raised a provision of € €12,5 mil. that relates to provision for doubtful debts of receivables from subsidiaries and has been recognized in the statement of comprehensive income of the year. The cumulative provisions for 31/12/2011 amount to €36,2 million.

29. Derivatives

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

Interest Rate Hedge:

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

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

Interest Rate and foreign exchange Hedge:

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

Positions: Cross Currency Swap
Inception of contract: 12/08/2011
Expiration: 12/08/2014
Amount: € 4,88 million

Positions: Cross Currency Swap
Inception of contract: 29/09/2011
Expiration: 12/08/2014
Amount: € 0,9 million

Forward Currency Contracts/ Currency Options:

The Group has two open positions on option contracts, which qualifies for hedge accounting, amounting to USD 8,5 million.

The Group from the fair value revaluation on 31/12/2011 of the above mentioned derivatives and the settlement of derivative instruments that had in its possession from 2010, recognized a gain of € 190 thousand in equity and a loss of €2,95 million in income statement.

FAIR VALUE ESTIMATION

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

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

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

29. Derivatives (Continued)

The levels of fair value are the following:

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

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

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

GROUP	Fair value 31/12/2011	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	34.190	3.578	27.269	3.343
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	8.304	0	8.304	0

COMPANY	Fair Value 31/12/2011	Fair Value Hierarchy Level 1	Level 2	Level 3
Financial Assets				
Other financial assets	968	14	0	954
Derivative financial instruments	0	0	0	0
Financial liabilities				
Derivative financial instruments	2.242	0	2.242	0

During 2011 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

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

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

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

30. Other short and long term provisions

The Group's provisions in 31/12/2011 that refer to legal issues amount to € 9,4 million, to unaudited tax periods and tax audit expenses amount to € 2,1 million and € 11,4 million refer to other provisions. The respective amounts for the Company amount to € 9,4 million (legal issues),

30. Other short and long term provisions (Continued)

€ 1,45 million (provisions for unaudited tax periods and tax audit expenses) and € 6,7 million (other provisions).

Moreover, in the statement of comprehensive income of the Group is included an amount of € 7,5 million, which refers to an estimate of impairment of tangible and intangible assets. Respectively, in the Company's statement of comprehensive income is included an amount of € 12,5 million that concerns estimate for impaired recoverable value of receivables from subsidiaries.

31. Comparatives

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

32. Debit / Credit Interest—Contiguous Expense /Income

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Interest Expense	(19.257)	(17.940)	(14.052)	(12.692)
Losses on investments	(1.258)	(4.082)	(984)	0
Losses on derivatives	(3.828)	(2.473)	(2.439)	(1.562)
Finance costs	(9.848)	(8.606)	(7.668)	(5.984)
Discounting	(1.664)	(2.136)	0	0
Finance Expense	**(35.855)**	**(35.237)**	**(25.143)**	**(20.238)**
Interest Income	10.696	11.438	5.715	2.105
Gains on investments	12.316	8.501	6.574	0
Gains on derivatives	1.606	1.753	1.606	1.741
Dividends	0	0	12.398	25.448
Discounting	(2.509)	774	0	0
Finance Income	**22.109**	**22.466**	**26.293**	**29.294**
Net Finance income/expense	**(13.746)**	**(12.771)**	**1.150**	**9.056**

33. Subsequent events

On January 2012, INTRALOT's subsidiary in South Africa, INTRALOT South Africa, has been awarded a Fixed Odds Betting license by the Western Cape Gambling and Racing Board. The License covers sports betting facilities in the area of Western Cape in South Africa and Internet, Telephone and Mobile betting for players countrywide. INTRALOT South Africa will operate betting under the brand JUSTBET.

On January 2012, INTRALOT subsidiary, INTRALOT Australia Pty Ltd., has signed a 3-year contract extension with the Lotteries Commission of Western Australia (Lotterywest), until 2016, for maintenance and support of the integrated Gaming System, that has been supplied.

On February 2012, INTRALOT has initiated the operation of its Electronic Monitoring System, "iGEM" and related services for the monitoring of the Video Lottery Terminals that are deployed at the Supreme Ventures Limited (SVL) Gaming Lounges. The monitoring system operation services contract has an initial term of 10 years with an automatic renewal option for 5-year successive periods.

In the end of March 2012, the privatization committee of Malta announced to INTRALOT's subsidiary Maltco that it won the tender for the new gaming license in the country. It is noted that Maltco is operating lottery games in the country under the relevant license in the last 8 years, while the new license has a duration of 10 years.

33. Subsequent events (Continued)

Maroussi, March 29th, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS

S.P. KOKKALIS
ID. No. AI 091040

THE VICE-CHAIRMAN OF THE BoD AND CEO

C.G. ANTONOPOULOS
ID. No. AI 025905

THE GENERAL DIRECTOR OF FINANCE & BUSINESS DEVELOPMENT

I.O. PANTOLEON
ID. No. Σ 637090

THE ACCOUNTING DIRECTOR

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ID.No. AZ 012557
H.E.C. License No. 15230/ A' Class

34. Summary Financial Information for the year January 1st to December 31st 2011

INTRALOT S.A.

INTEGRATED LOTTERY SYSTEMS AND SERVICES

Public Companies (S.A.) Reg. No.: 27074/06/B/92/9
Domicile: 64 Kifissias Av. & 3 Premetis Str., 15125 Maroussi
Financial data and information of Group and Company from 1 January to 31 December 2011
(Published in terms of article 135 of Law 2190, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS)

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

Regulatory Authority:	Ministry of Regional Development and Competitiveness (Societe Anonyme and Credit Division)	**Board of Directors:**	Chairman—Socrates P. Kokkalis Vice-Chairman and CEO—Constantinos G. Antonopoulos Member—Andreas V. Papoulias
Web Site:	www.intralot.com		Member—Fotios Th. Mavroudis
Financial Statements approval date:	March 29, 2012		Member—Dimitrios Ch. Klonis
Certified Auditor:	Epameinondas Gkipalis (Reg.No/S.O.E.L 24051)		Member—Dimitrios C. Chatzigrigoriadis*
Auditor Firm:	S.O.L S.A.(Reg.No/S.O.E.L. 125)		Member—Anastasios M. Tsoufis*
Type of Auditor's Report:	Unqualified		Member—Sotirios N. Filos* Member—Petros K. Souretis

* Independent non-executive directors

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

1. STATEMENT OF FINANCIAL POSITION (GROUP and COMPANY)

(Amounts in € thousand)	GROUP 31.12.2011	GROUP 31.12.2010	COMPANY 31.12.2011	COMPANY 31.12.2010
ASSETS				
Tangible Fixed Assets	263.640	281.166	24.513	35.723
Intangible Assets	285.436	263.520	43.852	35.140
Other Non-Current Assets	172.413	173.919	157.191	156.469
Inventories	47.067	41.171	37.003	30.319
Trade accounts receivable	175.108	196.278	198.110	221.152
Other Current Assets	142.498	141.477	14.402	16.306
TOTAL ASSETS	**1.086.162**	**1.097.531**	**475.071**	**495.109**
LIABILITIES AND EQUITY				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	251.671	236.409	70.874	70.122
Shareholders Equity (a)	299.360	284.098	118.563	117.811
Non-Controlling Interests (b)	75.908	76.929	0	0
Total Shareholders Equity (c)=(a)+(b)	375.268	361.027	118.563	117.811
Long-term Debt	228.009	477.464	260.454	278.515
Provisions / Other Long term Liabilities	53.318	61.196	19.550	18.604
Short-term Debt	278.968	28.913	0	0
Other Short-term Liabilities	150.599	168.931	76.504	80.179
Total Liabilities (d)	710.894	736.504	356.508	377.298
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.086.162**	**1.097.531**	**475.071**	**495.109**

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

2. TOTAL COMPREHENSIVE INCOME STATEMENT (GROUP and COMPANY)

	GROUP		COMPANY	
(Amounts in € thousand)	**1.1-31.12.2011**	**1.1-31.12.2010**	**1.1-31.12.2011**	**1.1-31.12.2010**
Sale Proceeds	1.202.354	1.115.721	131.718	163.545
Less: Cost of Sales	(990.123)	(909.977)	(91.877)	(108.856)
Gross Profit / (Loss)	**212.231**	**205.744**	**39.841**	**54.689**
Other Operating Income	28.452	26.288	1.074	210
Selling Expenses	(38.242)	(37.396)	(7.254)	(7.387)
Administrative Expenses	(108.317)	(99.733)	(9.524)	(11.318)
Research and Development Costs	(9.710)	(8.069)	(6.735)	(5.431)
Other Operating Expenses	(12.526)	(6.059)	(12.541)	(30.728)
EBIT	**79.799**	**84.457**	**4.812**	**35**
Interest and similar charges	(35.855)	(35.237)	(25.143)	(20.238)
Interest and related income	22.109	22.466	26.293	29.294
Exchange differences	(605)	11.127	109	2.167
Profit / (Loss) from equity method consolidations	(499)	1.559	0	0
Operating Profit / (Loss) before tax	**57.038**	**80.690**	**6.120**	**11.258**
Less: taxes	(21.453)	(25.900)	(4.515)	(9.204)
Operating Profit / (Loss) after tax (A)	**35.585**	**54.790**	**1.605**	**2.054**
Attributable to:				
—Owners of the parent	17.701	36.626	1.605	2.054
—Non-Controlling Interests	17.884	18.164	0	0
Other comprehensive income for the year, after tax (B)	**(3.891)**	**1.463**	**(1.132)**	**(1.006)**
Total comprehensive income after taxes (A) + (B)	**31.694**	**56.253**	**473**	**1.048**
Attributable to:				
—Owners of the parent	17.293	33.917	473	1.048
—Non-Controlling Interests	14.401	22.336	0	0
Profit / (Loss) after taxes per share (in euro)				
—basic	0,1114	0,2304	0,0101	0,0129
—diluted	0,1114	0,2304	0,0101	0,0129
Proposed dividend per share	0,003535	0,004523	0,003535	0,004523
EBITDA	**153.806**	**152.662**	**19.362**	**24.218**

Supplementary information:

1. The same accounting policies have been followed, compared with previous year financial statements 31/12/2010 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.4 of the year-end financial statements.
2. The companies included in the consolidation of 31/12/2011 and not in the consolidation of 31/12/2010 due to subsequent acquisition are the following: Intralot Hong Kong Holdings Ltd, Kelicom Holdings Co Ltd, Dinet ZAO, Promarta OOO, Favorit Bookmakers Office OOO, Caribbean VLT Services Ltd, Intralot Czech S.R.O, Intralot Gaming Services Pty, Intralot Lotteries Ltd and Intralot Distribution OOO. The associate Cyberarts Licensing LLC has not been consolidated since October 2011, when its disposal was completed (note 13 of the annual financial statements).
3. The Group's provisions that refer to legal issues up to 31/12/2011 amounted to € 9,4 mio. The Group's provisions that refer to unaudited tax periods amounted to € 2,1 mio and the rest €11,04 mio to other provisions. Respectively, the Company stated € 9,4 mio for provisions of legal issues, € 1,45 mio for unaudited tax periods and € 6,7 mio for other provisions.
4. The personnel employed as at 31/12/2011 by the Company were 629 and by the Group were 5.512. Respectively, as at 31/12/2010, the personnel employed by the Company were 634 and by the Group were 5.380.

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

5. Companies that are included in 31/12/2011 consolidated financial statements are presented in note 13 in the annual financial report including locations, group percentage ownership and consolidation method.

6. The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in the note 27.B of the annual financial report.

7. The amounts of expense/income included in the Group's comprehensive income statement as at 31/12/2011 of € (3,9) mio (2010: € 1,5 mio) concern: foreign exchange differences of € (4,4) mio (2010: € 162 k), derivative valuation of € 190 k (2010: € (2,8) mio), while ending amount of € 304 k (2010: € 4 mio), concerns the valuation of available for sale financial assets. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/2011 for the Company, amounted to € (1,1) mio (2010: € (1) mio) regard: revaluation of available for sale financial assets, amounted to € (1,4) mio (2010: € (65) k) and € 297 k (2010: € (941) k) concerns valuation of derivative.

8. The Board will propose to the annual ordinary general meeting of shareholders, as per share dividend for 2011 the amount of € 0,003535.

9. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

Amounts reported in thousands of €	Group	Company
a) Income		
—from subsidiaries	0	40.528
—from associates	3.242	4.851
—from other related parties	7.755	5.655
b) Expenses		
—to subsidiaries	0	23.268
—to associates	10	0
—to other related parties	19.338	16.953
c) Receivables		
—from subsidiaries	0	158.744
—from associates	8.428	3.609
—from other related parties	24.738	16.106
d) Payables		
—to subsidiaries	0	29.106
—to associates	13	13
—to other related parties	26.455	22.718
e) BoD and Key Management Personnel transactions and fees	9.095	5.608
f) BoD and Key Management Personnel receivables	594	0
g) BoD and Key Management Personnel payables	857	465

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

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

(Amounts in € thousand)	GROUP		COMPANY	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Net equity at the beginning of the year (01/01/2011 and 01/01/2010 respectively)	361.027	331.206	117.811	140.065
Effect on retained earnings from previous years adjustment	1.323	1.235	619	0
New consolidated entities	36	25.302	0	0
Total comprehensive income for the year after tax (continuing and discontinuing operations)	31.694	56.253	473	1.048
Increase / (decrease) in share capital	863	594	0	0
Dividends Distributed	(17.277)	(53.286)	(719)	(23.844)
Exercise of stock option rights	379	542	379	542
Sale of Subsidiary	275	0	0	0
Effect due to change in ownership percentage	(3.052)	(819)	0	0
Net Equity at the end of the year (31/12/2011 and 31/12/2010 respectively)	**375.268**	**361.027**	**118.563**	**117.811**

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

4. CASH FLOW STATEMENT (GROUP and COMPANY)

(Amounts in € thousand)	GROUP		COMPANY	
	1.1-31.12.2011	1.1-31.12.2010	1.1-31.12.2011	1.1-31.12.2010
Operating Activities				
Net Profit before Taxation (continuing operations)	57.038	80.690	6.120	11.258
Plus/Less adjustments for:				
Depreciation and Amortization	74.007	68.204	14.550	14.506
Provisions	12.320	(9.484)	13.404	13.419
Exchange rate differences	(5.430)	4.765	0	0
Results from Investing Activities	(7.526)	(12.406)	(12.737)	(16.608)
Debit Interest and similar expenses	35.855	35.237	25.143	20.238
Credit Interest	(22.109)	(22.466)	(13.895)	(3.846)
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	(5.247)	16.015	(6.682)	15.722
Decrease/(increase) of Receivable Accounts	1.793	(43.669)	18.125	(47.069)
(Decrease)/increase of Payable Accounts (except Banks)	(9.193)	(10.772)	2.663	13.302
Less:				
Interest Paid and similar expenses paid	27.451	23.269	16.644	13.703
Income Tax Paid	22.358	23.904	6.009	11.801
Net Cash from Operating Activities (a)	**81.699**	**58.941**	**24.038**	**(4.582)**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	4.250	6.441	(2.461)	(689)
Purchases of tangible and intangible assets	(79.593)	(107.573)	(14.475)	(14.764)
Proceeds from sales of tangible and intangible assets	772	2.011	50	0
Interest received	9.972	12.037	3.767	3.846
Dividends received	0	0	8.043	15.753
Net Cash from Investing Activities (b)	**(64.599)**	**(87.084)**	**(5.076)**	**4.146**
Financing Activities				
Cash inflows from Share Capital Increase	863	25	0	0
Cash inflows from loans	77.312	64.442	0	0
Repayment of loans	(67.273)	(53.592)	(20.150)	0
Repayment of Leasing Obligations	(10.226)	(7.086)	0	0
Dividends paid	(16.755)	(53.280)	(716)	(23.838)
Net Cash from Financing Activities (c)	**(16.079)**	**(49.491)**	**(20.866)**	**(23.838)**
Net increase / (decrease) in cash and cash equivalents for the year (a) + (b) + (c)	**1.021**	**(77.634)**	**(1.904)**	**(24.274)**
Cash and cash equivalents at the beginning of the year	**141.477**	**219.111**	**16.306**	**40.580**
Cash and cash equivalents at the end of the year	**142.498**	**141.477**	**14.402**	**16.306**

34. Summary Financial Information for the year January 1st to December 31st 2011 (Continued)

Maroussi, March 29th, 2012

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

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