

## **INTRALOT**

(Explanatory Report on Article 11a §1 of Law 3371/2005)

This explanatory report that the Board of Directors addresses to the Ordinary General Meeting of Shareholders, contains information related to the provisions of § 1, article 11<sup>a</sup> of Law 3371/2005.

### *1. Share capital structure.*

The share capital of the Company amounts to twenty nine million hundred and fifty three thousand seven hundred and sixty five Euros and fifty seven cents (29,153,765.57 €) divided by 78,793,961 nominal shares at thirty seven cents (0.37 €) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Large Capitalisation category, under “Gaming Sector”. Company shares are common registered shares with a voting right.

### *2. Restrictions on company share transfer; indicatively, restrictions on share possession or obligation of prior approval by the company, by other shareholders or a public / administration authority, subject to article 4 § 2 of Law 3371/2005.*

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer. However, in case the Company takes part in a public procurement procedure, as per Law 3310/05 («Measures to ensure transparency and avoid violations during public procurement procedure» - about the Reference Shareholder) or concludes a public contract as per the above Law, potential abroad companies (as per Law 3310/2005) that became Reference Shareholders, are bound to transfer as appropriate the total / exceeding number of shares which conveyed them a Reference Shareholder status.

### *3. Major direct or indirect participation pursuant to the provisions of Presidential Decree 51/1992.*

Sokratis Kokkalis owns 20.56% of the corporate share capital as of 31/12/2006.

Konstantinos Dimitriadis owns 10.43% of the corporate share capital as of 31/12/2006.

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

### *4. Shareholders with special control rights (all types of shares).*

Corporate shares, which confer special control rights to their holders, have not been issued.

### *5. Restrictions on the voting right.*

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

### *6. Agreements between Company Shareholders.*

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

*7. BoD members' appointment rules and replacement; Statute amendments.*

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

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

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

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

*«2. Without prejudice to §4 hereof, following relevant authorization by the General Assembly, and the decision of the Board of Directors by a two third (2/3) majority, the Board of Directors is entitled to increase share capital in part or in whole by issuing new shares; the corresponding amount cannot exceed the capital paid-up at the date when the BoD was authorized. The above resolution of the General Assembly is subject to the publication obligations referred to in article 7b of the Codified Law 2190/20.*

*The above authorization of the BoD may be renewed by the General Assembly for an interval not exceeding five years for each renewal; its term starts upon termination of the previous 5-year interval.*

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

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

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

b. In the cases referred to in article 13 § 9 of the Codified Law 2190/1920 (stock options right). In particular, in 2006, by the (a & b) decisions of the corporate BoD on 16.12.2006, made pursuant to the provisions of the above article, and by the resolutions of the General Assemblies of Shareholders of the Company on 4.5.06 and 22.9.06, the corporate share capital, following cash payment from the beneficiaries, increased within 2006,

- by six thousand nine hundred and sixty nine euros and thirty two cents (€6,969.32) from the issue of eighteen thousand eight hundred and thirty six (18,836) new Company shares with a nominal value of 0.37 €each (16.12.06, decision a), and

- by three hundred and fifty three thousand eight hundred forty seven euros and sixty five cents (€353,847.65) from the issue of nine hundred and fifty six thousand three hundred and forty five (956,345) new Company shares with a nominal value of 0.37 € each (16.12.06, decision b).

c. In the context of a loan in the form of convertible bonds, pursuant to article 3a of the Codified Law 2190/1920. In particular, under the resolution on 22.09.2006 by the Third Ordinary Meeting of the Extraordinary General Assembly of INTRALOT shareholders on 24.08.2006, it was decided according to the effective provisions of Codified Law 2190/1920 and those of Law 3156/2003, that INTRALOT issues a loan

in the form of convertible bonds up to two hundred million (200,000,000) euros and a 7-year term, and revokes the stock option right of shareholders issued within December 2006. If bonds are converted into equities, then, until closure of the month following the day where the conversion right was exercised, the BoD is bound to measure the increase and to revise accordingly the article of the Statute referring to capital.

d. Pursuant to the provisions of § 5 to 13 of article 16 of the Codified Law 2190/1920: it stipulates that the companies introduced to the Athens Stock Exchange, by decision of their General Assembly of Shareholders may acquire own shares through the Athens Stock Exchange up to 10% of their total shares. There is no objection to this in the provisions of the Company Statute.

By resolution of the General Assembly of Shareholders of the Company on 4.5.2006 was approved the possibility of purchase of own shares between 4.5.2006 and 4.5.2007, pursuant to the above provisions. Yet from 4.5.06 to date, the company did not buy own shares.

*9. Key agreement by the Company, which becomes effective, is amended or terminated in case the Company control changes hands following a public offer, and the results of such agreement.*

There is no such agreement.

*10. Any agreement between the Company and members of its BoD or its personnel providing for indemnification in case of non-well founded resignation or dismissal or termination of mandate/ employment due to a public offer.*

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