



**Financial Results For The Six Months  
Ended, June 30<sup>th</sup>, 2004**

**August 30<sup>th</sup>, 2004**

***Investor Relations Department***

## INTRALOT S.A.

### Results For The Six Months Ended June 30<sup>th</sup>, 2004 (in accordance with Greek GAAP)

- **EBITDA up 8.7% y-o-y to €67.9m (1H03: €62.5m)**
- **EBT has risen by 9.5% y-o-y to €60.5m (1H03: €55.3m)**

**ATHENS, Greece – August 30<sup>th</sup>, 2004 – INTRALOT S.A. (RIC: INLr.AT, Bloomberg: INLOT GA)**, the leading international gaming company, today announces its financial results for the six-month period ending June 30<sup>th</sup>, 2004, prepared in accordance with Greek GAAP.

#### A. OVERVIEW

*Consolidated results:*

<b>Consolidated Financial Statements For The 6 Months Ended June 30<sup>th</sup>, 2004</b>			
<i>(in € million)</i>	1H04	1H03	% <i>Change</i>
Revenues (Turnover)	149.8	173.0	-13.4%
Gross Profit	79.2	67.3	+17.7%
<i>Gross Margin (%)</i>	52.9%	38.9%	+14.0pps
EBITDA	67.9	62.5	+8.7%
<i>EBITDA Margin (%)</i>	45.3%	36.1%	+9.2pps
EBT	60.5	55.3	+9.5%
<i>EBT Margin (%)</i>	40.4%	32.0%	+8.5pps

**Consolidated Revenues** for the period reached €149.8m, posting a 13.4% decrease compared to 1H03, since Instant Lottery SA discontinued operations in September, 2003. Should we exclude Instant Lottery SA sales of €69.0m in 1H03, INTRALOT's consolidated turnover would have posted a 44.1% increase in 1H04. Revenues from INTRALOT's International Subsidiaries amounted to €66.5m, a 44.4% contribution to six-month consolidated sales (analysed on page 5), while total International Revenues for the Intralot Group amounted to €84.8m, or 56.6% of total Group sales.

**EBITDA** (Earnings Before Interest, Tax, Depreciation and Amortization) increased by 8.7% to €67.9m, compared to the same period last year.

**EBITDA margin** reached 45.3% (last year 36.1%) reflecting a more favourable sales mix coupled with international operations' contribution and increased operational efficiency.

**Earnings Before Taxes (EBT)** recorded an increase of 9.5% y-o-y by reaching €60.5m compared to €55.3m in 1H03.

**The cash balance** reached €102.9m in 1H04, while total bank debt reached €22.1m in 1H04 shaping the net cash position at €80.8m

Parent company results:

<b>Intralot S.A. – Headline P&amp;L Figures For The 6 Months Ended June 30<sup>th</sup>, 2004</b>			
<i>(€ million)</i>	1H04	1H03	% Change
Revenues (Sales)	65.2	53.5	+21.9%
EBITDA	37.2	35.3	+5.3%
EBT	35.9	34.0	+5.6%

**Revenues** for the parent company grew to €65.2m in 1H04, 21.9% up year-on-year (1H03: €53.5m) mainly driven by the new international projects that the company has undertaken.

**EBITDA** increased by 5.3% year-on-year reaching 37.2m (1H03: €35.3m), which is mainly attributed to a more hardware-oriented sales mix.

**Earnings Before Taxes (EBT)** reached €35.9m in 1H04, posting 5.6% y-o-y increase.

Commenting on 1H04 results Intralot's CEO, Mr. Constantinos Antonopoulos, noted:

**"In the first half of 2004 INTRALOT continued its highly successful expansionary strategy abroad, as total foreign market turnover contributed 56.6% to consolidated revenues. It is important to note that international revenues more than tripled in 1H04 compared to the same period of 2003. Moreover, the company has recently launched operations in Nebraska, Malta and Chile (regarding fixed-odds betting), which are all expected to contribute to the company's growth in the next quarters. In addition, other signed projects that are under construction and will soon materialize will also contribute to the company's growth.**

Since our last conference call the company has signed a significant agreement with the Colombian State Lottery Organization (ETESA) for the exclusive license regarding the operation of all sports betting games (both mutual and fixed-odds) in the country. With a significant presence in Chile, Peru and soon in Colombia, INTRALOT has secured a strong position in the highly promising South American market, while plans include the expansion to other Latin American countries in the future.

Finally, INTRALOT is continuing to pursue business opportunities related to the operation and/or management of lotteries around the globe, a factor that is expected to strengthen further the company's global position."

## Segmental Reporting

### 1. Turnover Analysis

<b>Group Sales Breakdown- by Subsidiary</b>			
<b>For The 6 Months Ended August 30<sup>th</sup>, 2004</b>			
<i>(€ million) unless otherwise stated</i>	1H04	1H03	% Change
<b>Intralot S.A. (Parent)</b>	65.2	53.5	+21.9%
<b>Betting Company S.A.</b>	77.1	76.0	1.4%
<b>Instant Lottery S.A.</b>	N/A	69.0	N/A
<b>Domestic Companies' Revenues</b>	<b>142.3</b>	<b>198.5</b>	<b>-28.3%</b>
<b>International Subsidiaries</b>	66.5	20.3	227.6%
<b>Total Group Revenues</b>	<b>208.8</b>	<b>218.8</b>	<b>-4.6%</b>
<b>(less) Intra-Group Sales</b>	59.0	45.8	28.8%
<b>Total Consolidated Revenues</b>	<b>149.8</b>	<b>173.0</b>	<b>-13.4%</b>

<b>Group Sales Breakdown</b>			
<b>For The 6 Months Ended August 30<sup>th</sup>, 2004</b>			
<i>(€ million) unless otherwise stated</i>	1H04	1H03	% Change
<b>Domestic Companies' Revenues</b>			
<i>Hardware Sales</i>	18.4	9.2	100.0%
<i>Software and Services</i>	123.9	189.3	-34.5%
<b>Total Domestic Companies' Revenues</b>	<b>142.3</b>	<b>198.5</b>	<b>-28.3%</b>
<b>International Companies' Revenues</b>			
<i>Hardware Sales</i>	11.1	0.0	N/A
<i>Software and Services</i>	55.4	20.3	172.9%
<b>Total International Companies' Revenues</b>	<b>66.5</b>	<b>20.3</b>	<b>227.6%</b>
<b>(less) Intra-Group Sales</b>	59.0	45.8	28.8%
<b>Total Consolidated Revenues</b>	<b>149.8</b>	<b>173.0</b>	<b>-13.4%</b>

## 2. International Subsidiaries

Revenues from Intralot's International subsidiaries for 1H04 reached €66.5m, accounting for 44.4% of the Group's total operating revenues. This figure is expected to increase over the next years.

<b>International Sales Breakdown</b>			
<i>(in € million)</i>	<i>1H04</i>	<i>1H03</i>	<i>% chg</i>
Europe	51.0	17.7	188.3%
Latin America	14.0	2.62	435.9%
Other	1.5	N/A	N/A
<b>Total</b>	<b>66.5</b>	<b>20.32</b>	<b>227.6%</b>
<i>% of Total Consolidated Revenues</i>	<i>44.4%</i>	<i>11.7%</i>	

- ✓ In **Romania**, Lotrom's revenues from Videolottery (VLT) operations continued to post significant growth in 1H04 as the expansion of video-lottery is proceeding well with 1,400 VLTs currently in place. Following the contract signed with the State Lottery last December, the company is preparing to introduce Sports Betting in the country within September. Moreover, the success of VLTs has spilled over to traditional lottery games, which posted a 220% y-o-y increase on a US dollar basis over the 1H04 period.
- ✓ In **Bulgaria, Eurofootball** continued to post satisfactory results in the first six month period as the company's revenues grew by 115% in 1H04 due to the efficiency accomplished through the on-line network and the betting game's increasing popularity.
- ✓ In **Chile**, our subsidiary INTRALOT de Chile posted a set of strong results in 1H04, which are expected to be strengthened further as the company has officially launched in July fixed-odds betting in the country, the first betting game to be offered in South America.
- ✓ In **Peru**, INTRALOT de Peru and the recently acquired Tektron have recently completed merging their activities. Operations are continuing well and the company posted robust 1H04 performance. Revenues are expected to be strengthened further as the company's plans include the introduction of video-lottery (VLTs) as well as the upgrade of Tektron's system by the end of the year.
- ✓ In **Turkey**, Inteltek completed successfully the pilot-testing phase of the Betting game in the country in the beginning of August. By the end of the second quarter, betting was offered through 2,000 POS and is expected to reach 4,000 POS by the end of the year. Moreover, the company will start the first phase of its advertising campaign in the country in September.
- ✓ In **Malta**, our subsidiary Maltco has launched operations in the beginning of 2H04. Maltco's sales are expected to be boosted significantly in the next quarters with the introduction of the betting game in Q3 2004 and KINO in the beginning of next year. Recall, that Malta is a very important market for the company as the lottery's sales exceeded €50m in 2003.
- ✓ In **Moldova**, revenues for our subsidiary **Loteria Moldovei** for the six-month period more than tripled on a yearly basis as the new games introduced (i.e. Betting and video-lottery) are continuing to gain popularity.

- ✓ In the **US**, our subsidiary **Intralot Inc.** has successfully launched operations of its Nebraska Lottery on the 1<sup>st</sup> of July with the instant replacement of the previous system provider without any problems while operations are proceeding well. INTRALOT's successful entry into the US gaming market marks a major step in the company's international expansion, demonstrating the gains the Group has made in terms of competitiveness and credibility on a global level.

### **3. Domestic Operations**

**Fixed-Odds Betting:** Fixed-Odds betting (Stihima) gross revenues stood at €878.1 in 1H04, recording an approximate 0.9% y-o-y increase. Intralot's subsidiary Betting Company recorded sales of €77.1 for the period, a 1.4% y-o-y increase compared to 1H03.

### **4. Other Developments**

- ✓ **Philippines:** Following the agreement signed by Total Gaming Technologies Inc. (TGTI) in which INTRALOT holds a major stake with the state gaming organization PCSO, the Company is preparing to undertake the supply on an on-line gaming system and the organization of the FAST KINO on a national basis. The first pilot phase of implementation of the project will be launched in Q4 2004 while the sales network is expected to encompass over 1,000 POS, including mainly entertainment places.
- ✓ **Colombia:** INTRALOT signed an agreement with the State lottery Organization ETESA for the exclusive operation of all sports betting games both mutual and fixed-odds in the country. The contract duration is 5 years –with a 2.5 year renewable option- and provides for the gradual establishment of up to 5,000 POS throughout the country. Official launch of operation is expected in Q2 2005.

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#### **About INTRALOT**

INTRALOT is a leading supplier of integrated gaming and transaction processing systems, innovative game designs and value added services to state-licensed gaming organizations and financial services providers worldwide. With 27 subsidiaries and 1,300 people in 26 countries and revenues of €320 million, the company dominates in Europe, has secured a strong position in South America and has established a foothold in North America, while expanding its presence in S.E. Asia and Australia. Following a highly successful period of rapid growth, INTRALOT currently ranks 3rd on revenues and 2nd on profits among lottery suppliers worldwide.