INTRALOT Group
ANNUAL FINANCIAL STATEMENTS
(based on the Article 4 of L.3556/2007)
FOR THE PERIOD ENDED December 31, 2015
ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

CONTENTS OF ANNUAL FINANCIAL REPORT

Representation of the Members of the Board of Directors (according to article 4 par. 2 of L.3556/2007)

The

1. Socrates P. Kokkalis, Chairman of the Board of Directors
2. Antonios I. Kerastaris, Group CEO
3. Sotirios N. Filos , Member of the Board of Directors

CERTIFY THAT

As far as we know:

a. The enclosed financial statements of the company "INTRALOT S.A" for the year 1st January 2015 to 31st December 2015, drawn up in accordance with the applicable accounting standards, reflect in true manner the assets and liabilities, equity and results of the Company and the companies included in the consolidated financial statements taken as a total.

b. The attached Board of Directors' annual report truly presents the course, the performance and the position of the Company and the companies included in the consolidated financial statements taken as a total, including the description of the most important risks and uncertainties they are facing.

c. The attached Financial Statements are those approved by the Board of Directors of "INTRALOT S.A." at 30th March 2016 and have been published to the electronic address www.intralot.com.

Maroussi, 30th March 2016

The designees

Socrates P. Kokkalis	Antonios I. Kerastaris	Sotirios N. Filos
Chairman of the Board of Directors	Group CEO	Member of the Board

REPORT OF THE BOARD OF DIRECTORS-INTRALOT GROUP TO THE ANNUAL GENERAL ASEMBLY OF THE SHAREHOLDERS FOR THE FISCAL YEAR 01/01/2015-31/12/2015

Dear Shareholders,

During almost a quarter of a century since its founding, INTRALOT grew into a global leader as gaming solutions provider and operator in regulated jurisdictions due to its commitment to excellence, its entrepreneurial culture and its timely response to changing market conditions. In 2015 the company embarked on a transformation of its business model following an extensive modernization of its organizational structure completed in the previous year.

In a multi-connected world the gaming ecosystem is evolving in rapid speed to incorporate new technologies, consumer trends and new communication and delivery channels. INTRALOT's response is manifested via an ever growing commitment to embracing change and anticipating customer needs through a product-based approach that preserves and enhances the company's competitive advantages in legacy areas while exploring new terrains.

INTRALOT has been a leader in retail solutions for Lotteries and Sports-betting and plans to guard its reputation for reliable product offerings in these sectors by cross-pollination of experiences from one sector to the other both as supplier and as operator through a unified product development approach across all gaming sectors.

INTRALOT continues to place special emphasis to solutions that not only enhance the player experience and the value creation for all stakeholders but also offer transparent and reliable methods that embrace the principles of responsible gaming.

To succeed in this exciting journey we make every effort to build new partnerships, to optimize our resources, to improve our finance structure and rationalize our costs, to attract and reward talent for performance and initiative and to behave like a responsible global corporate citizen.
We are confident that the successful implementation of our new strategies and our tireless business and product development efforts, along with our legacy for operational excellence will mark the new era and boost its profitability and value.

Concerning the major business developments in 2015, INTRALOT proceeded with the acquisition of a strategic stake in Bit8, a company that has developed a cutting-edge gaming platform that includes functionalities such as customer relationship management (CRM), Player Account Management (PAM), as well as innovative games. Moreover, INTRALOT renewed its contracts in the Netherlands, Morocco and Azerbaijan, while it has been selected again by the New Mexico State Lottery as its gaming vendor to provide for the operation and maintenance of the Lottery's Gaming System for the next 8 years. In Africa, INTRALOT signed a ten years contract for the provision of technology and related services in Nigeria and announced a 10-year cooperation to organize sports betting in Kenya.

In the beginning of 2016, INTRALOT won a ten year contract with the option to extend for two additional years with the State Lottery organization of Chile for the management and the technological support of its games. Finally, in March 2016 INTRALOT signed a Memorandum of Understanding (MoU) with Trilantic Capital Partners Europe, the major shareholder of Gamenet S.p.A ("Gamenet") in Italy, to merge its Italian activities into those of Gamenet, a leading VLT and AWP concessionaire and retailer in Italy and a betting and online operator.

Regarding the Group's financial results in 2015, revenues increased by 3,3% to €1.914,9 mil. from €1.853,2 mil. in 2014. EBITDA (Earnings Before Interest, Tax, Depreciation and Amortization) increased by 1%, reaching €177,2 mil. from €175,4 mil in 2014. Earnings before taxes decreased by 29,5% to €25,7 mil. from €36,5 mil in 2014, while losses after taxes and after minorities were shaped to €65,1 mil. from losses of €49,5 mil. in 2014. Concerning Parent company results, revenues were €76,6 mil. in 2015, while losses after taxes were €3,6 mil.

PERFORMANCE OF OUR MAIN MARKETS

In Italy, our subsidiary INTRALOT Italia managed to improve significantly its sales in 2015, while it remained the largest non-Italian sports betting company in the country. This is mainly attributed to the company's strategy, built around product enhancement, customer satisfaction and network optimization. However due to the highly competitive environment of Italian market, payout was approx. 1,5pp higher than last year, thus adversely affecting year's profitability. During 2015 Intralot Italia finalized the roll out of Sports Mobile, a new mobile and tablet sports betting proposition and the redesign of its Live Betting offering so as to offer players multiple betting opportunities. In the area of gaming machines, our subsidiary INTRALOT Gaming Machines managed to strengthen its presence in the AWP and VLT market, by further increasing the number of operating machines.

In Malta, our subsidiary MALTCO Lotteries holds the license to manage all National Lottery games. During 2015, it registered a decrease in revenue, due to the positive effect of the FIFA World Cup on sports betting sales within last year. However, the effective payout management, especially in numerical games, along with rest of Cost of Sales optimization led to higher level of profitability compared to 2014.

In Turkey, Inteltek succeeded in increasing its revenue stream, even in Euro terms, despite the depreciation of the Turkish Lira. The primary explanation of this increase during 2015 is the fact that sports betting market in Turkey is still in a growing phase. Revenue growth was also assisted by the constant effort of the electronic agents to support their further expansion by means of significant investments in technology and substantial marketing expenditure.

In Jamaica, our subsidiary Supreme Ventures Limited (SVL) manages video lottery gaming lounges, holds the leading position in sports betting and is the only company offering numerical games in the country. The completion of upgrades to sports betting and lottery platforms have led to an increase in sales in 2015 as compared to 2014. In addition, the profitability was further supported by the containment of operational expenses and their redistribution to revenue generating activities.

In Azerbaijan, where INTRALOT owns a strategic stake in Azerinteltek, sales in 2015 have proved lower than those of 2014, due to the continuously worsening macroeconomic environment that is negatively affecting the gaming market in the country. However, the recent upgrade of sports betting platform, the introduction of a new game (Horse Racing) and the full utilization of Euro Cup 2016 are expected to support Azerinteltek' s growth substantially in the forthcoming year.

In Morocco, Intralot Maroc is a key player in the local gaming market by supporting the operations of the two National Moroccan Lotteries, which are complementary and operate a broad gaming portfolio including betting, numerical games, instant tickets and Internet. Despite the non-friendly social environment for gaming and the progressive ban of the majority of marketing activities, INTRALOT's subsidiary managed to increase its turnover in 2015 compared to 2014 by increasing the agents' network efficiency and by enhancing the effectiveness of the communication allowed.

In Bulgaria, the revenues of the subsidiary Eurofootball in 2015 were significantly improved. The Bulgarians welcomed with excitement a newly launched game (Virtual Football) that increased the subsidiary's footprint in the market. Racing BU also grew substantially, thus offsetting the partially lower revenue from Sports Betting, mainly attributed to the lack of major Sports events (World Cup, Euro etc.).
In Peru, Intralot de Peru offers a wide product portfolio and has a dominant position in the Lottery and Sports Betting market of the country. In 2015, sales have largely increased, as a result of the network expansion, sports betting product maturity, along with the higher selling numerical product's revamp.

In Argentina, Intralot is the greater stakeholder of the 2 subsidiaries Tecno Accion & Tecno Accion Salta. Tecno Accion is one of the leading gaming technology companies, with contracts in 11 out of the 23 Provincial Lotteries in Argentina and a contract with the Palermo Hippodrome, while Tecno Accion Salta operates the Lottery business since 2013, when the company acquired the exclusive license to operate lottery games in Salta province. Despite the poor macroeconomic conditions in the country, both entities managed to deliver higher results, both in terms of revenue growth and profitability.

In the U.S. the company has projects in twelve states. The revenues from the facilities management of lotteries substantially increased in 2015 due to the successful launch of the VLT monitoring system in Georgia. During 2015 the company successfully renewed the contracts in the states of New Mexico and Montana on better terms than previous ones. The U.S. lottery market is a mature market and every year revenue deviations are small and are mainly driven by the frequency and the size of jackpots. Year 2015, exceeded 2014 jackpot records, while instant games continued to grow.

In Australia the company operates an electronic gaming machine (EGM) Monitoring License and a voluntary pre-commitment scheme (PCS) in Victoria as well as provides the information technology and systems support for the state lottery in Western Australia (Lottery West). In 2015, the monitoring revenue increased substantially due to the successful introduction of PCS in December of 2015 and from the drastic uptake of the ancillary value added services offered. Furthermore, facilities management revenue in 2015 exhibited a considerable increase as Intralot supported Lottery West in revamping its retail network. As a reminder, in January of 2015 the lottery license in Victoria was surrendered to the Tatts Group.

NEW PROJECTS / SIGNIFICANT DEVELOPMENTS

In January 2015, the Company announced that within the context of the departure from the Group of Mr. Ioannis Pantoleon, Group Chief Operating Officer, and Mr. George Zenzefilis, Group Chief Products & Services Officer, Mr. Nikos Nikolakopoulos, currently President Latin America, Western Europe & Africa, undertakes the duties of the Group Chief Operating Officer, while the Group's Deputy CEO, Socrates S. Kokkalis undertakes in the interim the duties of the Group Chief Products & Services Officer.

Regarding the company's syndicated loan facility of €200 mil., in early March 2015 the Group secured from the creditors an amendment of the Interest Cover covenant of the facility documentation along with a waiver for any potential shortfall of the said financial covenant for the reference period 31/12/2014. Following IAS 1 requirements, outstanding amounts under the financing as at 31/12/2014 are reclassified as current and reclassified back to long-term with the release of the Group's financial statements for the first quarter of 2015.

In March 2015, INTRALOT obtained a 10-year exclusive license in Azerbaijan to offer horse racing games, in addition to the sports betting and greyhound game licenses that holds in the country. Moreover, the existing exclusive sports betting license was extended by an additional five years, up to 2025.

In March 2015, INTRALOT extended its facilities management and marketing services contracts for all games (including numerical, instants, sports betting and Internet) offered in Morocco for two additional years, up to August 2017.

In May 2015, Mr. Diomedes Vassiliou has joined the Company as Group Chief Financial Officer (CFO). Mr. Vassiliou holds a BSc degree in Accounting & Finance from the London School of Economics, where he was a Chevening Scholar. He is a London qualified Fellow Chartered Accountant member of ICAEW and CPA fellow member of ICPAC. Mr. Vassiliou has held various positions of responsibility in the past, including CFO of Regency Entertainment and Antenna Group.

During the Ordinary General Meeting of the Shareholders of the Company dated 19 May 2015 INTRALOT announced the election of Mr. Antonios Kerastaris as a new member of the Board of Directors - during the Board Meeting dated 17.11.14- in replacement of the resigned member Mr. Nikolaos-Leon Papapolitis. A new three-member Audit and Compliance Committee was also elected, pursuant to article 37 by the L.3693/2008, which will be consisted of Messrs. Sotirios Filos, Anastasios Tsoufis and Ioannis Tsoukaridis, independent non-executive Board of Directors' members.

Moreover, INTRALOT S.A. according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting, approved the amendment of the share buy-back program in relation to the range of value which may provide for the share buy-back and specifically such range was set from 1 to 12 Euro.

In July 2015, following the decision of the Extraordinary General Meeting of the Shareholders of the company dated 19.06.2015 which (2nd issue) approved in accordance with article 23a of C.L. 2190/1920 the amendment and reinstatement of the shareholders agreement to a single document that had been signed in 2001 between the shareholders of Intralot Inc that is based in the city of Atlanta, in the State of Georgia, U.S.A., the company informs that the process of signing the above mentioned agreement concluded. The above agreement foresees, among others, the following: increase of the members of the BoD of Intralot Inc. from 3 to 5, the right of the minority shareholders to appoint one member each in the BoD given they own at least 5% of Intralot Inc., the pricing in case of acquisition of the shares of the minority shareholders in the case that the option rights will be exercised (call or put option) from a company's subsidiary with a price of 1 mil. USD for every 1% of shares transferred, an amount that has been justified as fair according to a relative financial valuation (fairness opinion) of an independent audit firm, as well as pre-emption rights of the existing shareholders and common option rights (drag along & tag along, call & put) in case of transfer of shares.

At the end of July 2015, INTRALOT Group announced that it has acquired a 35% stake in Bit8 via its subsidiary INTRALOT Global Holdings BV (INTRALOT). The agreement provides for a call option for INTRALOT to raise its participation in the company up to 60% within the next two years if certain financial thresholds are met. In parallel the agreement contemplates a put option right for the current shareholders to sell partially the remaining part of their shares in Bit8 in case that certain agreed financial thresholds or certain specific business metrics (KPIs) are met. In February of 2015 INTRALOT and Bit8 announced their strategic cooperation during a Press Conference in London. Since then the two companies started cooperating closely in order to seamlessly integrate the Bit8 platform with INTRALOT's and provide INTRALOT's global customer base with unparalleled Customer Relationship Management (CRM) and Player Account Management (PAM) services and innovative gaming platform solutions. INTRALOT Group CEO, Mr. Antonis Kerastaris, stated: "The first results of our cooperation with Bit8 are very positive and we are very pleased to announce today the acquisition of 35% of the company. This strategic cooperation is in line with our strategy to focus on the B2C gaming market, while we further expand our product portfolio, increase customer satisfaction and provide exceptional gaming experiences to players." Bit8 CEO, Mr. Angelo Dalli, stated: "We are very pleased to further our strategic cooperation with the INTRALOT Group which gives Bit8 the necessary global reach that will enable us to achieve our vision of offering the best gaming platform in the industry complemented with a wide range of professional services and solutions." Bit8 was named "Software Rising Star" at the EGR B2B Awards 2014. Its online gaming platform is based on proprietary artificial intelligence technology. Thanks to its functionality, modularity, scalability and flexibility, Bit8's platform has gained widespread commercial success with its customers including some of the top online casinos internationally. Bit8's platform is an all-inclusive sportsbook and casino platform that includes functionalities such as PAM, eWallet, Bonus engines, CRM, agnostic of Central Transaction Systems, real time analytics, VIP management and built-in integrations with third party content, among others. Moreover, in answer to a question by the Hellenic Capital Market Commission concerning the acquisition of 35% of Bit8 via the subsidiary of INTRALOT, INTRALOT Global Holdings BV, the company informed that the total price of the acquisition is 5.7 million EUR. Regarding the exercise price of the call options for a raise of INTRALOT's participation and also the exercise price of the current shareholders' put options for the remaining part of their shares in Bit8, these will be determined in the future, under the terms of the acquisition agreement based on the financial results of Bit8. In the case the company or the shareholders decide to exercise such rights, INTRALOT will promptly proceed to making the required announcements in order to inform the investment public.

At the end of October 2015, INTRALOT, Inc., based in Duluth, GA, the North American subsidiary of INTRALOT Group, has been selected by the New Mexico State Lottery as its gaming vendor to provide for the implementation, operation and maintenance of the Lottery's Gaming System including the lottery Central System and software platforms, terminal network, communications and associated gaming products. The terminal network includes 1,200 new, state of the art Photon® lottery terminals. INTRALOT, Inc., was initially awarded a contract by the New Mexico Lottery in 2006 and is pleased to announce that it has again been named the successful vendor pursuant to the Lottery's competitive proposal process. The new contract is for a term of 8 years and will begin November 22, 2015. Under the terms of the new contract, INTRALOT will continue to work closely with the Lottery regarding marketing, advertising and sales initiatives.

Also in October 2015, INTRALOT Group announced that its subsidiary INTRALOT Global Holdings has signed a 10-year contract with International Lottery and Gaming Limited (ILGL) in Nigeria to provide its best-in-class lottery technology and related services. The new lottery was launched its operations in the first quarter of 2016. INTRALOT as the lottery technology and services provider will support the lottery operations of ILGL with innovative lottery system, entertaining numerical games and exciting content delivered to players through a well-balanced Points of Sales network. As Africa's most populous country with approximately 174 million people, Nigeria ranks among the biggest economies of the continent, posting GDP growth rate of 6,3% in 2014.

On December 1st, 2015, INTRALOT Gaming Services Pty Ltd, a wholly owned subsidiary of INTRALOT Australia Pty Ltd, rolled out the first Voluntary Pre-commitment Scheme branded **"***YourPlay"* for a network of 28,500 electronic gaming machines (EGM) across the State of Victoria, including the Melbourne Casino. The official launch follows a contract sealed in 2014 between INTRALOT and the Victorian Government to operate the pre-commitment service for a period of 12 years, until August 2027.

Also in December 2015, INTRALOT Group announced its 10-year cooperation with Acumen Communications Limited (ACL) to organize sports betting in Kenya, under the brand name "mCHEZA". ACL is a local company authorized and regulated by the Betting Control and Licencing Board of Kenya under the Betting, Lotteries and Gaming Act. "mCHEZA" was launched on Friday, December 18th, 2015 and is initially available on mobile phones, while additional products and services will be offered soon. ACL and INTRALOT are also partnering with Safaricom, the leading telecom operator in the region, through m-payment platform MPESA, data center and cloud services. Kenya has 45 million inhabitants, while mobile penetration in the country exceeds 85%, according to the Communication Authority of Kenya.

SIGNIFICANT EVENTS AFTER THE END OF FY 2015 - UNTIL THE DATE OF FINANCIAL STATEMENTS RELEASE

In January 2016, INTRALOT Group has signed a contract with the State Lottery organization of Chile 'Polla Chilena de Beneficencia' for the management of its games including the provision of integrated, best-of-breed technological solutions and services, as well as operational support services. Polla Chilena operates national numerical, instant lottery, and sports betting games in Chile. The ten-year contract, with the option to extend for an additional period of two years, follows a competitive procurement process. Under the terms of the contract INTRALOT will install its flagship LOTOS™ O/S Gaming System, as well as 2,700 Photon terminals, incorporating INTRALOT's innovative Icon Digital Imaging technology, plus 800 Genion multi-functional terminals, in Polla Chilena Points of Sale countrywide.

At the end of February 2016, INTRALOT S.A. announced that Diomedes Vassiliou will step down as Group CFO to pursue other commercial interests. The Board of Directors of INTRALOT has thanked Mr. Vassiliou for his contribution and appointed Mr. George Koliastasis as new Group CFO, effective March 1, 2016. Mr. Koliastasis held the role of INTRACOM Holdings Group CFO prior to his appointment at INTRALOT. He has also served as CFO at Vodafone Greece, as Finance and Administration Director in consumer product multinationals and has held managerial positions in financial institutions.

In March 2016, INTRALOT Group and Trilantic Capital Partners Europe, the controlling shareholder of Gamenet S.p.A. ("Gamenet"), announced they signed a Memorandum of Understanding (MoU) with Trilantic Capital Partners Europe, the major shareholder of Gamenet S.p.A ("Gamenet") in Italy to merge the Italian activities of the INTRALOT Group into those of Gamenet, a leading VLT and AWP concessionaire and retailer in Italy and a betting and online operator. Following completion of the transaction, INTRALOT Group is envisaged to control 20% of the combined operations. With a network of approximately 800 betting POS, that will continue to use INTRALOT's brand name, ca. 8.200 VLTs, over 50.000 AWPs and more than 60 directly owned and managed gaming halls, the new group will become one of the largest operators in the Italian gaming market. Completion of the transaction, which is expected by June 2016, is, inter alia, subject to approvals by the corporate bodies of INTRALOT and Gamenet and by competent public authorities.

In March 2016, INTRALOT Group announced that its subsidiary, INTRALOT do Brasil, has signed a six-year renewal contract to continue to operate the lottery games in the State of Minas Gerais in Brazil. The renewal contract follows an initial successful six-year operation contract signed between the two parties that has become a major funding source for social policy, education and health care initiatives in the district. INTRALOT deployed more than 2,500 of its proprietary terminals in this period and established 1,700 Points of Sales statewide. Currently, INTRALOT offers five games (Keno, Multiplix, Minas 5, Lotomias and Totolot). In the new contract period it is expected to expand even further its gaming portfolio adding Virtual Games initially in 400 points of sales, as well as alternative channels. INTRALOT will continue to have the complete operation of the project, including all related services.

RESEARCH AND DEVELOPMENT

INTRALOT invests continuously in Research and Development of innovative solutions, based on novel product design and development as well as on existing products evolution. As a result, INTRALOT's customers constantly leverage the benefits of leading-edge technology. A main principle of our corporate philosophy that retains us to our leading position regards focus and passion on designing and developing innovative and effective solutions.

INTRALOT Group for the ninth consecutive year was ranked amongst the top 1,000 European organizations of the '2014 EU Industrial Research & Development Investment Scoreboard' prepared and published by the European Commission. Committed to a strategy with constant focus on Innovation, INTRALOT is the 589th most significant R&D investor in Europe. INTRALOT was also classified 33rd at the "Technology Hardware & Equipment" industrial sector list of the Scoreboard. The R&D Scoreboard measured the total value of INTRALOT's global R&D investment financed with its own funds, irrespective of the location where the relevant R&D took place.

Through its dedicated Innovation Lab (i-Lab), INTRALOT provides all the necessary tools for enabling innovation, from ideation to exploration, research, development and exploitation, creating an environment in which innovative ideas can be conceived, validated and turned into state of the art solutions. INTRALOT adopted proven, advanced R&D methodologies and best practices, in all system designs and implementations. R&D activities support the LOTOS™ O/S platform evolution (central system, terminals and telecommunications) and offer innovative solutions in sectors such as business intelligence, financial and business data management, information security, fraud detection, electronic system and casino monitoring, betting risk management, interactive gaming, subscription services, internet sales channels & media (PCs, mobile handhelds and tablets, interactive TV, social networks) and value-added services (trade transactions, news services, etc).

The version of B-On®, the company's interactive gaming platform, was enriched by the R&D department with new functional characteristics enabling providers to prevent fraud and protect the players. It is expanded with a number of features, including management and administration of all possible means of payment of registered player's e-wallet and optimized management of online promotions via internet and also mobile web (smartphones, tablets and mobile phones). The latter feature is made possible through intelligence mechanisms and workflows.

iGC (interactive Gaming Console) is the new state-of-the-art gaming content management platform that allows centralized management and control of content distribution for multiple game verticals across multiple channels. The iGC enables content editors with just a few clicks to enhance the end user experience, to change the content and behavior of page components and to provide end-user customization and personalization. It streamlines collaborative content creation, contribution and editing together with content versioning, scheduling and rollback capabilities. What makes iGC to really stand-out in the market are the integrated digital marketing tools like A/B testing, heat maps and customer behavioral modelling. Large scale data harvesting together with data metrics and analytics tools give unparalleled power to gaming content publishers across all different type of channels (mobile, desktop, TV sets, etc).

Introducing mobile technology in a business is not simply a case of embracing the merits of another form of technological evolution. Mobile presents a fundamental shift in the way we conduct business, redefining the way we interact with our customers. Significant intellectual capital and investment efforts have been injected in the process of designing new interaction patterns between the users of mobile devices, such as phones and tablets. So the mobile offering is not just another channel. Mobile enables interaction with players on a very personal level. We took a step back, rethinked design, UI, UX, channel and social elements from scratch, tried to answer the question of meaning and relevance to them on a personal level. It's a completely new product, a whole new approach. So the need for the modern lotteries is not just a mobile app. It's a mobile "experience" strategy. Here at Intralot we did just that. We went back to the design board, jumped into uncharted waters – continuous innovation and R&D- and created an unparalleled mobile experience with our mobile lottery offering. Simple and powerful. The real and interactive world combined. That's interactive squared.

The INTRALOT R&D program also led to the creation of the upgraded version of i-FLEX, which embraces new features , through the component iFlexContent, including offering of pregame and live betting products by operating with multiple providers serving the entire cycle of many different betting events. Furthermore, the platform iFlexTrader of 2014 version of i-FLEX supports features of automation, pricing, payment and risk management, supply and management of the betting product in retail and online channels homogeneously. It is fully integrated with iFlexContent for managing multiple providers.

INTRALOT has continued the exploration of the capabilities of the LOTOS™/OS family of terminals enriching the current portfolio with new features and product additions. INTRALOT presented the second generation of Genion terminal, which implements the results of research on a very compact, multi-use terminal to complement the LOTOS ™/OS family of terminals. The purpose was to improve the existing first generation of Genion so as to respond to the needs of the industry for a multifunctional terminal: Ticket Checker, Customer's Transaction Display, Advertising Display and Players Access Point and yet very compact and easy to be mounted. Moreover, the new, more powerful CPU and GPU of the second generation of Genion empower the terminal's application with improved capabilities for moving images and video playback.

INTRALOT R&D program also led to the new version of iGEM platform, which enables operators to have complete and secure control of their electronic gaming machines network and is expanded by the addition of more G2S and S2S Classes. The enhanced iGEM version is a multi-venue, multi-protocol EGM monitoring and control system, featuring a number of new functionalities, such as G2S/S2S (Gaming Standards Association protocols) native support, protocol conversion, local and wide area jackpots, cashless gaming, TITO, player tracking, real time graphical display tools, responsible gaming support and a comprehensive accounting and reporting system. Moreover, the Responsible Play module of iGEM allows operators worldwide to adapt to the evolving regulatory requirements, safeguarding business continuity and Player Protection.

iRGD (INTRALOT Responsible Gaming Designer) is the result of extensive Research & Development carried out by AIT (Athens Information Technology-Center of Excellence for Research and Education) which deployed the expertise of international independent scientists in the area of responsible gaming. The result is a tool that provides independent, unbiased reports based on scientific facts. iRGD is designed and deployed to evaluate structural, situational and custom responsible gaming characteristics per game and provide results and recommendations for improvement. It embraces modern User Experience design and is applicable to any gaming operation irrespective of market, vendor or technology.

Apart from in-house R&D, INTRALOT is cooperating with leading educational institutions. Inside the collaboration framework with AIT (Athens Information Technology), several research projects have been conducted, in areas including Face Detection and Tracking as source of Marketing Analytics, Automated Content Authoring, Responsible Gaming and Collaborative Game development, among others.

As a leading partner in the Corallia Gaming Cluster, INTRALOT raised its efforts on the development of a dynamic, technology-oriented Gaming Innovation Cluster, based in Greece, and the introduction of a cooperation framework with the highly skilled human capital of the sector. INTRALOT actively supports innovation and collaboration with dynamic new entities and highly skilled engineering capital and looks forward to introducing more innovative technological solutions, pioneering gaming content and new gaming technologies.

HUMAN RESOURCES

Acknowledging the importance of Human Resources as the most important assets and competitive advantages of any Company, the policies pursued and the initiatives undertaken by INTRALOT and its subsidiaries abroad, aim at effectively attracting, enhancing and retaining talent. The continuous efforts and contribution of all INTRALOT employees as well as their unceasing trust and support of its shareholders remain a key factor in the advancement of the Company's competitiveness and further growth. The Company undertakes to provide its employees with a working environment that will constantly develop their capabilities and enhance their performance through reward and recognition schemes, always in accordance with the principles that govern the Group.

INTRALOT AND THE INTERNATIONAL PROSPECTS OF THE GAMING SECTOR

INTRALOT's new strategy focuses on three pillars; the expansion and strengthening of the Company's product offering, the transition from technology provider (B2B) to B2C operations and the focus on the current operations. INTRALOT's focus in the customer relationship management systems (CRM) and the final consumer, the player, strengthens the company's transition towards the fast growing consumer demand for entertainment through personalized game offering. Moreover, the best possible operation of the projects undertaken by the company on 5 continents becomes extremely important. In this direction the company is implementing organizational changes, along with a cultural shift, while it strengthens further the management of the Group's subsidiaries globally.

Regulation and technology convergence are driving the lottery industry towards new models, where strong player focus will be a key element of success. Substantial opportunities for further growth arise from the liberalization of gaming markets and particularly from the rapidly evolving Internet and mobile market, from lottery privatizations as well as from the legalization of lottery games. All these opportunities have emerged from the need of governments to increase their revenues, to fund budget deficits under difficult economic circumstances and the players need for increased entertainment value though highly branded games.

INTRALOT is closely monitoring the sector's developments so as to selectively participate in projects with higher growth potential, with major focus on the B2C segment through retail and interactive channels.

INTRALOT Group is the leading partner for those organizations that want to compete in a regulated interactive competitive environment, offering a Personalized Player Experience. Its customers take advantage of the most robust, efficient and versatile Gaming Platform in the industry that converges land base and interactive channels, connecting innovative Gaming Verticals and offering unparalleled business support for optimal customer experience.

In Europe, the last years there is a tendency towards the liberalization of the gaming markets and especially of the interactive gaming, as the governments trying to increase their revenues through gaming licenses and gaming taxation together with the need to fight illegal gaming while promoting social responsibility and raise revenues for the support of good causes.

- A very successful model of market liberalization proved to be the one of Italy, where licenses were provided for the creation of a sport betting retail and Internet-based sales network. After participating in this licensing procedure, INTRALOT managed to become the leading non-local company in the country as far as market share is concerned.
- In Bulgaria, a new gaming law was voted in 2012, which included the regulation of the Internet market. This development has strengthened the activities of the Group's subsidiary Eurofootball, which is the largest operator of sports betting in the country through a retail network.
- In Poland, INTRALOT's subsidiary Totolotek was awarded an Internet betting license in 2013, after the regulation of the interactive gaming market, while in the end of second quarter of 2014 it launched mobile betting games just before the start of FIFA's World Cup.
- In Ireland, where the license for the operation of the National Lottery was awarded to a private consortium (Premier Lotteries Ireland), INTRALOT was selected to provide and support the new technological infrastructure of the Lottery, which successfully launched operations in mid-2014.
- In Germany, although there are significant delays, the liberalization of the betting market and the licensing process continues. INTRALOT has already entered the sports betting market in the country, in cooperation with Scientific Games International and currently supports the operation of ODDSET, subsidiary of the German State Lotteries. ODDSET is going to contend for one of the new national sports betting licenses in Germany, for the operation of the game through its network of 23.000 points of sale throughout the country and over the Internet.
- In Greece, a significant reform of the gaming market is ongoing. Having a significant contribution as technological supplier to OPAP, INTRALOT S.A. continues implementing the required operational improvements in the systems and the product innovations (B2C), regarding lottery games, Sports Betting as well as Digital / on line games. Also, INTRALOT S.A. participates in Hellenic Lotteries S.A with a 12 years contract for the management of Instant and Passive Tickets, combined with technical support and operations services. The successful launch of instant win games from Hellenic Lotteries S.A., in May 2014, had a positive impact in the market.

In addition, OPAP, which has been granted a ten year license for the operation of 35,000 VLTs in Greece, is expected to announce a bidding procedure for the subcontracting of 18.500 VLTs from third party operators. Also, a tendering process for the award of internet betting licenses in Greece is expected to take place.

Also in many other European countries the existing legislative framework for the online gambling market is in review.

- The US online regulatory framework did not appear to carry the 2014 momentum at a state by state level, while Federal regulation is not likely to emerge in the short-term. At the begging of 2015 Internet lottery games are authorized in five states (Minnesota, Illinois Kentucky, Georgia, and Michigan). However in mid-2015 due to the introduction of new legislation, Minnesota suspended the sales of Lottery tickets over the internet. In a similar fashion there is strong evidence that the Illinois Lottery Internet Pilot Program might also end at March as scheduled due to lack of appropriate legislation. On the other end there are a few states considering Internet lottery games (Massachusetts Pennsylvania and Virginia), however any official action is not anticipated earlier than the fourth quarter of 2016.

With 15 contracts in the US, INTRALOT is prepared to seize the opportunities posed by the developments in the country and become the technology partner of the lotteries in their effort to offer internet gaming. Legislation permitting, INTRALOT USA will also offer the gaming platform as a B2B product to clients who want to introduce a "real-money" site within their regulated US jurisdictions.

- In Latin America there is a degree of disparity in the regulations and legal environment of gaming, but as a broad trend Latin American governments are expected to gradually consider the process of evaluation and modernization of their current gaming legislation, enacting interactive gaming and legalizing sports betting games while eliminating the growth of illegal operators in the gaming sector.

- Africa is considered to be the lottery and sports betting business green field with a steady economic growth and development despite various endemic problems in certain countries. The regulatory framework is changing, though at a slow pace and is expected to allow major foreign operators and gaming entities to enter the market. INTRALOT is closely monitoring the gradual changes and is already engaged in new strategic partnerships in Kenya and Nigeria, while examining further expansion opportunities in West Africa.

- The gaming market in the Asian countries is highly regulated and government controlled. Countries such as PR of China, Philippines and Vietnam have very large illegal gaming operators and as of 2014 local governments have started legal actions against them in order to protect the players and society and at the same time secure funds for local budgets through taxation. Gaming legalization in Asia can become a major growth factor for the sector. INTRALOT has a significant presence in PR of China, South Korea, Taiwan, Philippines, and Malaysia. Within 2014, INTRALOT achieved contract renewals in Malaysia and Philippines and two successful launches, of the Public Welfare Lottery and the Sport Lottery in Taiwan. Especially noteworthy, the launch of Sports Betting in a retail and online network proved to be one of the best in Asia.

- In Oceania, the gaming industry of Australia and New Zealand is highly regulated. The industry ranges from the Lottery sector to wagering, poker machines (VLTs) and casinos. The VLT market in both countries is especially large in terms of revenues and number of poker machines. The liberalization of the market and the amount of poker machines highly spread in the communities introduce some important challenges regarding responsible gaming and game integrity. Given its significant presence in Oceania, INTRALOT is strategically placed in the market and operates the monitoring systems for VLTs on behalf of the Government in the state of Victoria (AUS) and in New Zealand. The Company's systems monitor in real time more than 43,000 VLTs in both countries. On top of that, the Company, took up the implementation of the Pre-Commitment project in Victoria, a high-end responsible gaming solution for 28,700 VLTs. Responsible gaming innovative solutions is a sector on which INTRALOT will invest in the coming years in the region of Oceania.

PROSPECTS AND CHALLENGES FOR 2016

The lottery industry experiences significant changes and is facing both increased challenges and a wealth of opportunities. Regulatory initiatives, market liberalization, technological convergence, new business models and the need to attract new customer demographics all set the pace of change and the bases of very interesting developments. By leveraging the industry's intrinsic values of contribution to social causes, preservation and advancement of responsible gaming practices and brand loyalty and trust, lotteries have unique advantages to compete in an open market across the globe.

Optimization of existing projects

With presence in 57 jurisdictions in all 5 continents, the Company runs projects in advanced and mature gaming markets, but it also has contracts in developing markets and projects in newborn gaming markets with significant growth potential. INTRALOT aims to further penetrate its existing markets with the continuous improvement of products and services and the development of new technologies. At the same time its goal is to improve the profitability of the current projects mainly by reducing the operating costs and increasing the scope of work and productivity.

RISKS AND UNCERTAINTIES

Enterprise Risk Management

The Enterprise Risk Management (ERM) Framework documents the good practices adopted by the INTRALOT Group in order to identify, assess and manage risks related to the achievement of its business objectives.

INTRALOT ERM targets at the assurance of stakeholder and shareholder trust through the appropriate and continuous balancing of risk and value.

INTRALOT ERM follows a holistic approach for taking into account all parameters that drive the execution of INTRALOT Group Strategy, including INTRALOT's financial health, operations, people, technology, compliance, products and reputation.

ERM provides the means to continuously monitor risk, align it with the changing internal and external parameters and manage it according to the defined corporate risk appetite.

The Enterprise Risk Management (ERM) Framework is designed according to the specifications of COSO (Committee of Sponsorship Organizations of the Treadway Commission) and ISACA (COBIT for RISK). It is a holistic strategic framework taking into account risks related to the business objectives of INTRALOT GROUP.

The framework incorporates the following components:

1. Objective setting: Objectives are clearly defined in order to be used as a reference point for the identification of risks. A process is in place for setting objectives that align with INTRALOT's mission and are consistent with the corporate risk appetite.

2. Risk assessment: Risks are analyzed in relation to the objectives and by determining the likelihood of and impact from the realization of an adverse event.
3. Risk response: Management selects risk responses – avoiding, accepting, reducing, or sharing risk – developing a set of actions to align risks with the entity's risk tolerances and risk appetite.

4. Event identification: Internal and external events affecting the achievement of INTRALOT objectives are identified.
5. Internal environment: The internal environment sets the basis for how risk is viewed and addressed by people, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.
6. Control activities: Policies, procedures, strategies and action plans in general are established and implemented to help ensure the risk responses are effectively carried out.
7. Information and communication: Relevant information is identified, captured, and communicated in a form and time frame that enable people to carry out their responsibilities.
8. Monitoring: Risk is monitored and modifications made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both

Description of significant risks and uncertainties

FINANCIAL RISKS

The Group's international activities create several financial risks in the Group's operation, due to constant changes in the global financial environment. The Group beyond the traditional risks of liquidity risk and credit risk also faces market risk. The most significant of these risks are currency risk and interest rate risk. The risk management program is a dynamic process that is constantly evolving and adapted according to market conditions and aims to minimize potential negative impact on financial results. The basic risk management policies are set by the Group Management. The risk management policy is implemented by the Treasury Department of the Group which operates under specific guidelines approved by management.

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group took measures to obtain certain policies to monitor the liquidity in order to hold liquid assets that can cover Group's liabilities.

Market Risk

1) Foreign Exchange risk

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad 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, the Group enters into derivative financial instruments with various financial institutions. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2015 (in thousand €)			
Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-572	2.665
	-5%	517	-2.411
TRY:	5%	2.693	855
	-5%	-2.437	-774
PEN:	5%	152	134
	-5%	-137	-121
BRL:	5%	-534	-456
	-5%	483	412
JMD:	5%	658	970
	-5%	-595	-877
ARS:	5%	709	-167
	-5%	-642	151
RON:	5%	-52	797
	-5%	47	-721

Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2014 (in thousand €)			
Foreign Currency	Currency Movement	Effect in Earnings before taxes	Effect in Equity
USD:	5%	-40	2.503
	-5%	36	-2.265
TRY:	5%	2.393	3.445
	-5%	-2.165	-3.117
PEN:	5%	205	43
	-5%	-186	-38
BRL:	5%	-194	-517
	-5%	176	468
JMD:	5%	455	1.179
	-5%	-411	-1.067
ARS:	5%	567	0
	-5%	-513	0
RON:	5%	363	936
	-5%	-328	-847

2) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's activities are closely linked to interest rates because of investment and long and short term borrowings. To manage this risk category, the Group uses financial hedging instruments in order to reduce its exposure to interest rate risk. The Group's policy on managing its exposure to interest rate risk affects not only the parent company but also its subsidiaries for the loans concluded in euros or local currency.

The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's with floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On December 31, 2015, taking into account the impact of financial hedging products, approximately 71% of the Group's borrowings are at a fixed rate (December 31, 2014: 73%). As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small, as shown in the following sensitivity analysis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates after the impact of financial hedging products. With all other variables held constant, the Group's profit before tax is affected by the impact on floating rate, as follows:

Sensitivity Analysis of Group Loans in Interest Rates Changes

Amounts for 2015	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	2.000

Amounts for 2014	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	2.000

OPERATING RISKS

Winners' payouts in sports betting

INTRALOT is one of the largest sports betting operator worldwide. The winners' payout in sports betting may fluctuate in the short-term since it depends on the outcome of the events. The fluctuation of the payout may affect the financial results of INTRALOT since it represents a significant cost element for the Company.

Gaming sector and economic activity

The gaming market is affected by the economic cycles since lottery products are consumer products. However, the gaming sector is more resilient than other sectors of the economy. Specifically, during an economic downturn, frequent draw games (like KENO or VLTs) are most likely to present a reduction in revenues, while lotto type games are less affected. With its international expansion, INTRALOT has achieved significant diversification and has reduced its dependency on the performance of individual markets and economies.

Gaming Taxation

The financial crisis has increased the budget deficits of many countries. The increase of the taxation of lottery games constitutes sometimes an easy, but not correct in our opinion, solution for the governments to finance these deficits. Nevertheless, such measures may affect INTRALOT's financial results.

MATERIAL TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES:

The most important transactions between the Company and its related parties as per IAS 24 are presented on the table below:

Group	Income		Expense	
	01/01/2015-31/12/2015	01/01/2014-31/12/2014	01/01/2015-31/12/2015	01/01/2014-31/12/2014
Intracom Holdings Group	119	141	3.911	12.337
Turkcell Group	5	77	497	1.582
Lotrich Information Co LTD	2.714	1.721	19	7
Baltech LTD	0	0	1.903	2.192
Hellenic Lotteries S.A.	11.236	4.936	0	0
Other related parties	2.200	884	1.749	189
Executives and members of the board	0	0	11.938	11.905
Total	**16.274**	**7.759**	**20.017**	**28.212**

Company	Income		Expense	
	01/01/2015-31/12/2015	01/01/2014-31/12/2014	01/01/2015-31/12/2015	01/01/2014-31/12/2014
Inteltek Internet AS	16.011	2.482	0	0
Intracom Holdings Group	58	111	3.909	12.150
Bilyoner Interaktif Hizmelter A.S.	4.612	3.721	0	0
Intralot Inc	6.968	2.488	6	91
Betting Company S.A.	505	9	702	1.606
Intralot International LTD	345	716	4.108	6.118
Intralot Finance UK PLC	0	0	10.392	6.620
Intralot Finance Luxembourg S.A.	0	0	11.867	17.748
Hellenic Lotteries S.A.	9.456	4.936	0	0
Intralot Lotteries LTD	0	1.384	0	0
Intralot Ireland Ltd	1.346	4.169	0	0
Azerinteltek AS	3.425	955	0	0
Eurofootball Print Ltd	1.749	98	0	0
Lotrich Information Co LTD	2.714	1.721	19	7
Lotrom S.A	0	1.270	0	798
Intralot Nederland B.V.	1.820	2.271	-458	22
Intralot Do Brazil LTDA	1.590	1.594	-216	-351
Maltco Lotteries LTD	1.442	1.480	0	0
Intralot De Peru SAC	1.401	195	0	0
Intralot Services S.A.	486	0	2.593	0
Other related parties	8.214	7.545	1.620	147
Executives and members of the board	0	0	6.068	7.088
Total	**62.142**	**37.145**	**40.610**	**52.044**

Group	Receivable		Payable	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Intracom Holdings Group	8.495	8.625	15.802	16.007
Lotrich Information Co LTD	4.480	10.413	1	-9
Hellenic Lotteries S.A.	1.403	1.341	0	0
Eurosadruzie LTD	0	0	0	1.026
Bit8 Limited	2.232	0	474	0
Other related parties	15.249	14.147	5.141	1.816
Executives and members of the board	711	648	507	602
Total	**32.570**	**35.174**	**21.925**	**19.443**

Company	Receivable		Payable	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Inteltek Internet AS	2.007	1.978	0	0
Intracom Holdings Group	7.158	7.349	15.057	15.645
Intralot Inc	6.773	13.662	471	417
Intralot International LTD	285	39	776	2.369
Pollot Sp.zoo	7.985	7.374	0	0
Intralot de Peru SAC	10.587	14.322	0	15
Intralot Iberia Holdings S.A.	278	1.265	0	18
Loteria Moldovei S.A.	1.515	2.217	0	0
LotRom S.A.	1.663	1.663	13.901	14.343
Intralot Business Development LTD	93	11.838	0	0
Intralot Nederland B.V.	2.089	12.197	11	22
Betting Company S.A.	625	9	5.160	5.478
Betting Cyprus LTD	0	0	3.914	4.114
Intralot Do Brazil LTDA	19.952	18.145	0	0
Intralot Australia PTY LTD	3.650	1.687	2	3
Intralot Beijing Co LTD	0	0	2.896	3.300
Maltco LTD	2.000	2.047	0	0
Intralot Dominicana S.A.	2.360	2.258	0	0
Intralot Finance UK PLC	17	17	241.004	104.856
Intralot Gaming Services PTY LTD	7.894	5.321	20	0
Intralot Finance Luxembourg S.A.	2.163	2.163	0	171.823
Lotrich Information Co LTD	4.480	10.413	1	-9
Hellenic Lotteries S.A.	1.403	1.341	0	0
Intralot Ireland Ltd	373	4.169	36	0
Intralot Capital Luxembourg S.A.	0	0	0	3.091
Intralot Holdings & Services S.p.A.	30	30	1.036	1.036
Azerinteltek AS	1.110	137	0	0
Intralot Gaming Machines S.p.A.	1.335	984	0	0
Ilot Capital UK LTD	0	0	20.513	0
Ilot Investments UK LTD	0	0	20.513	0
Other related parties	14.363	11.307	1.722	749
Executives and members of the board	0	0	246	272
Total	**102.188**	**133.932**	**327.279**	**327.542**

From the company profits in 2015, €18.376 thousand (2014: €4.008 thousand) refer to dividends from the subsidiaries and associated companies Inteltek Internet AS, Bilyoner AS and Intralot South Africa LTD.
The BoD and Key Management Personnel transactions and fees for the Group and the Company for the year 1/1/2015-31/12/2015 were €11,9 million and €6,1 million respectively (2014: €11,9 million και €7,1 million respectively).
During the third and fourth quarter of 2015 the Group acquired an additional 15% of ordinary shares with voting rights in the subsidiary Intralot Inc increasing its shareholding to 100%. The price in cash paid to non-controlling interests (executive of Intralot Inc) amounted to €13,5 million.

From the information stated above and from the Financial Statements you are able to have a complete picture of the Group for the year 1/1/2015-31/12/2015.

Maroussi, 30/03/2016

Sincerely,

Group CEO

Antonios I. Kerastaris

Explanatory Report on Article 4 par. 7 of L. 3556/2007

1. Share capital structure.

The share capital of the Company amounts today to forty seven million six hundred eighty eight thousand five hundred sixteen euro and thirty cents (€47,688,516.30) divided by one hundred fifty eight million nine hundred sixty one thousand seven hundred twenty one (158,961,721) nominal shares at thirty cents (€0.30) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Mid Capitalization category, under "Gaming Sector". Company shares are common registered shares with a voting right.

2. Restrictions on company share transfer.

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer.

3. Major direct or indirect participation pursuant to the Articles 9 to 11 of L. 3556/2007

Socrates Kokkalis owned 20.005% of the corporate share capital as of 31/12/2015.
Konstantinos Dimitriadis owned 7.991% of the corporate share capital as of 31/12/2015.
NOVOMATIC AG owned 5.070% of the corporate share capital as of 31/12/2015. UNICREDIT BANK AUSTRIA AG possesses these shares on behalf of NOVOMATIC AG.
MAKURIA CRETID MASTER FUND LTD owned 7.108% of the corporate share capital as of 31/12/2015.
Mittleman Brothers LLC owned 5.000% of the corporate share capital as of 31/12/2015.

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 §3 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 § 13 of the Codified Law 2190/1920 (stock options right) and in accordance with the article 7 § 3 last quotation of Articles of Association(grant stock option rights).

In any case of increase of the share capital that is not made by contribution in kind or issue of bonds with a right of their conversion into shares, a right of preference on the whole new capital or bond loan is granted, in favor of the shareholders at the time of issue, in proportion to their participation in the existent share capital.

The right of preference is exercised within the deadline, which was determined by the company body that decided the increase. This deadline with the reservation of observing the deadline for capital payment, as it is provided for in article 11 of the Codified Law 2190/1920, cannot be less than fifteen (15) days. In the case of section 6, article 13 of the Codified Law 2190/1920, the deadline for the exercise of the right of preference does not begin before the resolution taken by the Board of Directors for the determination of the disposal price of the new shares. After the expiry of these deadlines, the shares that have not been undertaken according to the above are freely disposed by the Board of Directors of the company at a price not less than the price paid by the existent shareholders. In case that the company body that decided the increase of the share capital omitted to fix the deadline for the exercise of the right of preference, this deadline or its possible extension is fixed by the Board of Directors by its resolution within the time limits prescribed by article 11 of the Codified Law 2190/1920.

The invitation for the exercise of the right of preference, in which the deadline within which this right should be exercised should be also mentioned, is published on the company's initiative in the Issue of Societes Anonyme and Limited Liability Companies of the Official Gazette. With the reservation of section 6, article 13 of the Codified Law 2190/1920, the invitation and the notification of the deadline for the exercise of the right of preference, according to the above, may be omitted, should at the General Meeting shareholders be present who represented the whole share capital and be informed of the deadline set for the exercise of the right of preference or who have stated their decision for the exercise or not by them of the right of preference. The publication of the invitation may be replaced by registered "upon receipt" letter, should all shares be registered.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, the right of preference of section 7 of the Codified Law 2190/1920 may be restricted or abolished. In order to take this decision, the Board of Directors is obliged to submit to the general meeting a written report, in which the reasons that impose the restriction or abolishment of the right of preference are mentioned and in which the price proposed for the issue of the new shares is justified. The resolution of the general meeting falls under the formalities on publication of article 7b of the Codified Law 2190/1920. There is no exclusion from the right of preference according to the meaning of this paragraph, when the shares are undertaken by credit institutions or enterprises of rendering investment services, which have the right to accept securities for custody, in order to be offered *to the shareholders pursuant to section 7 of the Codified Law 2190/1920. Moreover, there is no exclusion from the right of preference, when the capital increase aims at the staff participation in the company's capital according to the presidential decree 30/1988 (Official Gazette 13 A').*

The capital may be increased partly by contributions in cash and partly by contributions in kind. In this case, a provision of the body that decides the increase, according to which the shareholders that contribute in kind do not participate also in the increase by contributions in cash, does not constitute exclusion of the right of preference. If the proportion of the value of the contributions in kind, in relation to the total increase, is at least the same with the proportion of the participation in the share capital of the shareholders who proceed to these contributions. In case of increase of the share capital by contributions partly in cash and partly in kind, the value of the contributions in kind should have been assessed pursuant to articles 9 and 9a of the Codified Law 2190/1920 before taking the relevant decision.

By a resolution of the general meeting taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920, a program can be set for share disposition to the members of the Board of Directors and the staff of the company, as well as of the associated with it companies according to the meaning of section 5, article 42e of the Codified Law 2190/1920, in the form of option for acquiring shares, according to the conditions of this resolution, a summary of which falls under the formalities of publication of article 7b of the Codified Law 2190/1920. Persons that render to the company services on a regular basis may be also appointed as beneficiaries. The nominal value of the shares disposed according to this paragraph cannot exceed totally the one tenth (1/10) of the capital, which is paid up on the date of the resolution of the general meeting. The resolution of the general meeting provides for if for the satisfaction of the right of preference the company will proceed to increase of its share capital or if it will use shares that it acquires or has acquired pursuant to article 16 of the Codified Law 2190/1920. In any case, the resolution of the general meeting should determine the maximum number of shares that may be acquired or issued, if the beneficiaries exercise the above right, the price and conditions of share disposition to the beneficiaries, the beneficiaries or their classes and the method of determination of the acquisition price, with the reservation of section 2, article 14 of the Codified Law 2190/1920, the program duration as well as any other relevant condition. By the same resolution of the general meeting, the determination of the beneficiaries or their classes may be assigned to the Board of Directors as well as the way of exercising the right and any other condition of the share disposition program. The Board of Directors, according to the program conditions, issues to the beneficiaries who exercised their right certificates of entitlement to share acquisition and, per calendar quarter at most delivers the shares already issued or issues and delivers the shares to the above beneficiaries, increasing the share capital of the company, and it certifies the capital increase. The resolution of the Board of Directors for the certification of payment of capital increase is taken per calendar quarter, notwithstanding those prescribed in article 11 of the Codified Law 2190/1920. These increases of the share capital do not constitute modifications of the articles of association, and sections 7 to 11 of the article 13 of the Codified Law 2190/1920 do not apply on these. The Board of Directors is obliged during the last month of the corporate year, within which capital increases took place, according to those prescribed above, to adjust by its resolution the article of the articles of association on capital, so that the capital amount be provided for, as it resulted following above increases, observing the formalities on publication of article 7 b of the Codified Law 2190/1920.

The general meeting, by its resolution taken pursuant to the provisions of sections 3 and 4, article 29 and section 2, article 31 of the Codified Law 2190/1920 and fallen under the formalities on publication of article 7b of the Codified Law 2190/1920, may authorize the Board of Directors to set a share disposition program according to the previous paragraph, possibly increasing the share capital and taking all other relevant decisions. This authorization is valid for five (5) years, unless the general meeting determines a shorter period of its validity and it is independent of the powers of the Board of Directors of section 1, article 13 of the Codified Law 2190/1920. The resolution of the Board of Directors is taken under the conditions of section 1, article 13 of the Codified Law 2190/1920 and under the restrictions of section 13, article 13 of the Codified Law 2190/1920.

C. Pursuant to the Codified Law 2190/1920 and specifically article 16 of the above mentioned law company may acquire own shares .

INTRALOT S.A., according to article 16, Law 2190/1920, article 4,1,4,2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting which took place on the 11.06.2014, has approved a buy-back program of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2016, with a minimum price of €1.00 and maximum price of €10.00. It has also approved that the own shares which will eventually be acquired may be held for future acquisition of shares of another company. On the resolution of the shareholder's Annual General Meeting which took place on the 19.05.2015 was decided the amendment of the share buy-back program in relation to the range of value which may provide from the company for the share buy-back and especially, a minimum price of €1.00 and maximum price of €12.00. Until 31/12/2015 the Company has purchased 470,746 own shares (0.296% of the corporate share capital) with average price €1.0402 per share and a total purchase price of €489,678.68

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.

CORPORATE GOVERNANCE STATEMENT

I. Reference to the Corporate Governance Code the Company is subject to and the location where this Code is available to the public.

INTRALOT (hereinafter "the Company"), is a Société Anonyme whose shares are listed in the Athens Stock Exchange.

This Corporate Governance Statement constitutes special part of the Annual Report of the Board of Directors, according to the provisions of par. 2 of article 2 of Greek Law 3873/2010.

The Company is fully compliant with the relevant national laws, provisions and regulations, as well as with its internal corporate values regarding the development of the principles of corporate governance it applies, and adjusted to what is defined by the institutional framework for corporate governance.

The meeting of 16/03/2011 of the Board of Directors approved the Corporate Governance Code, as amended and in force from the meeting of 08/03/2012 of the Board of Directors to be found posted on the Company website www.intralot.com along with its English translation.

II. Reference to corporate governance practices applied by the Company in addition to provisions of the law, and reference to the location where they are published.

INTRALOT, in addition to the provisions of the Greek law included in particular in Laws 2190/1920, 3016/2002, 3693/2008, 3884/2010 and 3873/2010, in drafting the Corporate Governance Code posted as applicable on the Company's website www.intralot.com, has considered and incorporated in its Code, and applies the best international practices for listed companies and the Principles of Corporate Governance of OECD.

III. Description of the main attributes of the Company's internal audit and risk management systems, in relation to the process of financial reports drafting.

- The BoD maintains an effective internal audit system whose purpose is to safeguard the investments and assets of the Company and to identify and resolve major risks. The internal audit system is defined as the set of procedures implemented by the Board of Directors, the Management and the employees of the Company, and aims to ensure the effectiveness and efficiency of corporate operations, the accuracy of financial reporting and the compliance with applicable legislation and regulations.
- The Board of Directors monitor and regularly review the implementation of corporate strategy. At the same time, it should regularly review the main risks faced by the company and the effectiveness of the internal audit system regarding the management of said risks. The review should comprise all vital audits, including financial and operational audits, compliance testing and the monitoring of risk management systems. The Board of Directors, through the Audit Committee, also develop direct and regular contact with external and internal auditors in order to receive regular updates from the latter in relation to the proper operation of the control system.
- The Board of Directors must certify in writing that the annual and interim financial statements reflect objectively the financial position of the company. This certification should follow the corresponding certification by the Company auditors.
- The Board of Directors is responsible for the presentation of all significant business risks related to

the operation of the company, providing explanations where it deems necessary, in the preparation of annual and interim financial statements.

- The Internal Audit Service has been appointed in accordance with the requirements of the Greek legislation, has been sufficiently staffed and assesses the adequacy of internal controls. The Internal Audit Service is independent from other business units, and in the fulfillment of its duties, all documents, divisions and employees must be made available to it. The Internal Audit Service reports to the Audit and Compliance Committee of the Board of Directors. The Internal Audit Service operates in accordance with a program established by it and approved by the Audit and Compliance Committee and the Board of Directors and submits reports on a three months basis before the publication of financial information.
- The members of the Board of Directors, through the Audit and Compliance Committee and the Internal Audit Service, are ultimately responsible for ensuring the adequacy and effectiveness of the internal control system and the monitoring and supervision of its effective implementation. The Management of the Company is responsible for the development of a strategy for the Board of Directors as regards a secure internal control system.
- The Internal Audit Service should assist in the assessment of internal control practices, while adopting a systematic and professional approach to the evaluation and improvement of the effectiveness of risk management procedures, internal audit systems and corporate governance.

Specifically,

- Risks be identified and managed effectively.
- Resources (assets) of the Company be protected and used efficiently.
- Financial and management reporting be reliable, accurate and current.
- Employees comply with the policies, procedures and standards of the Company.
- Company conformance with the regulatory framework governing its operation.
- The Internal Audit Service, throughout the audit process, presents proposals aiming to continuously improve internal control systems in order to achieve high productivity and efficiency.

IV. Information demanded by the article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council.

The information demanded by article 10 par. 1 of Directive 2004/25/EK of the European Parliament and Council is included, according to article 4 par. 7 of L. 3556/2007, in the Explanatory Report which comprises part of the Annual Report of the Board of Directors.

V. Information regarding the function of the General Meeting of shareholders and its main authorities, description of shareholders' rights and of the manner they are exercised.

The Company's General Meeting of Shareholders is its supreme instrument and has the right to decide for all matters concerning the Company. Its legal decisions are binding for shareholders who are absent or in disagreement.

The General Meeting is singularly competent to decide over:

a) the Company's extension of duration, merger, dissolution, demerger, reorganization or restoration,

b) amendments of the articles of associations

c) the increase or decrease of share capital, with the exception of cases where the Board of Directors is competent according to Law or the Articles of Association, and increases or decreases are dictated by provisions of other laws.
d) the election of members of the Board of Directors, with the exception of the case of article 22 of the Articles of Association regarding the election of members by the Board of Directors to replace resigned, deceased or members who lost their status, for the remainder of the term of the members who are being replaced, and provided that these members cannot be replaced by replacement members elected by the General Meeting.
e) the election of auditors
f) the approval of annual accounts (annual financial reports) and the appropriation of annual profit.
g) the appointment of liquidators

The General Meeting of the shareholders is convoked by the Board of Directors and assembles regularly at the Company's registered offices or in another Municipality within the Prefecture of the registered offices, at least once for every year of account and no later than six (6) months of the end of the year of account. The General Meeting may also assemble in the vicinity of the Municipality where the Athens Stock Exchange is headquartered. The Board of Directors may convene an Extraordinary General Meeting of shareholders when they deem appropriate.
The General Meeting, with the exception of repetitive meetings or those identifying with them, must be called at least twenty (20) clear days before the date of its meeting.
The invitation of the General Meeting must at least include the exact address of its location, the time and date of the meeting, a clear layout of items on the agenda, the shareholders entitled to participate, and precise instructions on how the shareholders may participate in the meeting and exercise their rights in person or by proxy. The invitation should at least also include information on the deadline for the exercise of minority rights, the record date, specifying that only persons who are shareholders on the record date are entitled to participate and cast a vote in the General Meeting, information on where the full documentation and the draft of resolutions to be proposed by the Board of Directors for every item on the agenda, and reference of the Company website, where all above information is available, as well as the forms to be used for proxy voting.
The invitation to the General Meeting must be published in whole or in summary (not failing to refer expressly to the website address, where the full text of the invitation and the information specified in par. 3 article 27 of the Codified Law 2190/1920, are available), in the printed media defined by article 26. par. 2 of C.L. 2190/1920, in the Issue of S.A. and L.C. of the Greek Government Gazette and on the websites of the Athens Stock Exchange and the Company, at least twenty days prior to the day of the meeting.

Right to attend General Assemblies

A person must hold shareholder status on the beginning of the fifth day before the day of assembly of the General Meeting (record date).
A person may prove their shareholder status by presenting in writing relevant certification by the Hellenic Exchanges S.A., pursuant to article 51 of law 2396/96 or alternatively, by direct link of the company with the records of the above body. The relevant written certification or electronic authentication regarding

shareholder status must be presented to the Company by the third day before the assembly of the General Meeting, at the latest.

Further to the above, exercising the right to attend the General Assembly is not subject to blocking the shares of the shareholder or complying with any other procedure binding to the ability to sell or transfer the shares in the period between the record date and the date of the General Assembly.

Shareholders or representatives of theirs not having complied with the above may only attend the General Assembly with its permission.

Shareholders with the right to participate in the General Assembly may be represented by a legally authorized person. Legal persons may participate in the General Assembly by appointing one to three natural persons as their representatives.

The company must be notified in writing for the appointment and revocation of a representative in the same manner, at least three (3) days prior to the date of the General Meeting. The Company should post on its website the forms shareholders must complete and present to the Company in order to appoint their representatives.

Quorum – Majority

A quorum is present and validly convening on the items of the agenda at the General Meeting when at least twenty per cent (20%) of the fully-paid share capital is represented in the meeting.

If such quorum fails to be present in the first meeting, a repetitive meeting is held within twenty (20) days of the date of postponement, by invitation with notice of at least ten (10) days. In the repetitive meeting, a quorum is present and validly convening on items of the initial agenda, regardless of the segment of the fully-paid share capital represented in the meeting.

The decisions of the General Meeting are made by absolute majority of the votes cast in the Meeting.

With the exception of decisions regarding:

a) the extension of duration, merger, demerger, reorganization, restoration or dissolution of the Company, establishing or affirming the power of the Board of Directors to increase share capital

b) the change of the Company's nationality

c) the change of the Company's purpose

d) the increase or decrease of share capital, with the exception of increases per article 5 par. 2 of the articles of association where powers are delegated to the Board of Directors

e) the issuance of loan with convertible bonds or the right to share in profits according to articles 8 and 9 of Law 3156/2003

f) the increase of shareholders liability

g) the change in the manner of appropriation of profit

h) all other cases in which, by law, a quorum is present and validly convenes on the items of the agenda at the General Meeting, when shareholders representing the two thirds (2/3) of the fully-paid share capital are present in person or by proxy. In all of the above cases, decisions are made by a majority of two thirds (2/3) of the votes represented in the Meeting.

Should the above increased quorum not be present, the General Meeting is called and meets anew within twenty (20) days of the date of the postponed meeting, and a quorum is present and validly convening on the items of the initial agenda when at least half (1/2) of the fully-paid share capital is represented in the

meeting. Should this quorum also fail to be present, the Meeting is convoked and meets anew within twenty (20) days, and a quorum is present and validly convening on the items of the initial agenda, when at least one fifth (1/5) of the fully-paid share capital is represented in the meeting.
No additional invitation is required, should the time and place of the repetitive meetings in case a quorum is not present, are defined in the initial invitation.

Rights of the Shareholders

Shareholders have the right to attend General Meetings in person or by proxy, shareholder or not. Each share entitles the owner to one vote.

Priority right

In case of increase of the Company's share capital, when that increase is not happening by contribution in kind or by issue of convertible bonds, priority rights for the entire new capital or the bond issue, are granted to the shareholders at the date of issue, proportionate to their holding in the existing share capital. According to article 13 par. 10 of L. 2190/1920, priority rights may be limited or abolished, by decision of the General Meeting of Shareholders made by an increased quorum and majority, pursuant to the provisions of articles 29 par. 3 and 4 and 31 par. 2 of L. 2190/1920.

Minority rights

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to call an Extraordinary General Meeting of shareholders within forty five (45) days from the day that the relevant application is delivered to the chairman of the Board of Directors. The request should include the items of the agenda. Should the Board of Directors fail to call a General Meeting within twenty (20) days of the delivery of said application, the requesting shareholders may call a meeting at the expense of the company, after decision of the court of first instance with jurisdiction over the area of the Company's registered offices, issued during interim measures procedure. The time and place of the meeting, as well as the items of the agenda are defined in this decision.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to record additional matters in the agenda of the General Meeting that has been called, provided the relevant application reaches the Board of Directors at least fifteen (15) days prior to the General Meeting. Pursuant to article 26 of C.L. 2190/1920, the Board of Directors is responsible for publishing or communicating additional matters at least seven (7) days prior to the General Meeting. Should these matters fail to be published, requesting shareholders are entitled to demand that the General Meeting be postponed pursuant to paragraph 3 article 39 of C.L. 2190/1920, and engage in the publication themselves as defined in the preceding paragraph, at the expense of the company.

Following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the chairman of the meeting is obligated to postpone once the adoption of resolutions by an annual or extraordinary General Meeting, for all or certain items of the agenda, setting as date for the continuation of

the meeting the date stated in the shareholders' request, which date cannot however be later than thirty (30) days from the date of postponement.
The General Meeting standing adjourned is a continuation of the previous meeting and the formalities of publication regarding the shareholders' invitation to it need not be repeated, while new shareholders may participate to it, subject to the provisions of articles 27 par. 2 and 28 of L. 2190/1920.
Company shareholders representing at least one twentieth (1/20) of its paid up share capital have the right to request that the company be audited by the Court of First Instance with jurisdiction over the area the company is headquartered in accordance to the provisions set out in article 40 paragraph 2 of L. 2190/1920.

Following the request of any shareholder, which is submitted to the company at least five (5) clear days before the General Meeting, the Board of Directors is obligated to provide at the General Meeting the information specifically requested regarding the affairs of the company, to the extent such information is useful towards a realistic assessment of the items on the agenda. Also, following the request of shareholders representing one twentieth (1/20) of the paid up share capital, the Board of Directors is obligated to announce at the annual General Meeting, the sums paid to each member of the Board of Directors or to the directors of the company in the previous two years, as well as all other benefits paid to these persons for any reason, or any contract between the company and them. In all above cases, the Board of Directors may refuse to disclose information with due cause, which is recorded.

Following the request of shareholders representing one fifth (1/5) of the paid up share capital, which is submitted to the company by the deadline of the preceding paragraph, the Board of Directors is obligated to provide information regarding company affairs and the financial standing of the company to the General Meeting. In all above cases, the Board of Directors may refuse to provide information with due cause, which is recorded.

At the request of shareholders representing one twentieth (1/20) of the paid up share capital, decisions on any item of the agenda of a General Meeting are made by roll-call vote.

Shareholders representing one fifth (1/5) of the paid up share capital have the right to request that the Court of First Instance with jurisdiction over the area of the company's registered offices, audit the Company in accordance to article 40 paragraph 3 of L. 2190/1920, provided that the course of the company indicates that the management of company affairs is not exercised in an appropriate and prudent manner.

Right to Dividends

According to the Articles of Association, the Company must distribute annually minimum dividend equal to the minimum annual dividend projected by law (Article 45 of C.L. 2190/1920), which according to article 3 of Development Law 148/1967 amounts to at least 35% of the company's net profit, following the deduction necessary for the establishment of statutory reserves.

The place and method of payment is announced in notices published in the press, the Daily Official List and the website of the ATHEX and the Company website.
Dividends are paid within two (2) months of the date of the Annual General Meeting of Shareholders which approves the Company's Financial Statements.
Dividends which remain unclaimed for a period of five years of the date they became payable, are forfeited to the State.

Rights in product of liquidation

On conclusion of the liquidation, the liquidators return the contributions of the Shareholders in accordance with the Articles of Association and distribute the balance of the Company's assets' liquidation to the Shareholders in proportion to their share in the paid-up capital of the Company.

VI. Composition and manner of operation of the Board of Directors and other administrative, management or supervisory bodies or committees of the Company.

The purpose of the Board is the continuous enhancement of the long-term economic value of the Company and the safeguarding of general corporate interests. The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially.

Composition

The Company is managed by a Board of Directors, comprised of minimum seven (7) to eleven (11) members, who are elected by the General Meeting, which also determines the term of their service. A legal entity may also be elected to the Board.
The members of the Board of Directors are elected by shareholders for a five year term which is automatically extended until the first annual General Meeting following the end of their term and is not permitted to exceed six years but does not preclude their re-election. The replacement of all members of the Board in one General Meeting should be avoided, and the succession of members of the Board of Directors must be conducted gradually.
The names of the members of the Board of Directors submitted for election or re-election will be accompanied by sufficient biographical details and the view of the Board on the independence of the proposed Board members, in accordance with the independence criteria set out in the Law, and any other relevant information to enable shareholders to make an informed decision.
The General Meeting may also elect alternate members of the Board, with the aim to replace resigning, deceased or retiring members of the Board.
Should the replacement by alternate members, as stated above, is not possible, the remaining members of the Board of Directors, provided they constitute at least three (3), may resolve to elect new members.
Should the Board be deficient of members (due to resignation, death or any other loss of membership), the Board of Directors, provided the number of remaining members is more than half of the initial number of members, and in any event no less than three (3), may continue to manage and represent the Company, without proceeding to replacement of deficient members as stated in the previous paragraph.

The Board of Directors elects the Chairman, the Vice-Chairman and one or two Chief Executive Officers among its members. The Chairman or Vice-Chairman of the Board of Directors is not required to be an executive member of the Board of Directors.

In case of absence of impediment of the President, the latter shall be substituted (as regards all powers and authorities of his/hers) by the Vice-President, while in case of absence or impediment of the latter, the Vice-President shall be substituted by the Managing Director. In case of absence of impediment of the latter, the Managing Director shall be substituted by the senior councillor. The Board of Directors is comprised of a majority of non-executive members (including at least two independent non-executive members).

The independent non-executive members are exempt from conflicts of interest with the Company, and from close ties with Management, majority shareholders or the Company. For the duration of their term, the independent non-executive members are not permitted to hold more than 0,5% of the share capital of the Company or to maintain a dependant relationship with the Company or with persons affiliated with the Company. The independent members are elected by the General Meeting. The Board of Directors must determine whether the candidate fulfils the independence criteria before he/she is nominated by the General Meeting of Shareholders. In determining the independence of both candidates and current members, the Board of Directors should consider that a relation of dependence exists when the member:

- is (as stipulated in Law 3016/2002), or has been an employee, senior executive or Chairman of the Board of Directors of the Company or its subsidiaries within the last three (3) years;
- receives or has received during the 12 month prior to his appointment any compensation from the Company other than board membership fees approved by the General Meeting of Shareholders of the Company;
- has (as stipulated in Law 3016/2002) or had within the past year a material business relationship with the Company or its subsidiaries, particularly as a significant client, supplier or consultant of the Company or as a partner, shareholder or board member, or senior executive of an entity that has such a relationship with the Company or its subsidiaries;
- has been the external auditor of the Company or its subsidiaries or has been a partner or employee of a firm that provides external auditing services to the Company or its subsidiaries within the last three (3) years;
- has (as stipulated in Law 3016/2002) a second degree kinship with or is the spouse of a non-independent Board members, senior executive, adviser or significant shareholder of the Company or its subsidiaries;
- controls directly or indirectly through related parties , more than 10% of the voting rights of the Company or represents a significant shareholder of the Company or its subsidiaries.

The Company's current Board of Directors consists of nine (9) members and was elected by the Extraordinary General Meeting of shareholders of 10 April 2014, for a five-year term, has the following composition after the resignation of the member Mr. Nikolaos-Leon Papapolitis, and the reconstruction of the Board of Directors:

1. Socrates P. Kokkalis, Chairman, executive member,

2. Constantinos G. Antonopoulos, Vice Chairman, non-executive member,
3. Antonios I. Kerastaris, CEO, executive member,
4. Konstantinos S. Kokkalis, Director, non-executive member,
5. Dimitrios Ch. Klonis, Director, non-executive member,
6. Petros K. Souretis, Director, non-executive member,
7. Sotirios N. Filos, Director, independent-non-executive member,
8. Anastasios M. Tsoufis, Director, independent-non-executive member, and
9. Ioannis P. Tsoukaridis, Director, independent-non-executive member,

The CVs of all members of the Board of Directors are available on the Company's website (www.intralot.com).

Board of Director Meetings

The Board of Directors may validly convene, in addition to the company headquarters, elsewhere in Greece or abroad. The Board of Directors may also convene via teleconference; in such case, the invitation to the Board members includes information relevant to the teleconference.

The Board of Directors shall convene with the frequency required to ensure the effective performance of its duties and at least once per month.

The Chairman will preside over meetings of the Board of Directors and in the case of being absent, the Vice-Chairman will take the chair.

The Board of Directors decides with a majority of the members either physically present and/or represented by proxy except in case of Article 5 Paragraph 2 of the Company's Articles of Association.

The discussions and the resolutions of the Board are recorded in minutes. The minutes of each session must be distributed and approved at the subsequent Board meeting. Copies and extracts of the Minutes are ratified by the President of the Board of Directors or the Managing Director or by any other councilor.

Responsibilities of the Board of Directors

The responsibilities of the Board of Directors are clearly defined, apart from the legislation in force, by both the Company's Articles of Association and the internal Company regulation or other internal Company documents.

The Board of Directors is responsible for deciding on all matters pertaining to the management of the Company, administering company assets and the general pursuit of the company's purposes without any limitation (apart from matters pertaining exclusively to the General Meeting) and representing the Company both judicially and extra-judicially. Responsibilities of the Board of Directors include:

- approving the overall long-term strategy and operational goals of the Company;
- approving annual budgets and business plans and deciding on major capital expenditures, acquisitions and divestitures;
- selecting and replacing, if necessary, the executive leadership of the Company and overseeing succession planning;
- monitoring the performance of the Management and aligning executive remuneration with the longer term interests of the Company and its shareholders;
- ensuring the integrity of the Company's accounts, financial reporting systems and public

disclosures, as well as the effectiveness of the systems of internal control and risk management;

- being alert and adequately addressing actual and potential conflicts of interest between the Company, on the one hand, and the Management, Board members or major shareholders on the other (including shareholders with direct or indirect power to control the Board's composition and behaviour); to this end, the Board should put a set of procedures in place for supervising transactions by all related persons (including transactions that must be submitted to the shareholders for approval) in order to ensure transparency and protect the Company's interests,
- ensuring that there is a satisfactory process for monitoring the Company's compliance with relevant laws and regulations;
- deciding on and monitoring the effectiveness of the Company's governance processes, including its system of decision–making and delegation of authorities and duties to other key executives, and the definition, circulation and implementation of the main values and principles of the Company which govern the relationships between all parties whose interests are associated with the Company;
- the issuance of all bond loans (which is a parallel duty of the General Meeting) except for the issuance of convertible bond loans with profit participation rights for which the General Meeting is responsible to resolve.

The Board of Directors may assign all or part of its managerial powers (except for those requiring collective action) and representation to one or more persons, either members or non-members of the Board of Directors, Company's employees or third parties, specifying the extent of the power granted. These persons may, if provided in the respective resolution of the Board of Directors, further delegate to third parties, wholly or partially, the aforementioned powers. The persons assigned with the aforementioned powers bind the Company as its corporate bodies to the full extent of the aforementioned powers.

The Board of Directors may assign committees which support its decision making process and ensure the effective management of potential conflicts of interest which may arise throughout the decision making process.

Responsibilities & Conduct of the members of the Board of Directors

Each Board member has a duty of loyalty to the Company. The Board members should act with integrity and in the best interests of the Company as well as protect the confidentiality of information that has not been disclosed to the public. They should not compete with the Company and must avoid any role or activity that creates or appears to create conflict between personal interests and the interests of the Company, including holding board or executive positions in competing companies, without the permission of the General Meeting of the shareholders. The Board members contribute their expertise and devote to their duties the necessary time and attention. They should also limit the number of other professional commitments (in particular any directorship held in other companies) to the extent necessary for the satisfactory execution of their duties as members of the Board.

Finally, the members of the Board must endeavour to attend all meetings of the Board and the committees of which they are members.

The division of responsibilities between the Chairman and the Chief Executive Officer, in case that both are executive members of the Board, should be clearly established by the Board, set out in writing and communicated to the shareholders. The same applies in the event that the duties of the Chairman and Chief Executive Officer are exercised by the same person.

The Chairman should facilitate the effective contribution by non-executive Board members to the work of the Board and ensure constructive relations between executive and non-executive members.

The Chairman and/or the Vice Chairman must have meetings with the non-executive members, without the presence of the executive members, in order to discuss the performance of the latter as well as other related matters.

The Board should ensure that an induction program is established for new Board members and that continuing professional development programs are available to other Board members, if this is considered to be required.

Board members should arrange to receive regular briefings on business developments and changes in the risk profile of the Company. They should be also appraised in a timely manner of changes in laws and the market environment. Board members should engage frequently with senior executives of the Company, attending regular presentations by heads of sectors and services.

Board members should have the right to request from the Management, via the Chief Executive Officer, any information they consider necessary to fulfill their responsibilities at any point of time.

The Board should appoint an independent vice chairman from among its independent Board members where the Company chooses to:

- Combine the roles of Chairman and Chief Executive Officer; or

A former executive of the Company who is appointed as Chairman within three (3) years as from his/her retirement as executive, he/she should be considered as being an executive chairman.

The Chairman is responsible for leading the Board.

He is responsible for determining the agenda of the meetings, (without limitation to the right of the deputy of the Chairman or two of its members as stipulated in the Articles of Association of the Company to convene a meeting of the Board of Directors), ensuring the organization of activities performed by the Board, and effectively conducting Board meetings. In addition, the Chairman or, should the Chairman be a non-executive director, the Vice Chairman, is responsible for ensuring that the members of the Board are informed in a timely manner and for effectively communicating with all shareholders, as well as the fair and equitable treatment of all shareholder interests . In case of absence of impediment of the President, the latter shall be substituted (as regards all powers and authorities of his/hers) by the Vice-President, while in case of absence or impediment of the latter, the Vice-President shall be substituted by the Managing Director. In case of absence of impediment of the latter, the Managing Director shall be substituted by the senior councillor. A Board member's other professional commitments (including significant non-executive engagements in companies and non-profit institutions) should be disclosed to the Board before appointment. Changes to such commitments should be reported to the Board as they arise. Non-executive Board members should undertake at appointment that they will have sufficient time to meet what is expected of them.

An executive Board member's appointment as a non-executive board member in a company other than a subsidiary or a related company should be approved by the Board.

Responsibilities of executive members of the Board of Directors:

The Board of Directors selects its executive members from within its members in accordance with the law and the Company's Articles of Association and assigns to one or more members, to other corporate bodies or executives of the Company or to third parties (as per authorization of the abovementioned to this end) the daily management matters and part of its powers.

Responsibilities of non- executive members of the Board of Directors:

The Board of Directors selects its non-executive members from within its members in accordance with legislation and Company statute. The non-executive members are responsible for the advancement of corporate matters, they participate on boards and committees and are particularly responsible for upholding the principles of proper corporate governance.

The non-executive members maintain their independence as regards the matters they investigate, aiming to effectively perform their role and to create a trustworthy climate between the Board of Directors, senior executives and managers.

The non-executive members of the Board of Directors must have in-depth knowledge of both the operation and product of the Company and the broader market of the industry and should be provided with every assistance. In general, each non-executive member arranges for his/her continuing education so as to contribute effectively and efficiently to the proper and efficient operation of the Company.

At least of two of the non-executive members are elected by the General Meeting as independent and may, if deemed necessary, submit, individually or jointly, reports or studies independent from those of the Board of Directors to the Ordinary or Extraordinary General Meeting of the Company.

COMPENSATION POLICY

The formulation and flawless implementation of the Corporate Compensation and Benefits Policy, plays a fundamental role in the operation of INTRALOT and constitutes the focal point for the long-term retention of its Human Capital.

INTRALOT cooperates with international consultancy agencies in the field of Compensation and Benefits research, constantly monitoring world reward trends aiming to achieve a fair, objective and competitive reward strategy in comparison not only with international but with local labor market practices as well.

The Compensation and Benefits Policy regulates fixed salaries levels, benefits and performance-related variable remuneration systems concerning the executive members of Board of Directors. The job description, accountability and responsibility of the position in the Group along with the academic background, competencies, professional experience, and performance evaluation constitute the criteria of the above mentioned policy.

The implementation of the Compensation and Benefits Policy and its monitoring systems aim, in full transparency, to define the salaries and benefits' structure and to safeguard the internal corporate fairness and consistency.

The principles of the Compensation and Benefit Policy imbue the total of the employee force of the Company, including the executive members of the Board of Directors. The fixed salaries reviews, the granting of bonuses along with the benefits share the aforementioned common principles and regard the whole corporate ladder based on the corporate budget and the annual performance of the Group.

In addition to both the fixed and variable remuneration pertaining to the executive members of the Board of Directors, other incentives such as medical and life insurance, corporate car along with extra benefits are granted.

Additionally, the corporate stock option scheme constitutes a strong incentive contributing to the retention of highly performing executives and to the continuous effort for the improvement of the long term results of the Company. Such programs regard the executive members of the Board of Directors, top executives and key employees meeting the following criteria, hierarchy, personal contribution, importance of the role along with performance evaluation results.

Other Managerial and Supervisory Bodies

The Board of Directors may decide to establish committees governing human resources, scheduling, control or other responsibilities as it deems necessary to facilitate the purpose of the Company. The detailed terms of mandate, composition, term, the directorship and reporting frequency to the Board of Directors is determined at the time of establishment. The committees have consulting competence and submit their recommendations to the Board of Directors for due examination and action. Exceptionally, the Board of Directors may, at its discretion, delegate to these committees executive and/or decision making authorities in cases allowed by law and the Company's Articles of Association.

A. Audit and Compliance Committee

Chairman: Sotirios N. Filos, Independent - non-executive member
Members,
Anastasios M. Tsoufis, independent - non-executive member and
Ioannis P. Tsoukaridis, independent - non-executive member

The Audit and Appliance Committee is a committee of the Board of Directors and is established with the aim to assist the Board with its supervisory responsibilities as regards financial reporting and information, the compliance of the Company and its subsidiaries to the legislative and regulatory operational framework, audit system procedures and to exercise supervision over the auditing operation.

The members of the Audit and Compliance Committee are appointed by the Board of Directors. The Audit and Compliance Committee is comprised of at least two (2) non-executive members and one independent non-executive member of the Board of Directors who presides the meetings and has experience/knowledge on finance and accounting matters.

The Audit and Compliance Committee convenes as necessary but at a minimum four times per annum on invitation of its Chairman and also meets with the Company's auditor at least twice a year and not in the presence of Company's Management.

The main responsibilities of the Audit and Compliance Committee include:

- Monitoring and evaluation of the competence of the internal audit and risk management system of the Company.
- Monitoring the findings of the Supervisory and Taxation Authorities including the responses of the Management of the Company.
- Examination of the Internal Operational Regulation of the Company every two years.
- Monitoring of the financial reporting processes.
- Monitoring of the procedures of mandatory bi-annual and annual audits of the individual and consolidated financial statements of the Company which are prepared according to the International Financial Reporting Standards (IFRS) and recommends their approval or rejection to the Board of Directors of the Company.
- Supervision of the most significant financial accounting reporting matters and the notes to the financial statements, focusing on areas and methods used to evaluate assets and liabilities which are open to subjective interpretation
- Supervision of all taxation or legal matters which may have a significant impact on financial statements.
- Examines, with the Management of the Company, the external and internal Auditors, the adequacy of Company's information systems including the significant risks and instituted controls to minimize risk.
- Recommends the external auditor or firm of auditors (the Auditor) to the Board of Directors, to enable the Board to submit its proposal to appoint an external or firm of auditors to the General Meeting.
- Ensures the independence and objectivity of the Auditor, reviewing the compliance of the firm as regards the rotation of the auditors, the fee paid by the Company and the provision of other services (for example consulting services) by the statutory auditor or firm of auditors.
- Is informed by the Auditor or the firm of auditors, at least once a year, on each matter related to the progress and results of the statutory audit. The Committee receives a report on the weaknesses of the internal audit system, specifying the weaknesses of procedures related to financial reporting and the preparation of financial statements.
- Ensures the Board of Directors is available to internal and external auditors by acting as intermediary.
- Meets with the Auditor (either in the presence of Management or not) to discuss the aforementioned matters, potential disputes which may arise between the Auditor and Management of the Company, and any significant changes which may arise in the audit plan.
- Proposes the appointment, replacement and termination of the Internal Auditor to the Board of

Directors and is responsible for the periodic evaluation of the Internal Auditor's performance.

- Receives and examines the periodic reports of the internal audit and supervises the progress of recommendations made by the Internal Auditor and adopted by Management as expressed in the respective reports.
- Examines transparency matters pertaining to the procedures connected to the awarding and execution of public tenders in accordance with current legislation while aiming to ensure transparency.
- Controls the transactions of the subsidiaries and related corporations as stipulated in article 42 of Law 2190/1920 in Greece and abroad as regards the interests and activities of the group of the Company.
- Proposes the appointment of a person as responsible for the whistleblowing policy of the Company, determines the responsibilities and any remuneration.

The Financial Committee, which is responsible for the financial management of the Company, is a sub-committee of the Audit and Compliance Committee. More particularly, the Financial Committee is comprised of:
the Chief Financial Officer, the Director of Finance, the Accounting Director, the Subsidiaries and Business Development Director and other executives within the finance department as deemed necessary and recommends to the Audit and Compliance Committee and/or directly to the Board of Directors as follows:

a. To manage the Group's exposure to risk associated with interest rate fluctuations while taking into account the ratio between floating and fixed interest rates for the total net indebtedness of the Group.
   To manage the risk ratio of fixed-floating interest rates, the Company and/or its subsidiaries may enter into financial derivative agreements such as: Interest Rate Swaps, Interest Rate Caps, Interest Rate Collars and other financial products offered by Greek and international banks. The abovementioned products "swap" the variable interest rate with a fixed one.
b. To manage the Group's exposure to risks associated with currency exchange rate fluctuations by proposing financial derivative agreements such as: Forward Contracts, Options, Currency Swaps and other financial products offered by Greek and international banks.
   The abovementioned products "lock" the exchange rates (spot rate) of various currencies. Decisions regarding the advisability and risk management strategy are undertaken by the Financial Committee depending on the coverage percentage and market conditions and circumstances.
c. To manage risks which may arise from socio-political changes through products available on the market such as: Event Swaps - when a political event compels a business/investment interruption abroad (for example following a political resolution to expel all foreign companies), or Credit Default Swaps - when the credit-worthiness of a county deteriorates.
   The Financial Committee will recognise potential risk in a timely manner and will discern the most appropriate and effective methods to manage said risks with the use of suitable financial

tools. The Committee then proposes that divisions and/or subsidiaries of the Company enter into agreements.

B. Remuneration and Nomination Committee

Chairman: Konstantinos S. Kokkalis, Non-Executive Member

Members: Sotirios N. Filos, Independent - non-executive member,

Ioannis P. Tsoukaridis, Independent - non-executive member,

The Board of Directors of the Company assigns the responsibility of determining the employee remuneration policy of the Company to the Remuneration Committee. The Remuneration Committee recommends levels of remuneration to the Board of Directors for executives, managers and senior executives and concurrently regulates matters associated with the overall remuneration policy of the Company.

The Remuneration committee is comprised of three (3) members the majority of whom are non-executive members. The Chairman of the Remuneration Committee is appointed by the Board of Directors and must be a non-executive member. Should an executive be a member of the Remuneration Committee, this member may not attend discussions pertaining to his/her own remuneration.

The Remuneration Committee convenes at the invitation of its Chairman as deemed necessary and at least once per annum. The main responsibilities of the Remuneration Committee are as follows:

- Proposes the remuneration policy of the Company including incentive bonuses, stock options and employee loyalty incentive programs.
- Specifically for the remuneration of executives and managers, the Committee suggests an annual salary, performance related remuneration, pension plan and severance package.
- Suggests the level and structure of senior executive remuneration. The remuneration of the internal auditor is discussed with the Audit and Compliance Committee.
- Proposes the criteria and the overall framework for the selection of the members of the Board of Directors
- Suggests the procedures for determining the internal relations of the members of the Board of Directors
- Determines the criteria for selection of new directors and movements.

C. Management Committee

The Management Committee is comprised of the Chief Executive Officer and General Directors of the Company and examines all significant Company matters, formulates proposals and decides how to address them. The role of the Management Committee is also essential in the achievement of inter-company communication, the coordination of the departments' projects and the support of the Chief Executive Officer in both an informative and advisory capacity. The Management Committee provides an accurate and complete overview of the Company, emphasising critical operational issues, designs the development strategy of the Company and advances the implementation of major projects and objectives. The

Management Committee may convene without the whole of its members on invitation of the Chief Executive Officer of the Company. Members of the Audit and Compliance Committee and senior executives may attend the meetings as deemed necessary.

Evaluation of the Board of Directors

The evaluation of the performance of the Board and its committees should take place at least every two (2) years in line with a clearly established procedure. The evaluation exercise should be led by the Chairman of the Board (or should the Chairman be a non-executive member, the Vice-Chairman of the Board of Directors) and of every committee, while following the evaluation, the Chairman should act on the results of the performance evaluation by addressing the weaknesses of the Board.

TABLE OF MEMBERS' ATTENDANCE IN DECISION MAKING PROCEDURES OF THE BOARD OF DIRECTORS AND COMMITTEES

FULL NAME	45 PARTICIPATIONS IN DECISION MAKING PROCEDURES OF THE BoD		10 MEETINGS OF THE AUDIT & COMPLIANCE COMMITTEE		3 MEETINGS OF THE REMUNERATION and NOMINATION COMMITTEE	
	PRESENT	ABSENT	PRESENT	ABSENT	PRESENT	ABSENT
SOCRATES KOKKALIS	45					
CONSTANTINOS ANTONOPOULOS	40	5				
ANTONIOS KERASTARIS	45					
KONSTANTINOS KOKKALIS	45				3	
DIMITRIOS KLONIS	45					
PETROS SOURETIS	45					
SOTIRIOS FILOS	45		10		3	
ANASTASIOS TSOUFIS	45		10			
IOANNIS TSOUKARIDIS	45		6		3	

INDEPENDENT AUDITORS' 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 2015, the separate and consolidated statements of comprehensive income , changes in equity and cash flows for the year then ended, as well as 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 2015, 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 article 43a (§ 3d) of cod. 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 (§ 3a), 108 and 37 of cod. L. 2190/1920.

Athens, 31 March 2016
The Chartered Accountants

Georgios And. Karamichalis
SOEL Reg. No. 15931

Georgios Deligiannis
SOEL Reg. No 15791

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Registry Number SOEL 127

ANNUAL FINANCIAL STATEMENTS
INCOME STATEMENT GROUP / COMPANY

Amounts reported in thousand €	Note	GROUP 1/1-31/12/2015	GROUP 1/1-31/12/2014	GROUP 1/10-31/12/2015	GROUP 1/10-31/12/2014	COMPANY 1/1-31/12/2015	COMPANY 1/1-31/12/2014	COMPANY 1/10-31/12/2015	COMPANY 1/10-31/12/2014
Sale Proceeds	2.2	1.914.885	1.853.164	535.043	523.655	76.582	85.714	23.787	21.228
Less: Cost of Sales	2.3-2.5	-1.653.325	-1.582.930	-463.138	-446.940	-44.852	-48.673	-12.382	-11.045
Gross Profit /(Losses)		**261.560**	**270.234**	**71.905**	**76.715**	**31.730**	**37.041**	**11.405**	**10.183**
Other Operating Income		24.944	18.630	7.170	5.377	38.836	7.021	4.885	4.273
Selling Expenses	2.3-2.5	-66.420	-60.309	-21.322	-17.752	-10.794	-8.446	-4.800	-3.086
Administrative Expenses	2.3-2.5	-124.969	-119.941	-33.809	-33.611	-14.002	-12.048	-5.516	-3.022
Research and Development Expenses	2.3-2.5	-6.063	-7.223	-797	-382	-5.989	-7.110	-778	-325
Other Operating Expenses	2.8	-10.040	-13.249	-4.082	-8.442	-4.210	-5.261	-22	-5.074
EBIT	2.1.27	**79.012**	**88.142**	**19.065**	**21.905**	**35.571**	**11.197**	**5.174**	**2.949**
EBITDA	2.1.27	**177.202**	**175.445**	**45.345**	**43.792**	**45.729**	**20.074**	**8.576**	**5.041**
Income/(expenses) from participations and investments	2.6	-231	-40	-163	-538	-17.836	4.516	2.082	-62
Gain/(losses) from assets disposal, impairment losses and write-off of assets	2.7	-1.986	-1.516	-1.871	-529	6	0	5	0
Interest and similar Charges	2.9	-68.640	-70.821	-16.783	-18.249	-24.842	-29.441	-4.486	-7.609
Interest and similar Income	2.9	18.020	12.495	6.681	3.492	6.969	6.271	4.346	1.152
Exchange Differences	2.10	3.627	10.552	2.089	3.667	2.556	5.309	1.964	2.028
Profit / (Losses) from equity method consolidations	2.31	-4.063	-2.279	-1.265	-489	0	0	0	0
Operating Profit/(Losses) Before Tax		**25.739**	**36.533**	**7.753**	**9.259**	**2.424**	**-2.148**	**9.085**	**-1.542**
Taxes	2.11	-46.415	-44.175	-11.801	-13.641	-6.054	-8.859	-4.515	-2.051
Net Profit / (Losses) after taxes from Continuing Operations (a)		**-20.676**	**-7.642**	**-4.048**	**-4.382**	**-3.630**	**-11.007**	**4.570**	**-3.593**
Net Profit / (Losses) after taxes from Discontinuing Operations (b)		0	0	0	0	0	0	0	0
Net Profit / (Losses) (Continuing and Discontinuing Operations) (a) + (b)		**-20.676**	**-7.642**	**-4.048**	**-4.382**	**-3.630**	**-11.007**	**4.570**	**-3.593**
Attributable to:									
Equity holders of parent		-65.148	-49.546	-14.724	-17.477	-3.630	-11.007	4.570	-3.593
Non-Controlling Interest	2.31	44.472	41.904	10.676	13.095	0	0	0	0
Earnings/(losses) after taxes per share (in €)									
-basic	2.12	-0,4111	-0,3117	-0,0929	-0,1099	-0,0229	-0,0693	-0,0288	-0,0226
-diluted	2.12	-0,4111	-0,3117	-0,0929	-0,1099	-0,0229	-0,0693	-0,0288	-0,0226
Weighted Average number of shares	2.12	158.490.975	158.943.422	158.490.975	158.943.422	158.490.975	158.943.422	158.490.975	158.943.422

STATEMENT OF COMPREHENSIVE INCOME GROUP / COMPANY

Amounts reported in thousand €	Note	GROUP 1/1-31/12/2015	GROUP 1/1-31/12/2014	GROUP 1/10-31/12/2015	GROUP 1/10-31/12/2014	COMPANY 1/1-31/12/2015	COMPANY 1/1-31/12/2014	COMPANY 1/10-31/12/2015	COMPANY 1/10-31/12/2014
Net Profit / (Losses) after taxes (continuing and discontinuing operations) (a)+(b)		**-20.676**	**-7.642**	**-4.048**	**-4.382**	**-3.630**	**-11.007**	**4.570**	**-3.593**
Attributable to:									
Equity holders of parent		-65.148	-49.546	-14.724	-17.477	-3.630	-11.007	4.570	-3.593
Non-Controlling Interest	2.31	44.472	41.904	10.676	13.095	0	0	0	0
Other comprehensive income after tax:									
Amounts that may not be reclassified to profit or loss:									
Defined benefit plans revaluation for parent company and subsidiaries	2.25	-14	-33	-21	-28	216	75	216	75
Amounts that may be reclassified to profit or loss:									
Valuation of available- for -Sale financial assets of parent and subsidiaries	2.17	-1.749	-3.239	241	22	-11	158	-4	-4
Share of valuation of available- for -Sale financial assets of associates and joint ventures	2.17	0	-20	0	0	0	0	0	0
Derivatives valuation of parent and subsidiaries	2.33	0	407	0	0	0	0	0	0
Exchange differences on translating foreign operations of subsidiaries	2.22	-13.597	-884	2.811	-4.539	0	0	0	0
Share of exchange differences on translating foreign operations of associates and joint ventures	2.22	8.204	9.327	2.062	2.334	0	0	0	0
Other comprehensive income/ (expenses) after taxes		**-7.156**	**5.558**	**5.093**	**-2.211**	**205**	**233**	**212**	**71**
Total income / (expenses) after taxes		**-27.832**	**-2.084**	**1.045**	**-6.593**	**-3.425**	**-10.774**	**4.782**	**-3.522**
Attributable to:									
Equity holders of parent		-69.149	-48.516	-11.240	-21.990	-3.425	-10.774	4.782	-3.522
Non-Controlling Interest	2.31	41.317	46.432	12.285	15.397	0	0	0	0

STATEMENT OF FINANCIAL POSITION GROUP/COMPANY

Amounts reported in thousand €	Note	GROUP 31/12/2015	GROUP 31/12/2014	COMPANY 31/12/2015	COMPANY 31/12/2014
ASSETS					
Tangible fixed assets	2.13	166.445	182.794	17.338	8.001
Investment property	2.14	5.805	0	0	0
Intangible assets	2.15	328.827	348.854	83.144	77.804
Investment in subsidiaries, associates and joint ventures	2.16	40.863	32.608	172.294	209.661
Other financial assets	2.17	26.085	36.928	3.243	3.254
Deferred Tax asset	2.11	9.115	9.035	0	0
Other long term receivables	2.18	70.225	60.530	200	315
Total Non Current Assets		**647.365**	**670.749**	**276.219**	**299.035**
Inventories	2.20	42.591	52.017	24.064	39.085
Trade and other short term receivables	2.19	202.732	215.073	127.092	128.809
Other financial assets	2.17	0	328	0	0
Cash and cash equivalents	2.21	276.609	416.925	35.859	7.875
Total Current Assets		**521.932**	**684.343**	**187.015**	**175.769**
TOTAL ASSETS		**1.169.297**	**1.355.092**	**463.234**	**474.804**
EQUITY AND LIABILITIES					
Share Capital	2.22	47.689	47.689	47.689	47.689
Treasury Shares	2.22	-490	-490	-490	-490
Other reserves	2.22	62.211	59.807	45.727	46.064
Foreign currency translation	2.22	-59.410	-57.090	0	0
Retained earnings	2.23	79.563	167.563	7.332	10.420
Total equity attributable to shareholders of the parent		**129.563**	**217.479**	**100.258**	**103.683**
Non-Controlling Interest	2.31	77.819	100.060	0	0
Total Equity		**207.382**	**317.539**	**100.258**	**103.683**
Long term Debt	2.24	716.094	557.452	280.673	172.542
Staff retirement indemnities	2.25	6.879	7.053	3.412	4.094
Other long term provisions	2.31	6.638	6.071	4.665	5.423
Deferred Tax liabilities	2.11	16.142	14.740	6.700	5.599
Other long term liabilities	2.27	19.113	14.151	0	0
Finance lease obligation	2.32	1.966	8.600	0	0
Total Non Current Liabilities		**766.832**	**608.067**	**295.450**	**187.658**
Trade and other short term liabilities	2.28	135.280	175.457	62.200	108.972
Short term debt and finance lease	2.29	36.180	232.268	1.358	71.129
Current income taxes payable	2.11	14.986	13.571	608	2
Short term provision	2.31	8.637	8.190	3.360	3.360
Total Current Liabilities		**195.083**	**429.486**	**67.526**	**183.463**
TOTAL LIABILITIES		**961.915**	**1.037.553**	**362.976**	**371.121**
TOTAL EQUITY AND LIABILITIES		**1.169.297**	**1.355.092**	**463.234**	**474.804**

STATEMENT OF CHANGES IN EQUITY GROUP

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign currency translation	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1st January 2015	**47.689**	**-490**	**26.001**	**33.806**	**-57.090**	**167.563**	**217.479**	**100.060**	**317.539**
Effect on retained earnings from previous years adjustment						46	**46**	72	**118**
Period's Results						-65.148	**-65.148**	44.472	**-20.676**
Other comprehensive income / (expenses) after taxes				-1.619	-2.320	-62	**-4.001**	-3.155	**-7.156**
Dividends to equity holders of parent / non-controlling interest							**0**	-68.915	**-68.915**
Effect due to change in ownership percentage						-18.813	**-18.813**	5.285	**-13.528**
Transfer between Reserves			4.560	-537		-4.023	**0**		**0**
Balances as at 31rst December 2015	**47.689**	**-490**	**30.561**	**31.650**	**-59.410**	**79.563**	**129.563**	**77.819**	**207.382**

STATEMENT OF CHANGES IN EQUITY INTRALOT GROUP (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Foreign currency translation	Retained Earnings	Total	Non-Controlling Interest	Grand Total
Opening Balance 1st January 2014	**47.689**	**0**	**24.197**	**39.653**	**-61.002**	**215.812**	**266.349**	**77.395**	**343.744**
Effect on retained earnings from previous years adjustment						69	**69**	-222	**-153**
Period's Results						-49.546	**-49.546**	41.904	**-7.642**
Other comprehensive income/(expenses) after taxes				-2.877	3.912	-5	**1.030**	4.528	**5.558**
Dividends to equity holders of parent/non-controlling interest							**0**	-23.537	**-23.537**
Tax deemed dividend distribution				10			**10**	18	**28**
Sale / Liquidation of Subsidiary							**0**	31	**31**
Effect due to change in ownership percentage						57	**57**	-57	**0**
Purchase of own shares		-490					**-490**		**-490**
Transfer between Reserves			1.804	-2.980		1.176	**0**		**0**
Balances as at 31rst December 2014	**47.689**	**-490**	**26.001**	**33.806**	**-57.090**	**167.563**	**217.479**	**100.060**	**317.539**

STATEMENT OF CHANGES IN EQUITY COMPANY

STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	Share Capital	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Opening Balance 1st January 2015	**47.689**	**-490**	**15.896**	**30.168**	**10.420**	**103.683**
Period's Results					-3.630	**-3.630**
Other comprehensive income /(expenses) after taxes				205		**205**
Transfer between Reserves				-542	542	**0**
Balances as at 31rst December 2015	**47.689**	**-490**	**15.896**	**29.831**	**7.332**	**100.258**
STATEMENT OF CHANGES IN EQUITY INTRALOT S.A. (Amounts reported in thousand of €)	**Share Capital**	**Treasury Shares**	**Legal Reserve**	**Other Reserves**	**Retained Earnings**	**Total**
Opening Balance 1st January 2014	**47.689**	**0**	**15.896**	**32.807**	**18.642**	**115.034**
Effect on retained earnings from previous years adjustment					-87	**-87**
Period's Results					-11.007	**-11.007**
Other comprehensive income /(expenses) after taxes				233		**233**
Purchase of own shares		-490				**-490**
Transfer between Reserves				-2.872	2.872	**0**
Balances as at 31rst December 2014	**47.689**	**-490**	**15.896**	**30.168**	**10.420**	**103.683**

CASH FLOW STATEMENT GROUP/COMPANY

Amounts reported in thousand of €	Note	GROUP 1/1-31/12/2015	GROUP 1/1-31/12/2014	COMPANY 1/1-31/12/2015	COMPANY 1/1-31/12/2014
Operating activities					
Profit / (losses) before Taxation		**25.739**	**36.533**	**2.424**	**-2.148**
Plus / Less adjustments for:					
Depreciation and Amortization	2.4	98.190	87.303	10.158	8.877
Provisions	2.7/2.8	9.625	10.833	4.404	94
Results (income, expenses, gains and losses) from Investing Activities	2.6/2.7 2.10/2.16	-183	-10.524	-20.971	-9.375
Interest and similar Charges	2.9	68.640	70.821	24.842	29.441
Interest and similar Income	2.9	-18.020	-12.495	-6.969	-6.271
Plus / Less adjustments of working capital to net cash or related to operating activities:					
Decrease / (increase) of Inventories		1.158	-5.203	8.590	-2.300
Decrease / (increase) of Receivable Accounts		-19.272	14.895	10.931	36.235
(Decrease) / increase of Payable Accounts (except Banks)		-23.905	-10.261	-52.034	-22.827
Less:					
Income Tax Paid		28.188	28.986	0	954
Total inflows / (outflows) from operating activities (a)		**113.784**	**152.916**	**-18.625**	**30.772**
Investing Activities					
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	2.17 2.31	-5.339	7.539	992	-695
Purchases of tangible and intangible assets	2.13-2.15	-70.786	-67.310	-17.645	-18.242
Proceeds from sales of tangible and intangible assets	2.13-2.15	2.106	315	5	0
Interest received		12.326	13.587	1.166	6.361
Dividends received		1.875	999	15.626	4.162
Total inflows / (outflows) from investing activities (b)		**-59.818**	**-44.870**	**144**	**-8.414**
Financing Activities					
Purchase of own shares	2.22	0	-490	0	-490
Cash inflows from loans	2.24	61.423	521.243	289.604	22.500
Repayment of loans	2.24	-58.781	-255.455	-227.806	-12.000
Bond buy backs	2.24	-40.885	-6.322	0	0
Repayments of finance lease obligations		-11.509	-12.170	0	0
Interest and similar charges paid		-64.850	-66.165	-16.895	-30.026
Dividends paid	2.23	-67.682	-23.663	0	0
Total inflows / (outflows) from financing activities (c)		**-182.284**	**156.978**	**44.903**	**-20.016**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)		**-128.318**	**265.024**	**26.422**	**2.342**
Cash and cash equivalents at the beginning of the period	2.31	**416.925**	**143.293**	**7.875**	**5.131**
Net foreign exchange difference		-11.998	8.608	1.562	402
Cash and cash equivalents at the end of the period	2.31	**276.609**	**416.925**	**35.859**	**7.875**

Applying IAS7 par.33 and for a more appropriate presentation, the Group decided since 2015 to classify the outflow "Interest and similar expenses paid" to "Financing activities" instead of "Operating activities", making a relevant reclassification in 2014 figures for comparative purposes.

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, 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, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content, sports betting management and interactive gaming services to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting, Racing & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers' efficiency, profitability and growth. With presence in 57 countries and states, more than 5.100 employees and revenues of €1,91 billion for 2015, INTRALOT has established its presence on all 5 major continents.

The annual condensed financial statements of the Group and the Company for the period ended December 30, 2015 were approved by the Board of Directors on March 30, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.1 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.

2.1.2 Statement of compliance

These financial statements for the period ended 31 December 2015 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 endorsed by the European Union as of December 31, 2015.

2.1.3 Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the Greek Accounting Standards (GAS) Law 4308/2014 chap. 2 & 4 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 GAS (L.4308/2014), the International Financial Reporting Standards (IFRS) 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).

2.1.4 Changes in accounting policies

For the preparation of the financial statements of period ended December 31, 2015, the accounting policies adopted are consistent with those followed in the preparation of the most recent annual financial statements (December 31, 2014), except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2015.

Standards and Interpretations compulsory for the fiscal year 2015

New standards, amendments of published standards and interpretations mandatory for accounting periods beginning on 1st January 2015. The Group's assessment of the impact of these new and amended standards and interpretations is set out below.

IFRIC 21 "Levies"

(COMMISSION REGULATION (EU) No.634/2014 of 13th June 2014, L 175 -14/06/2014)

This applies to annual accounting periods starting on or after 17th June 2014. Earlier application is permitted.

On May 2013 the IASB issued IFRIC 21 "Levies". The Interpretation describes how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements. The principal question raised was about when the entity should recognise a liability to pay a levy. This is an interpretation of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Group does not expect this interpretation to affect its 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 December 2013, a Cycle of narrow scope amendments to existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of July, 2014. The above amendments will not have significant effect on the Group's financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

(COMMISSION REGULATION (EU) No.1361/2014 of 18th December 2014, L 365/120 -19/12/2014)

IFRS 1 "First-time Adoption of International Financial Reporting Standards"

The amendment clarifies that a first-time adopter entity is allowed to use either the IFRS that is currently mandatory or the new IFRS that is not yet mandatory, if that new IFRS permits early application. It is required the entity to apply the same version of the IFRS throughout the periods covered by the entity's first IFRS financial statements. Consequently, if a first-time adopter chooses to early apply a new IFRS, that new IFRS will be applied throughout all the periods presented in its first IFRS financial statements on a retrospective basis, unless IFRS 1 provides an exemption.

IFRS 3 "Business Combinations"

The amendment clarifies that IFRS3 does not apply the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the exemption of financial assets, financial liabilities and other contracts, that is mentioned in paragraph 52 of IFRS13, includes all the contracts within the scope of, and accounted for in accordance with IAS 39 or IFRS 9, regardless of whether they meet the definitions of financial assets or financial liabilities in IAS 32 "Financial Instruments: Presentation".

IAS 40 "Investment Property"

The amendment clarifies whether a specific transaction meets the definition of a business combination as defined in IFRS 3 and includes an investment property as defined in IAS 40, the separate application of both Standards is required.

Standards and Interpretations compulsory after 31 December 2015

The following new standards, amendments and IFRICs have been published but are in effect for the annual fiscal period beginning the 1st of January 2016 and have not been adopted from the Group earlier.

IFRS 9 "Financial Instruments"

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In July 2014, the IASB completed the last phase of IAS 39 replacement by issuing IFRS 9 "Financial Instruments". The package of improvements introduced by IFRS 9 includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and Measurement

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements that are generally considered to be overly complex and difficult to apply. The new model also results in a single impairment model being applied to all financial instruments, thereby removing a source of complexity associated with previous accounting requirements.

Impairment

During the financial crisis, the delayed recognition of credit losses on loans (and other financial instruments) was identified as a weakness in existing accounting standards. As part of IFRS 9, the IASB has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting

IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

Own credit

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Early application of this improvement to financial reporting, prior to any other changes in the accounting for financial instruments, is permitted by IFRS 9.

The Group is in the process of evaluating the effect of IFRS 9 on its financial statements. IFRS 9 has not been endorsed yet by the European Union and cannot, therefore, be implemented earlier by the Group. Only when it has been endorsed will the Group decide whether or not it will implement IFRS 9 before 1st January 2018.

IFRS 7 (Amendment) "Financial Instruments: Disclosures"

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

On 16.12.2011 and on 19.11.2013, the IASB issued an amendment in IFRS 7, adding in the Standard disclosures related to the transition to IFRS 9. The amendment has not yet been endorsed by the European Union. The Group is in the process of evaluating the effect of the amendment on its financial statements.

IFRS 14 "Regulatory Deferral Accounts"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

In January 2014, the IASB issued an interim Standard, IFRS 14 "Regulatory Deferral Accounts". The aim of this interim Standard is to enhance the comparability of financial reporting by entities that are engaged in rate-regulated activities. Many countries have industry sectors that are subject to rate regulation, whereby governments regulate the supply and pricing of particular types of activity by private entities. This can include utilities such as gas, electricity and water. Rate regulation can have a significant impact on the timing and amount of an entity's revenue. IFRS does not provide any specific guidance for rate-regulated activities. The IASB has a project to consider the broad issues of rate regulation and plans to publish a Discussion Paper on this subject. Pending the outcome of this comprehensive Rate-regulated Activities project, the IASB decided to develop IFRS 14 as an interim measure. IFRS 14 permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. However, to enhance comparability with entities that already apply IFRS and do not recognise such amounts, the Standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the Standard. These amendments do not affect Group financial statements and have not yet been endorsed by the European Union.

IFRS 15 "Revenue from Contracts with Customers"

This applies to annual accounting periods starting on or after 1st January 2018. Earlier application is permitted.

In May 2014, the International Accounting Standards Board (IASB), responsible for International Financial Reporting Standards (IFRS), and the Financial Accounting Standards Board (FASB), responsible for US Generally Accepted Accounting Principles (US GAAP), jointly issued a converged Standard on the recognition of revenue from contracts with customers. The Standard will improve the financial reporting of revenue and improve comparability of the financial statements globally.

Revenue is a vital metric for users of financial statements and is used to assess a company's financial performance and prospects. However, the previous requirements of both IFRS and US GAAP were different and often resulted in different accounting for transactions that were economically similar. Furthermore, while revenue recognition requirements of IFRS lacked sufficient detail, the accounting requirements of US GAAP were considered to be overly prescriptive and conflicting in certain areas.

Responding to these challenges, the boards have developed new, fully converged requirements for the recognition of revenue in both IFRS and US GAAP—providing substantial enhancements to the quality and consistency of how revenue is reported while also improving comparability in the financial statements of companies reporting using IFRS and US GAAP.

This new Standard replaces IAS 18, IAS 11 and the Interpretations IFRIC 13, IFRIC 15, IFRIC 18 and SIC 31 that are related to revenue recognition. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The Group will assess the impact of the amendment on its financial statements. This amendment has not yet been endorsed by the European Union.

IFRS 16 "Leases"

This applies to annual accounting periods starting on or after 1st January 2019. Earlier application is permitted if IFRS 15 "Revenue from Contracts with Customers" has also been applied.

In January 2016, the IASB issued a new accounting Standard, called IFRS 16 "Leases" that replaces IAS 17 "Leases", and related Interpretations. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

As for lessee, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognise:

(a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and

(b) depreciation of lease assets separately from interest on lease liabilities in the income statement.

As for lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group will assess the impact of the new standard on its financial statements. This new standard has not yet been endorsed by the European Union.

IAS 12 (Amendment) "Income Taxes"

This applies to annual accounting periods starting on or after 1st January 2017. Earlier application is permitted.

In January 2016 the IASB issued amendments in IAS 12 "Income Taxes" about Recognition of Deferred Tax Assets for Unrealised Losses, clarifying how to account for deferred tax assets related to debt instruments measured at fair value to address diversity in practice.

The Group will assess the impact of the new standard on its financial statements. This new standard has not yet been endorsed by the European Union.

IAS 19 (Amendment) "Employee Benefits"

(COMMISSION REGULATION (EU) No.2015/29 of 17th December 2014, L 5/11 -9/1/2015)

This applies to annual accounting periods starting on or after 1st February 2015. Earlier application is permitted.

In November 2013 the IASB issued narrow scope amendments in IAS 19 "Employee Benefits". The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Group will assess the impact of the amendment on its financial statements.

IAS 16 (Amendment) "Property, Plant and Equipment" and IAS 38 (Amendment) "Intangible Assets"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

(COMMISSION REGULATION (EU) No. 2015/2231 of 2nd December 2015, , L 317/19 -3/12/2015)

In May 2014, the IASB published amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets". IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances. These amendments do not affect Group financial statements.

IAS 16 (Amendment) "Property, Plant and Equipment" and IAS 41 (amendment) "Agriculture"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

(COMMISSION REGULATION (EU) No. 2015/2113 of 23rd November 2015, L 306/7 -24/11/2015)

In June 2014, the IASB published amendments that change the financial reporting for bearer plants. The IASB decided that bearer plants should be accounted for in the same way as property, plant and equipment in IAS 16 "Property, Plant and Equipment", because their operation is similar to that of manufacturing. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. These amendments do not affect Group financial statements.

IFRS 11 (Amendment) "Joint Arrangements"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

(COMMISSION REGULATION (EU) No. 2015/2173 of 24th November 2015, L 307/11 -25/11/2015)

In May 2014, the IASB published amendments to IFRS 11 "Joint Arrangements". IFRS 11 addresses the accounting for interests in joint ventures and joint operations and adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. These amendments do not affect Group financial statements.

IAS 27 (Amendment) "Separate Financial Statements"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.
(COMMISSION REGULATION (EU) No. 2015/2441 of 18th December 2015, L 336/49 -23/12/2015)
In August 2014, the IASB published amendments to IAS 27 "Separate Financial Statements". The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Intralot SA will continue accounting, in its separate financial statements, for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9.

IFRS 10 & IAS 28 (Amendments) "Sale or contribution of Assets between an Investor and its Associate or Joint Venture"

In September 2014, the IASB announced that the amendments apply to annual accounting periods starting on or after 1st January 2016. In December 2015 it was announced that application is indefinitely deferred. Earlier application is permitted.
In September 2014, the IASB published amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures". The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The Group will assess the impact of the amendment on its financial statements. These amendments have not yet been endorsed by the European Union.

IFRS 10, IFRS 12 & IAS 28 (Amendments) "Investment Entities: Applying the Consolidation Exception"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.
In December 2014, the IASB published amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in other entities" and IAS 28 "Investments in Associates and Joint Ventures". The amendments introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the Standards. These amendments do not affect Group financial statements. These amendments have not yet been endorsed by the European Union.

IAS 1 (Amendment) "Presentation of Financial Statements"

This applies to annual accounting periods starting on or after 1st January 2016. Earlier application is permitted.

(COMMISSION REGULATION (EU) No. 2015/2406 of 18th December 2015, L 333/97 -19/12/2015)

In December 2014, the IASB published amendments to IAS 1 "Presentation of Financial Statements". The amendments are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The Group will take into account the amendments during the preparation of its 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 December 2013, a Cycle of narrow scope amendments to existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of February, 2015. The above amendments will not have significant effect on the Group's financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

(COMMISSION REGULATION (EU) No.2015/28 of 17th December 2014, L 5/1 -9/1/2015)

IFRS 2 "Share-based Payment"

Definitions of "vesting conditions" and "market conditions" are amended and the definitions of "performance conditions" and "service conditions" are added (previously were part of the "vesting conditions" definition).

IFRS 3 "Business Combinations"

The amendment clarifies that the contingent consideration that is classified as financial asset or liability shall be measured at fair value at each reporting date.

IFRS 8 "Operating Segments"

The amendment requires that an entity shall disclose the judgements made by the management in applying the aggregation criteria in operating segments. It also clarifies that the entity shall provide reconciliations of the total reportable segments' assets to the entity's assets only if the segments assets are reported regularly.

IFRS 13 "Fair Value Measurement"

The amendment clarifies that the issue of IFRS 13 and the amendments of IFRS 9 and IAS 39 did not result in the deletion of the ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, when the effect of not discounting is immaterial.

IAS 16 "Property, Plant and Equipment"

The amendment clarifies that when an item of property, plant and equipment is revalued, the gross carrying amount is adjusted in a manner that is consistent with revaluation of the carrying amount of the asset and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

IAS 24 "Related Party Disclosures"

The amendment clarifies that the entity, or any member of a group of which is part, provides "key management personnel" services to the reporting entity or to the parent of the reporting entity, is a related party to the reporting entity.

IAS 38 "Intangible Assets"

The amendment clarifies that when an intangible asset is revalued, the gross carrying amount is adjusted in a manner that is consistent with revaluation of the carrying amount of the asset and the accumulated depreciation is eliminated against the gross carrying amount of the asset.

Also, IASB in its annual improvement program published in September 2014, one new Cycle of narrow scope amendments to existing Standards. The amendments hold for the annual fiscal periods beginning on or after the 1st of January, 2016. The above amendments will not have significant effect on the Group's financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle

(COMMISSION REGULATION (EU) No. 2015/2343 of 15th December 2015, L 330/20 -16/12/2015)

IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations"

The amendment clarifies the accounting for a change in a disposal plan from a plan to sell a non-current asset (or disposal group) to a plan to distribute a non-current asset (or disposal group), and provides guidance in IFRS 5 for the discontinuation of held for distribution accounting.

IFRS 7 "Financial Instruments: Disclosure"

The amendment clarifies how an entity should apply the guidance in paragraph 42C of IFRS 7 to a servicing contract in order to decide whether a servicing contract is "continuing involvement" for the purposes of applying the disclosure requirements in paragraphs 42E–42H of IFRS 7.

IAS 19 "Employee Benefits"

The amendment clarifies that for the determination of the rate used to discount post-employment benefit obligations, the depth of the market for high quality corporate bonds should be assessed at the currency level.

IAS 34 "Interim Financial Reporting"

The amendment clarifies the meaning of disclosure of information "elsewhere in the interim financial report" in paragraph 16A of IAS 34 and requires the inclusion of a cross-reference from the interim financial statements to the location of this information.

2.1.5 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.

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.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect the amount of its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of comprehensive income and financial position from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 the parent's share of 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.

2.1.6 Business combination and goodwill

a) Subsidiaries

Subsidiaries are entities that are controlled by the Group. 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. For each subsidiary acquired, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included to income statement.

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 income statement or as a change in other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. 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 consideration transferred, the amount recognized for non-controlling interests and any previous interest held, over the net fair value of the identifiable assets acquired and liabilities assumed of the acquiree. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the

Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised 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. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. 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 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.

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 and joint ventures

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in associates and joint ventures are accounted for using the equity method. Under this method, investments in associates or joint ventures 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 or joint venture. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the Group's share of the post-acquisition associate's or joint venture's results after taxes and non-controlling interests of the associate's or joint venture's subsidiaries. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income. Also, the Group's share of the changes in associates' or joint ventures' 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 or joint venture are eliminated to the extent of the interest in the associate or joint venture.

If an associate or joint venture uses accounting policies other than those of the Group for similar transactions and events in similar circumstances, adjustments are made to the associate's or joint venture's financial statements so as to apply the equity method.

The financial statements of associates or joint ventures are prepared for the same reporting period as the parent company.

If the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, 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 or joint venture.

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 or joint venture. The Group incurs impairment test at the end of each reporting period comparing the recoverable amount of the investment in associate or joint venture to its carrying value and recognizes the difference in the income statement 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 or joint control over a joint venture 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 or joint venture is recognized in the income statement of the period.

Investments in associates or joint venture are stated in the statement of financial position of the Company at their cost less any impairment in value.

2.1.7 Foreign Currency Translation

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€). The Group's consolidated financial statements are presented in euros. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rates of exchange at the reporting date.

All resulting differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to Other Comprehensive Income until the disposal of the net investment, at which time they are recognized in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in 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 are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation 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 spot rate of exchange at the reporting date.

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 reporting 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 income statement.

2.1.8 Tangible assets

Tangible assets are stated at historical 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 income statement in the year the item is derecognized. 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 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 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 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 less costs of disposal 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies or other available fair value indicators. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

2.1.9 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.

2.1.10 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial

recognition, investment properties are stated at historical cost less provisions for depreciation and impairment. Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying amount at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under tangible assets up to the date of change in use.

2.1.11 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 • Licenses • 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 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 at the expected useful life.

Amortization of finite life intangibles is recognized as an expense in the income statement 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 costs, internally generated are not capitalized and the costs are included in the income statement in the year they are incurred.

The carrying values of intangible assets 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 intangible assets or cash-generating units are written down to their recoverable amount. The recoverable amount is the greater of fair value less costs of disposal 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 intangible asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for public traded companies

or other available fair value indicators. For an intangible asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the intangible asset belongs. Impairment losses are recognized in the income statement.
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 income statement when the asset is derecognized.

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

2.1.12 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 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 income statement 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 income statement 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 income statement 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 instruments and debt instruments. Equity instruments 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 income statement of the period.

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 (s) 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 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 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 instruments 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.

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 mainly 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 income statement, 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 income statement 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 income statement 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 income statement as finance income/expenses.

Amounts recognized as other comprehensive income are transferred to the income statement 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 income statement. 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 income statement.

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 income statement. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in other comprehensive income is transferred to the income statement.

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 income statement.

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 income statement 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, 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 income statement.

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 not exists 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 income statement.

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.

2.1.13 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 income statement.

2.1.14 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 the future periods, in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

2.1.15 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. Also, cheques payables that have not been paid at the reporting 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.

2.1.16 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.

2.1.17 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 income statement 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.

2.1.18 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 charged directly to the income statement. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

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 income statement during the lease using the net investment method, which represents a constant periodic return.

2.1.19 Share capital – Treasury shares

Share capital includes common and preference shares without voting right, which have been issued and 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 income statement. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

2.1.20 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 income statement, 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 2.26.

Any outstanding stock options during the reporting period are taken into account for the calculation of the diluted earnings per share.

2.1.21 Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the defined benefit obligations at the reporting 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 pension costs for the period are included 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 and any other additional pension costs that are recognised within staff costs in income statement, and the actuarial gains or losses that are fully recognized when they occur, in other comprehensive income without future reclassification in income statement. Total past service costs are recognized in income statement at the earlier of when the amendment occurs or when the Group recognizes the related restructuring or termination costs. The Company's pension benefit schemes are not funded.

2.1.22 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.

2.1.23 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 income statement 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, 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. 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 income statement using the effective interest rate method.

- ***Dividends:*** Dividend income is recognized in the income statement 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.

2.1.24 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 reporting 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 reporting 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 reporting 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 income statement.

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.

2.1.25 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.
When the grant relates to an expense item, it is presented in the statement of financial position as deferred income and is recognised as deduction in the relative expenses on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.
When the grant relates to an asset, it is presented in the statement of financial position as deferred income and is recognised as income in the profit or loss on a systematic basis over the expected useful life of the related asset.

2.1.26 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, taking into account 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).

2.1.27 EBITDA & EBIT

International Financial Reporting Standards (IFRS) do not define the content of the "EBITDA" & "EBIT". The Group taking into account the nature of its activities, as well as the Decision 6/448/11.10.2007 of the BoD of Hellenic Capital Market Commission and the relative Circular no.34 defines "EBITDA" as "Operating Profit / (Loss) before tax" adjusted for the figures "Profit / (loss) from equity method consolidations", "Exchange Differences", "Interest and related income", "Interest and similar charges", "Income / (expenses) from investments and securities", "Write-off and impairment losses of assets", "Gain / (loss) from asset disposal" and "Assets depreciation and amortization". Also, the Group defines "EBIT" as "Operating Profit / (Loss) before tax" adjusted for the figures "Profit / (loss) from equity method consolidations", "Exchange Differences", "Interest and related income", "Interest and similar charges", "Income / (expenses) from investments and securities", "Write-off and impairment losses of assets" and "Gain / (loss) from asset disposal".

Reconciliation of operating profit before tax to EBIT and EBITDA:	GROUP	
	1/1-31/12/15	1/1-31/12/14
Operating profit/(loss) before tax	**25.739**	**36.533**
Profit/(loss) equity method consolidation	4.063	2.279
Exchange differences	-3.627	-10.552
Interest and related income	-18.020	-12.495
Interest and similar charges	68.640	70.821
Income / (expenses) from investments and securities	231	40
Gain / (loss) from assets disposal, impairment losses & write-off of assets	1.986	1.516
EBIT	**79.012**	**88.142**
Depreciation and amortization	98.190	87.303
EBITDA	**177.202**	**175.445**

Reconciliation of operating profit before tax to EBIT and EBITDA:	COMPANY	
	1/1-31/12/15	1/1-31/12/14
Operating profit/(loss) before tax	**2.424**	**-2.148**
Exchange differences	-2.556	-5.309
Interest and related income	-6.969	-6.271
Interest and similar charges	24.842	29.441
Income / (expenses) from investments and securities	17.836	-4.516
Gain / (loss) from assets disposal, impairment losses & write-off of assets	-6	0
EBIT	**35.571**	**11.197**
Depreciation and amortization	10.158	8.877
EBITDA	**45.729**	**20.074**

2.1.28 Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the amounts of revenues, expenses, assets liabilities and disclosures of contingent liabilities that included in the financial statements. On an ongoing basis, management evaluates its judgements, estimates and assumptions that mainly refer to goodwill impairment, allowance for doubtful receivables, provision for staff retirement indemnities, provision for impairment of inventories value, impairment of tangible and intangible assets as well as estimation of their useful lives, recognition of revenue and expenses, pending legal cases, provision for income tax and recoverability of deferred tax assets. These judgements, estimates and assumptions are based on historical experience and other factors including expectations of future events that are considered reasonable under the circumstances.

The key judgements, estimates and assumptions concerning the future and other key sources of uncertainty at the reporting date and have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the below:

Goodwill, tangible and intangible assets impairment

Management tests goodwill for impairment annually (as at 31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may be reduced in accordance with accounting policy described in note 2.15. The recoverable amounts of cash generating units (CGU) have been determined based on “value in use” calculations using appropriate estimates regarding future cash flows and discount rates. The determination of value in use is obtained by the present value of estimated future cash flows, as expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the administration budgets for the next three years and does not include any estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance, which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets, estimated by extrapolating the projections based on the budgets using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates and beyond the period of five years where has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and historical renewals track record of the Group, it is very possible to renew relevant contracts beyond this period. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions on which its current cash flow projections are based by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that effects of subsequent events or circumstances, that did not exist when those actual cash flows were generated, make this appropriate. Further details are provided in note 2.15.

The carrying values of tangible and intangible assets are reassessed for possible need for impairment whenever events or circumstances indicate that the value reported on may not be recovered in accordance with the accounting principle described in the notes 2.1.8 and 2.1.11.

Income Tax Provision

The companies of the Group are subject to income taxes in numerous jurisdictions. The provision for income taxes in accordance with IAS 12 "Income Taxes" refers to the amounts expected to be paid to the tax authorities and includes provision for current income taxes and the provision for any additional taxes that may arise as a result of the audit of the tax authorities. The provision for income tax of the Group for numerous transactions require significant subjective judgment, making tax exact calculation uncertain during the ordinary course of business of the Group. The estimate may differ from the final tax due to future changes in tax legislation or to unforeseen effects of the final determination of the tax liability for each year from the tax authorities. Where the final tax resulting from tax audits differ from the amounts that were initially assessed and recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination of tax differences occurred. Further details are provided in notes 2.11 and 2.32.B.

Deferred Tax Assets

Deferred tax assets and liabilities are recognized on temporary differences between the accounting basis and the tax basis of assets and liabilities using the tax rates that have been enacted and are expected to apply in the periods when the differences are expected to be eliminated. Deferred tax assets are recognized for the deductible temporary differences and tax losses carried forward to the extent that it is probable that there will be taxable income available to be used against which the deductible temporary differences and the carry forward of unused tax losses. The Group considers the existence of future taxable income and ongoing follow a conservative tax planning strategies in assessing the recoverability of deferred tax assets. The determination of future taxable income is made through the systematic process of budgeting, at the parent company level as well as at the level of subsidiaries, which are mainly based on already signed long-term revenue contracts. Almost all of the Group's revenue (parent and subsidiaries) derives from long-term contracts signed making the risk of discrepancies between budgeted and actual revenue as low, something that applies to the costs that usually are in a proportion relationship with the revenue of the related contracts. In any case there is a system of monitoring for the verification of these budgets and conducting relevant adjustments, resulting in the safe keeping of any final discrepancies at low levels. The accounting estimates related to deferred tax assets requires management to make assumptions about the timing of future events, the probability of expected future taxable income and available tax planning possibilities. Further details are provided in Note 2.11.

Allowance for doubtful receivables

The Group impairs the value of receivables when there is evidence or indications which show that the recovery of the receivables in whole or in part is unlikely. The Group's Management periodically reassesses the adequacy of the allowance for doubtful accounts based on factors such as the credit policy, reports from the legal department for recent developments in cases handled by this, and its estimation of the influence of other factors related to the collectability requirements. Further details are provided in notes 2.18 and 2.19.

Provision for staff retirement indemnities

Liabilities for retirement benefits are calculated using actuarial methods that require management to assess specific parameters such as discount rates, future growth rates of employee wages, the future rate of employees' retirement and other factors such as the inflation rate. The Group's management estimates in the best possible way these parameters on an annual basis, for the relevant actuarial study.

Estimation of assets useful life

The Group reassesses at each year end and, when appropriate, prospectively adjusts useful lives of tangible and intangible assets that were recognized either through acquisition or business combination. These estimates take into account new data and current market conditions. Further details are provided in notes 2.1.8, 2.1.10, 2.1.11, 2.14 and 2.15.

Contingent liabilities

The Group reviews the status of each significant legal case on a periodic basis and assesses the potential risk, based partly on the view of legal department. If the potential loss from any litigation and legal matters is considered probable and the amount can be reliably estimated, the Group recognizes a liability for the estimated loss. In order to determine the probability and whether the risk can be estimated reliably, a considerable degree of judgment of management is required. When additional information becomes available, the Group reassesses the potential liability related to pending litigation and legal proceedings, and estimates for the probability of an unfavorable outcome and an assessment of potential loss may be revised. Such revisions in the estimates of the potential liability could have a material effect on the financial position and income statement of the Group. Further details are provided in note 2.32.A.

Provision for impairment of inventories value

The Group recognizes inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated selling expenses. Provisions for impairment of inventories are formed when necessary and recognized in the income statement.

Consolidation of subsidiaries in which the Group holds less than a majority of voting right (de facto control)

The Group estimates that controls the subsidiaries Supreme Ventures LTD, Inteltek Internet AS, Eurofootball LTD and DC09 LLC, even though it holds less than 50% of the voting rights, since the conditions of IFRS 10 are met. Specifically, the control of Supreme Ventures LTD based on the fact that the Group is the largest shareholder with a stake of 49.90%, while the remainder of the shares of Supreme Ventures LTD is widely held in many other shareholders and since the acquisition date of Supreme Ventures LTD there is no history of the other shareholders collaborating to exercise their votes collectively or outvote the Group's proposals. Also, for the subsidiaries Inteltek Internet AS, Eurofootball LTD and DC09 LLC, in which the Group holds 45%, 49% and 49% respectively of the voting rights, the control is based on the fact that the Group has signed agreements with other shareholders under which the Group has the ability to direct the business decisions of these subsidiaries.

Business combination

Group when acquiring a company performs the necessary estimates in determining the fair value and the useful life of the acquired tangible and intangible assets. Future events could cause changes in the assumptions used in determining fair value with a corresponding effect on the results and equity of the Group. Further details are provided in note 2.1.6.a.

Additionally on the above key sources of uncertainty, during the first semester of 2015 the Greek economy was negatively affected from the fact that the negotiations of the Greek government and the Institutions for a new debt agreement failed and led in June 28, 2015 to a Legislative Act (L.A.) that enforced a Bank holiday and capital controls. Bank operations started again in July 20, 2015, however the capital controls still exist. The Greek government finally in August 2015 reached an agreement with the Institutions for a new three year debt agreement amounting to 86 billion Euros. The above events had a negative impact in the Greek economy in the twelve months of 2015, while the continuing uncertainty and the capital controls are expected to negatively affect the first quarter of 2016.

The developments in the Greek economy is not expected to affect the financial results of INTRALOT, since the revenues of the Group from its activities in Greece was less than 2,1% of its total revenues in 2015. The very small exposure of the Group in commercial activities in Greece stems from its highly diversified portfolio of projects in 57 jurisdictions that limits its dependence from any single market.

Moreover, the Management team of INTRALOT has proactively prepared an action plan that analyses various economic risk scenarios and identifies appropriate preventive and remediation actions. The plan of INTRALOT ensures the unobstructed continuation of its business by providing a continuous flow of all human, material, technological and financial resources required for its operations.

2.2 INFORMATION PER SEGMENT

Intralot Group is active in 57 countries and states, 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, Germany, Czech Republic and Slovakia and Republic of Ireland.
Other Europe:	Russia, Moldova and Croatia.
America:	USA, Peru, Brazil, Argentina, Mexico, Jamaica, Chile, Colombia, Guatemala, Dominican Republic, Suriname, Uruguay, Curacao 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”.

1/1-31/12/2015

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	958,26	5,21	659,31	292,10	0,00	1.914,88
Intragroup sales	78,74	0,00	0,49	0,03	-79,26	0,00
Total Sales	**1.037,00**	**5,21**	**659,80**	**292,13**	**-79,26**	**1.914,88**
(Debit)/Credit interest & similar (expenses)/income	-55,32	-0,43	-3,82	8,41	0,54	-50,62
Depreciation/Amortization	-59,83	-1,76	-31,56	-9,43	4,39	-98,19
Profit/(loss) consolidated with equity method	-0,44	0,00	0,00	-3,62	0,00	-4,06
Write-off & impairment of assets	-1,08	0,00	-1,75	0,00	0,00	-2,83
Write-off & impairment of investments	-37,76	0,00	0,00	0,00	37,76	0,00
Doubtful provisions, write-off & impairment of receivables	-12,98	0,02	-0,69	-0,61	9,41	-4,85
Reversal of doubtful provisions	37,37	0,00	0,08	0,00	-37,37	0,08
Profit/(Loss) before taxes	**1,93**	**0,37**	**16,91**	**68,98**	**-62,45**	**25,74**
Taxes	-14,47	0,19	-11,16	-20,98	0,00	-46,42
Profit/(Loss) after taxes	**-12,54**	**0,56**	**5,75**	**48,00**	**-62,45**	**-20,68**

1/1-31/12/2014

(in million €)	European Union	Other Europe	America	Other Countries	Eliminations	Total
Sales to third parties	940,15	7,33	549,47	356,21	0,00	1.853,16
Intragroup sales	59,16	0,00	1,82	0,45	-61,43	0,00
Total Sales	**999,31**	**7,33**	**551,29**	**356,66**	**-61,43**	**1.853,16**
(Debit)/Credit interest & similar (expenses)/income	-56,02	-0,34	-4,63	2,62	0,04	-58,33
Depreciation/Amortization	-53,88	-2,38	-26,88	-8,79	4,63	-87,30
Profit/(loss) consolidated with equity method	0,00	0,00	0,00	-2,28	0,00	-2,28
Write-off & impairment of assets	-0,56	-0,01	-0,98	0,00	0,00	-1,55
Write-off & impairment of investments	-11,91	-10,45	-0,44	0,00	22,80	0,00
Doubtful provisions, write-off & impairment of receivables	-13,00	-0,31	-1,39	-0,20	6,38	-8,52
Reversal of doubtful provisions	6,02	0,00	0,00	0,00	-5,68	0,34
Profit/ (Loss) before taxes	**-25,26**	**-13,83**	**19,63**	**65,71**	**-9,72**	**36,53**
Taxes	-12,5	-0,22	-7,87	-23,58	0,00	-44,17
Profit/(Loss) after taxes	**-37,76**	**-14,05**	**11,76**	**42,13**	**-9,72**	**-7,64**

Revenue per business activity:

(in thousand €)	31/12/2015	31/12/2014	Change
Licensed operations	1.579.248	1.505.042	4,93%
Management contracts	131.371	138.279	-5,00%
Technology and support services	204.266	209.843	-2,66%
Total	**1.914.885**	**1.853.164**	**3,33%**

2.3 STAFF COSTS

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Salaries	102.015	97.107	16.240	17.621
Social security contributions	16.454	16.156	3.455	3.448
Staff retirement indemnities (Note 2.25)	2.029	1.595	1.473	1.547
Other staff costs	11.893	11.407	737	781
Total	**132.391**	**126.265**	**21.905**	**23.397**

Salaries & Social security contributions per cost center December 31, 2015

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	47.913	11.892	40.217	1.993	102.015
Social security contributions	7.747	2.183	6.021	503	16.454
Staff retir. & other costs	6.441	1.695	5.405	381	13.922
Total	**62.101**	**15.770**	**51.643**	**2.877**	**132.391**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	3.902	4.072	6.348	1.918	16.240
Social security contributions	1.057	876	1.019	503	3.455
Staff retir. & other costs	732	455	642	381	2.210
Total	**5.691**	**5.403**	**8.009**	**2.802**	**21.905**

Salaries & Social security contributions per cost center December 31, 2014

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	42.950	12.896	37.739	3.522	97.107
Social security contributions	6.622	2.553	6.246	735	16.156
Staff retir. & other costs	6.589	1.382	4.775	256	13.002
Total	**56.161**	**16.831**	**48.760**	**4.513**	**126.265**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Salaries	3.660	4.100	6.414	3.447	17.621
Social security contributions	805	881	1.028	734	3.448
Staff retir. & other costs	1.397	279	396	256	2.328
Total	**5.862**	**5.260**	**7.838**	**4.437**	**23.397**

The number of employees of the Group at the end of the current period amounted to 5.080 persons (4.963 subsidiaries and associates 117) and the Company's 660 persons. As at 31/12/2014 the number of employees of the Group were 5.348 persons (subsidiaries 5.269 and associates 79) and the Company's 690 persons.

2.4 DEPRECIATION AND AMORTIZATION

Depreciation and amortization recognized in the accompanying financial statements are analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Depreciation of tangible fixed assets (Note 2.13)	49.677	44.157	1.124	1.449
Amortization of intangibles (Note 2.15)	48.443	43.146	9.034	7.428
Depreciation of investment property (Note 2.14)	70	0	0	0
Total	**98.190**	**87.303**	**10.158**	**8.877**

Depreciation and amortization per cost center 31/12/2015					
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	76.501	1.485	19.086	1.118	**98.190**
Company	6.096	1.218	1.726	1.118	**10.158**

Depreciation and amortization per cost center 31/12/2014					
	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Total
Group	66.086	1.420	18.820	977	**87.303**
Company	5.326	1.065	1.509	977	**8.877**

2.5 EXPENSES BY NATURE

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Staff Costs (Note 2.3)	132.391	126.265	21.905	23.397
Depreciation & amortization (Note 2.4)	98.190	87.303	10.158	8.877
Change in inventories	10.339	17.058	12.007	3.343
Winners Payout, game taxes and agent commissions	1.332.688	1.284.051	0	0
Consumables	12.333	11.961	0	0
Third party fees	90.439	84.981	18.420	30.862
Other expenses	174.397	158.784	13.147	9.798
Total	**1.850.777**	**1.770.403**	**75.637**	**76.277**

2.6 INCOME / (EXPENSES) FROM PARTICIPATIONS AND INVESTMENTS

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Income from dividends	1.819	864	18.376	4.861
Gain from sale of participations and securities	1.314	717	0	0
Other income from participations and securities	0	18	0	0
Total income from participations and securities	**3.133**	**1.599**	**18.376**	**4.861**
Loss from sale of participations and securities	-3.364	-1.639	0	-166
Loss from impairment / write-offs of participations and securities	0	0	-36.212	-179
Total expenses from participations and securities	**-3.364**	**-1.639**	**-36.212**	**-345**
Net result from participations and securities	**-231**	**-40**	**-17.836**	**4.516**

2.7 GAIN/(LOSSES) FROM ASSETS DISPOSAL, IMPAIRMENT LOSSES & WRITE-OFF OF ASSETS

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Gain from disposal of tangible and intangible assets	1.208	54	6	0
Loss from disposal of tangible and intangible assets	-362	-20	0	0
Loss from impairment and write-off of tangible and intangible assets	-2.832	-1.550	0	0
Net result from tangible and intangible assets	**-1.986**	**-1.516**	**6**	**0**

2.8 IMPAIRMENT, WRITE OFF AND PROVISIONS FOR DOUBTFUL DEBTS

Included in other operating expenses:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Provisions for doubtful receivables from subsidiaries	0	0	4.065	0
Provisions for doubtful receivables from debtors	4.339	3.117	0	754
Receivables write off from debtors	506	5.401	0	4.435
Receivables write off from associates	4	0	0	0
Total	**4.849**	**8.518**	**4.065**	**5.189**

2.9 INTEREST AND SIMILAR CHARGES / INTEREST AND SIMILAR INCOME

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Interest Expense	-61.672	-59.266	-23.970	-24.917
Losses on derivatives	0	-917	0	-180
Finance costs	-6.911	-10.632	-872	-4.344
Discounting	-57	-6	0	0
Total Interest and similar Charges	**-68.640**	**-70.821**	**-24.842**	**-29.441**
Interest Income	17.275	12.204	6.969	6.091
Gains on derivatives	0	190	0	180
Discounting	745	101	0	0
Total Interest and similar Income	**18.020**	**12.495**	**6.969**	**6.271**
Net Interest and similar Income / (Charges)	**-50.620**	**-58.326**	**-17.873**	**-23.170**

2.10 EXCHANGE DIFFERENCES

The Group reported in the Income Statement for the fourth quarter of 2015 earnings from «Exchange differences» amounting to €3.627 thousand (fourth quarter of 2014: profit €10.552 thousand) mainly from valuation of commercial and borrowing liabilities (intercompany and non) in EUR that various subsidiaries abroad, with a different functional currency than the Group, had at 31/12/2015 as well as from valuation of trade receivables (from third parties and associates) in USD of the Company on 31/12/2015.

2.11 INCOME TAXES

GROUP	1/1-31/12/2015	1/1-31/12/2014
Current income taxes	35.967	31.415
Deferred income taxes	1.417	12.458
Tax audit differences and other taxes non-deductible	9.031	302
Total income tax expense reported in income statement	**46.415**	**44.175**

The income tax expense for the Company was calculated to 29% and 26% on the taxable profit of the periods 1/1-31/12/2015 and 1/1-31/12/2014 respectively.

COMPANY	1/1-31/12/2015	1/1-31/12/2014
Current income taxes	607	0
Deferred income taxes	1.010	8.859
Tax audit differences and other taxes non-deductible	4.437	0
Total income tax expense reported in income statement	**6.054**	**8.859**

Income tax attributable to the Group's profit differs from the amount that would arise by applying the nominal tax rate applicable at the domicile of the Parent Company, as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Profit before income taxes	**25.739**	**36.533**	**2.424**	**-2.148**
Income taxes based on the statutory income tax rate of the Parent 29% (2014: 26%)	7.464	9.498	703	-558
Adjustments to income taxes related to:				
Adjustments in previous periods provisions	1.929	870	0	0
Tax effect of non-deductible tax expenses	25.643	24.701	16.147	8.589
Tax effect of transferred losses, for which deferred tax asset was not recognized	17.665	23.409	-4.867	2.605
Tax effect of tax free reserves	5	59	0	0
Tax effect of non taxable profits	-3.560	-8.057	-11.062	-1.777
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	-12.916	-8.329	0	0
Other taxes non-deductible	6.875	0	4.437	0
Deferred tax effect due to tax rate change	1.324	1.722	0	0
Tax effect of losses for which deferred tax asset was recognized	-170	0	696	0
Income tax of previous years after tax audit	2.156	302	0	0
Provision for additional taxes from future tax audits	0	0	0	0
Income taxes as reported in the income statement	**46.415**	**44.175**	**6.054**	**8.859**

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net deferred tax asset at beginning of the year	**-5.705**	**6.586**	**-5.599**	**3.284**
(Debit)/Credit to the consolidated statement of comprehensive income	-1.417	-12.458	-1.010	-8.859
Opening balance restatement	0	0	0	0
Exchange difference	183	299	0	0
Non-consolidated entity due to liquidation / disposal	0	18	0	0
Deferred tax on other comprehensive income	-88	-150	-91	-24
Net deferred tax asset at end of the year	**-7.027**	**-5.705**	**-6.700**	**-5.599**

The deferred tax asset and liability presented in the accompanying balance sheet are analyzed as follows:

31/12/2015	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Tax losses carried forward	6.013	0	0	0
Inventories– Intercompany profit	577	0	508	0
Financial assets	40	0	1	0
Long term receivables	0	-369	0	0
Provisions	2.211	-568	989	0
Tangible assets	-1.984	455	0	-19
Investment properties	282	0	0	0
Intangibles assets	117	-13.004	0	-5.177
Short term receivables	37	-3.179	0	-2.916
Accrued expenses	185	1.417	20	0
Long term liabilities	97	-423	0	0
Short term liabilities	937	-83	0	-106
Short term loans	603	-388	0	0
Total	**9.115**	**-16.142**	**1.518**	**-8.218**

1/1/2015 – 31/12/2015	Income Statement	
Deferred income tax	GROUP	COMPANY
Prior years' tax losses utilized	641	0
Subsidiaries' tax losses carried forward	-849	0
Accrued expenses	-137	-38
Tangible assets	-31	-23
Investment properties	-284	0
Intangible assets	1.760	1.054
Financial assets	17	-1
Short term receivables	1.421	1.659
Long Term receivables	668	0
Inventories– impairment	-791	-843
Short term provisions	-1.489	-1.448
Short term liabilities	352	664
Long term liabilities	139	-14
Deferred Tax (income) / expense	**1.417**	**1.010**

On 31/12/2015 the most significant Group's subsidiaries (excluding Company) had accumulated tax losses amounting to about €259,2 million and had recognized a deferred tax asset of €6,0 million (2014: €5,8 million) attributable to tax losses amounting to €21,9 million. For the remaining tax losses amounting to €237,3 million there was no deferred tax asset recognized on 31.12.2015 since the recognition criteria under IAS 12 as described in notes 2.1.24 and 2.1.28 were not met. Of the above total accumulated tax losses amount of €66,0 million can be transferred up to the periods 2016-2020, amount of €59,5 million until the periods 2021-2035 and finally an amount of €133,7 million has no time limit.

Also on 31/12/2015 the Company did not have accumulated tax losses and had not recognized deferred tax asset. On 31/12/2014 the Company had accumulated tax losses amounting €12,1 million, and there was no deferred tax asset recognized attributable to these tax losses since the recognition criteria under IAS 12 as described in notes 2.1.24 and 2.1.28 were not met.

31/12/2014	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
Subsidiaries' tax losses carried forward	5.765	0	0	0
Inventories– Intercompany profit	-211	0	-335	0
Financial assets	66	-4	0	0
Long term receivables	306	0	0	0
Provisions	1.634	-1.815	1.065	-1.448
Tangible assets	-792	-950	0	-42
Intangibles assets	78	-11.238	0	-4.122
Short term receivables	116	-1.870	0	-1.257
Accrued expenses	297	1.248	0	-18
Long term liabilities	461	-389	0	0
Short term liabilities	1.231	570	0	558
Short term loans	82	-290	0	0
Total	**9.033**	**-14.738**	**730**	**-6.329**

1/1/2014 – 31/12/2014	Income Statement	
Deferred income tax	GROUP	COMPANY
Prior years' tax losses utilized	5.079	2.431
Subsidiaries' tax losses carried forward	-737	0
Accrued expenses	36	-617
Tangible assets	254	-57
Intangible assets	2.371	1.526
Financial assets	669	0
Short term receivables	4.301	4.482
Long term receivables	-73	0
Inventories– impairment	-43	0
Short term provisions	1.150	1.116
Short term liabilities	59	60
Long term liabilities	-608	-82
Liabilities from finance lease	0	0
Deferred Tax (income) / expense	**12.458**	**8.859**

2.12 EARNINGS / (LOSSES) PER SHARE

The calculation of basic and diluted earnings per share is as follows:

Basic earnings / (loss) per share (EPS) are calculated by dividing net income / (loss) for the period attributable to equity holders of the parent by the weighted average number of common shares outstanding during the period, taking into account the average number of ordinary shares acquired by the Group as treasury shares.

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net profit / (loss) attributable to shareholders of the parent company	**-65.148**	**-49.546**	**-3.630**	**-11.007**
Weighted average number of shares	158.490.975	158.961.721	158.490.975	158.961.721
Less: Weighted average number of treasury shares	0	18.299	0	18.299
Weighted average number of shares outstanding	**158.490.975**	**158.943.422**	**158.490.975**	**158.943.422**
Basic earnings / (losses) per share (EPS) (in EUR)	**€-0,4111**	**€-0,3117**	**€-0,0229**	**€-0,0693**

Diluted earnings / (loss) per share is calculated by dividing net income / (loss) for the period attributable to equity holders of the parent by the weighted average number of shares outstanding during the period (adjusted for the effect of the average stock option plans outstanding during the period). During 2015 the Group had no stock option plan in effect.

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Weighted average number of shares outstanding (for basic EPS)	158.490.975	158.943.422	158.490.975	158.943.422
Effect of potential exercise of options (weighted average number for the period)	0	0	0	0
Weighted average number of shares outstanding (for diluted EPS)	**158.490.975**	**158.943.422**	**158.490.975**	**158.943.422**
Diluted earnings / (losses) per share (EPS) (in EUR)	**€-0,4111**	**€-0,3117**	**€-0,0229**	**€-0,0693**

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.

2.13 TANGIBLE FIXED ASSETS

GROUP	LAND	BUILDINGS AND INST ALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
January 1, 2015								
Cost	8.239	29.248	333.482	4.752	123.003	2.727	5.030	506.481
Accumulated Depreciation	0	-11.709	-199.734	-3.073	-107.055	0	-2.116	-323.687
Net Book value January 1, 2015	**8.239**	**17.539**	**133.748**	**1.679**	**15.948**	**2.727**	**2.914**	**182.794**
COST								
Additions of the period	0	3.173	19.344	858	5.173	3.435	1.301	33.284
Transfer of assets from (to) other categories	0	-733	685	21	1.094	-1.066	-1	0
Transfer from (to) inventories and intangible assets	0	-34	-2.219	0	6.423	242	0	4.412
Transfer to investment properties (note 2.14)	-929	-6.765	0	0	0	0	0	-7.694
Disposal	0	-417	-10.305	-442	-744	-47	-628	-12.583
Impairment	0	-350	-4.798	-187	-389	-70	-279	-6.073
Net exchange differences on foreign currency translation	64	1.221	8.368	-157	-703	-672	-321	7.800
ACCUMULATED DEPRECIATION								
Depreciation of the period	0	-1.797	-39.146	-624	-7.299	0	-811	-49.677
Disposal	0	371	8.579	432	659	0	530	10.571
Impairment / Write-off	0	96	4.311	123	317	0	110	4.957
Net exchange differences on foreign currency translation	0	-315	-5.434	89	568	0	63	-5.029
Transfer of assets from (to) other categories	0	-1	37	0	-37	0	1	0
Transfer from (to) inventories and intangible assets	0	4	2.389	0	51	0	0	2.444
Transfer to investment properties (note 2.14)	0	1.239	0	0	0	0	0	1.239
Net book value December 31, 2015	**7.374**	**13.231**	**115.559**	**1.792**	**21.061**	**4.549**	**2.879**	**166.445**
Cost	7.374	25.343	344.557	4.845	133.857	4.549	5.102	525.627
Accumulated Depreciation	0	-12.112	-228.998	-3.053	-112.796	0	-2.223	-359.182
Net Book value December 31, 2015	**7.374**	**13.231**	**115.559**	**1.792**	**21.061**	**4.549**	**2.879**	**166.445**

The Group recognized impairment losses / write-offs of tangible fixed assets amounting to €1,1 million during the period 1/1-31/12/2015 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.7). The largest portion, amounting to €0,6 million regards asset impairment losses of a subsidiary in Jamaica. The net book value of tangible assets held by leasing was on 31/12/2015 €15.658 thousand. (Buildings & Installations €5 thousand, Machinery & Equipment €13.401 thousand, Transport Equipment €88 thousand and Furniture & Fixtures €2.164 thousand).

GROUP	LAND	BUILDINGS AND INST ALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	ASSETS UNDER CONSTRUCTION	OTHER TANGIBLE ASSETS	TOTAL
January 1, 2014								
Cost	8.789	25.044	320.714	4.670	124.455	1.461	4.262	489.395
Accumulated Depreciation	0	-8.912	-171.295	-2.853	-105.540	0	-1.377	-289.977
Net Book value January 1, 2014	**8.789**	**16.132**	**149.419**	**1.817**	**18.915**	**1.461**	**2.885**	**199.418**
COST								
Additions of the period	0	2.150	14.521	461	3.240	2.512	593	23.477
Transfer of assets from (to) other categories	0	217	3.987	-8	-3.214	-1.052	70	0
Transfer from (to) inventories and intangible assets	0	0	20	0	-2	-192	0	-174
Disposal of subsidiaries / change in consolidation method	0	0	-4.425	0	-7	0	0	-4.432
Disposal	0	-16	-688	-220	-15	0	0	-939
Impairment / Write-off	-636	-427	-4.188	-273	-73	-100	-5	-5.702
Net exchange differences on foreign currency translation	86	2.280	3.541	122	-1.381	98	110	4.856
ACCUMULATED DEPRECIATION								
Depreciation of the period	0	-1.760	-35.827	-539	-5.223	0	-808	-44.157
Disposal	0	16	438	178	2	0	0	634
Impairment / Write-off	0	187	4.096	197	38	0	184	4.702
Net exchange differences on foreign currency translation	0	-1.235	3.271	-63	1.599	0	-45	3.527
Transfer of assets from (to) other categories	0	-5	-1.535	7	1.603	0	-70	0
Transfer from (to) inventories and intangible assets	0	0	0	0	459	0	0	459
Disposal of subsidiaries / change in consolidation method	0	0	1.118	0	7	0	0	1.125
Net book value December 31, 2014	**8.239**	**17.539**	**133.748**	**1.679**	**15.948**	**2.727**	**2.914**	**182.794**
Cost	8.239	29.248	333.482	4.752	123.003	2.727	5.030	506.481
Accumulated Depreciation	0	-11.709	-199.734	-3.073	-107.055	0	-2.116	-323.687
Net book value December 31, 2014	**8.239**	**17.539**	**133.748**	**1.679**	**15.948**	**2.727**	**2.914**	**182.794**

The Group recognized impairment losses / write-offs of tangible fixed assets amounting to €1 million. During the period 1/1-31/12/2014 which were recognized in the income statement (in "Gain / (Losses) from assets disposal, impairment losses & write-off of assets" - note 2.7). The largest portion, amounting to €0,6 million applies to a subsidiary plot impairment loss in Bulgaria.

The net book value of tangible assets held by leasing was on 31/12/2014 €27.344 thousand. (Buildings & Installations €7 thousand, Machinery & Equipment €20.747 thousand, Transport Equipment €98 thousand and Furniture & fixtures €6.492 thousand).

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
January 1, 2015						
Cost	3.030	5.612	1	735	75.041	84.419
Accumulated Depreciation	0	-2.791	-1	-465	-73.161	-76.418
Net Book value January 1, 2015	**3.030**	**2.821**	**0**	**270**	**1.880**	**8.001**
COST						
Additions of the period	0	2.350	0	308	1.373	4.031
Transfer from (to) inventories and tangible assets	0	0	0	0	6.430	6.430
Disposals	0	0	0	-103	-4	-107
Impairment / Write-off	0	0	0	0	-195	-195
ACCUMULATED DEPRECIATION						
Depreciation of the period	0	-246	0	-135	-743	-1.124
Disposals	0	0	0	103	4	107
Impairment / Write-off	0	0	0	0	195	195
Net Book value December 31, 2015	**3.030**	**4.925**	**0**	**443**	**8.940**	**17.338**
Cost	3.030	7.962	1	940	82.645	94.578
Accumulated Depreciation	0	-3.037	-1	-497	-73.705	-77.240
Net Book value December 31, 2015	**3.030**	**4.925**	**0**	**443**	**8.940**	**17.338**

COMPANY	LAND	BUILDINGS AND INSTALLATIONS	MACHINERY AND EQUIPMENT	TRANSPORT EQUIPMENT	FURNITURE AND FIXTURES	TOTAL
January 1, 2014						
Cost	3.030	4.722	1	665	74.391	82.809
Accumulated Depreciation	0	-2.601	-1	-377	-72.449	-75.428
Net Book value January 1, 2014	**3.030**	**2.121**	**0**	**288**	**1.942**	**7.381**
COST						
Additions of the period	0	890	0	70	650	1.610
ACCUMULATED DEPRECIATION						
Depreciation of the period	0	-190	0	-88	-1.171	-1.449
Transfer from (to) inventories and tangible assets	0	0	0	0	459	459
Net Book value December 31, 2014	**3.030**	**2.821**	**0**	**270**	**1.880**	**8.001**
Cost	3.030	5.612	1	735	75.041	84.419
Accumulated Depreciation	0	-2.791	-1	-465	-73.161	-76.418
Net Book value December 31, 2014	**3.030**	**2.821**	**0**	**270**	**1.880**	**8.001**

2.14 INVESTMENT PROPERTIES

Investment properties of the Group comprising land and buildings in Jamaica are held for long-term rental yields and are not occupied by the Group. The buildings are depreciated on the straight line basis over their expected useful lives of 40 years.

During 2015, properties previously occupied by the Group and classified in the Group Statement of Financial Position as tangible assets were reclassified to investment properties due to change in use.

GROUP	INVESTMENT PROPERTIES
1st January 2015	
Cost	0
Accumulated Depreciation	0
Net Book value 1st January 2015	**0**
COST	
Transfer from tangible assets (note 2.13)	7.694
Transfer from participations to joint ventures (note 2.16)	265
Net exchange differences on foreign currency translation	-67
ACCUMULATED DEPRECIATION	
Transfer from tangible assets (note 2.13)	-1.239
Depreciation of the period	-70
Impairment / Write-off	-795
Net exchange differences on foreign currency translation	17
Net Book value December 31, 2015	**5.805**
Cost	7.892
Accumulated Depreciation	-2.087
Net Book value December 31, 2015	**5.805**

Investment properties in Jamaica were valued by independent valuers "George Gregg & Co" on December 31, 2015, on the basis of open market value using the direct comparison approach involving analysis of prices from comparable facilities. The market value of the properties is estimated at €5,8 million and is categorized as level 3 in the fair value hierarchy.

The Group has leased its investment property to Exodus Gaming and Entertainment Limited (Exodus) for an initial period of fifteen years with an option to renew the lease for a further fifteen years.

Exodus also has the option to purchase the property at any time after the fifth anniversary of the commencement date at a price to be agreed between exodus and the Group within sixty days of the option notice being served. If no agreement is reached within the stipulated time, then the price will be the higher of USD 4,5 million, ot the market value on the date of the option notice, as determined by an independent valuator.

GROUP	1/1-31/12/2015	1/1-31/12/2014
Rental income from investment properties	76	0
Direct operating expenses (including repairs and maintenance) arising from investment properties resulted in income from rents	-83	0
Net income from investment properties	**-7**	**0**

The Company did not hold investment properties as at 31/12/2015, apart from some buildings leased subsidiaries and therefore are classified as tangible assets.

2.15 INTANGIBLE ASSETS

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	LICENCES [2]	TOTAL
January 1, 2015						
Cost	80.707	103.266	84.010	23.141	315.864	606.988
Accumulated amortization	0	-57.669	-23.361	-10.559	-166.545	-258.134
Net Book value January 1, 2015	**80.707**	**45.597**	**60.649**	**12.582**	**149.319**	**348.854**
COST						
Additions of the period	0	15.686	12.883	3.205	6.058	37.832
Transfer of assets from (to) other categories	0	980	0	0	-980	0
Transfer from (to) inventories and tangible assets	0	0	0	-242	2	-240
Disposal	0	-674	0	-100	0	-774
Impairment / Write-off	-644	-28	0	-15	-235	-922
Net exchange differences on foreign currency translation	-5.625	-1.348	-597	1.858	-3.745	-9.457
ACCUMULATED DEPRECIATION						
Amortization of the period	0	-11.595	-4.754	-3.587	-28.507	-48.443
Disposal	0	633	0	100	0	733
Impairment / Write-off	0	1	0	0	0	1
Net exchange differences on foreign currency translation	0	267	276	-1.079	1.776	1.240
Transfer from (to) inventories and tangible assets	0	5	0	0	-2	3
Net Book value December 31, 2015	**74.438**	**49.524**	**68.457**	**12.722**	**123.686**	**328.827**
Cost	74.438	117.882	96.296	27.847	316.964	633.427
Accumulated amortization	0	-68.358	-27.839	-15.125	-193.278	-304.600
Net Book value December 31, 2015	**74.438**	**49.524**	**68.457**	**12.722**	**123.686**	**328.827**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value €60.972 thousand on 31/12/2015 (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.
[2] The Group "Licenses' include intangible assets with indefinite useful lives (Lottery Games Intellectual property rights) amounting €5,2 million 31/12/2015.

GROUP	GOODWILL	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	OTHER	LICENCES [2]	TOTAL
January 1, 2014						
Cost [3]	79.200	98.304	72.048	20.096	302.963	572.611
Accumulated amortization	0	-54.822	-19.012	-7.605	-137.826	-219.265
Net Book value January 1, 2014	**79.200**	**43.482**	**53.036**	**12.491**	**165.137**	**353.346**
COST						
Additions of the period	0	17.953	11.680	2.227	14.283	46.143
Transfer of assets from (to) other categories	0	-7.974	0	-38	8.012	0
Transfer from (to) inventories and tangible assets	0	149	94	0	0	243
Disposal of subsidiaries/ change in consolidation method	0	-60	0	0	0	-60
Disposal	0	-780	0	-1.137	0	-1.917
Impairment / Write-off	-552	-42	0	0	-4	-598
Net exchange differences on foreign currency translation	2.059	-4.284	188	1.993	-9.390	-9.434
ACCUMULATED DEPRECIATION						
Amortization of the period	0	-9.611	-4.110	-2.469	-26.956	-43.146
Disposal	0	384	0	568	0	952
Impairment / Write-off	0	41	0	8	0	49
Net exchange differences on foreign currency translation	0	4.697	-145	-1.061	284	3.775
Transfer of assets from (to) other categories	0	2.047	0	0	-2.047	0
Transfer from (to) inventories and tangible assets	0	-420	-94	0	0	-514
Disposal of subsidiaries / change in consolidation method	0	15	0	0	0	15
Net Book value December 31, 2014	**80.707**	**45.597**	**60.649**	**12.582**	**149.319**	**348.854**
Cost	80.707	103.266	84.010	23.141	315.864	606.988
Accumulated amortization	0	-57.669	-23.361	-10.559	-166.545	-258.134
Net Book value December 31, 2014	**80.707**	**45.597**	**60.649**	**12.582**	**149.319**	**348.854**

[1] The internally generated intangible assets of the Group include an individually material intangible asset of net book value €52.583 thousand on 31/12/2014 (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.

[2] The Group "Licenses' include intangible assets with indefinite useful lives (Lottery Games Intellectual property rights) amounting €5,1 million on 31/12/2014.

[3] On 1/1/14 the Group reclassified funds amounting €2,6 million from the account "Goodwill" in the account "Licences" for a more appropriate presentation since they regard gambling licenses with indefinite useful lives , acquired by a subsidiary of the Group.

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	LICENCES	TOTAL
January 1, 2015				
Cost	46.075	69.443	24.987	140.505
Accumulated amortization	-29.413	-16.860	-16.428	-62.701
Net Book value January 1, 2015	**16.662**	**52.583**	**8.559**	**77.804**
COST				
Additions of the period	2.420	11.730	224	14.374
ACCUMULATED DEPRECIATION				
Amortization of the period	-3.760	-3.341	-1.933	-9.034
Net Book value December 31, 2015	**15.322**	**60.972**	**6.850**	**83.144**
Cost	48.495	81.173	25.211	154.879
Accumulated amortization	-33.173	-20.201	-18.361	-71.735
Net Book value December 31, 2015	**15.322**	**60.972**	**6.850**	**83.144**

COMPANY	SOFTWARE	DEVELOPMENT COSTS (Internally generated) [1]	LICENCES	TOTAL
January 1, 2014				
Cost	40.282	58.022	22.487	120.791
Accumulated amortization	-25.414	-14.137	-15.263	-54.814
Net Book value January 1, 2014	**14.868**	**43.885**	**7.224**	**65.977**
COST				
Additions of the period	5.793	11.421	2.500	19.714
ACCUMULATED DEPRECIATION				
Amortization of the period	-3.540	-2.723	-1.165	-7.428
Transfer from (to) inventories and tangible assets	-459	0	0	-459
Net Book value December 31, 2014	**16.662**	**52.583**	**8.559**	**77.804**
Cost	46.075	69.443	24.987	140.505
Accumulated amortization	-29.413	-16.860	-16.428	-62.701
Net Book value December 31, 2014	**16.662**	**52.583**	**8.559**	**77.804**

[1] The internally generated intangible assets of the Group consist of an individually material intangible asset (central operating system - LOTOS, which supports the majority of the contracts of the Group). The remaining amortization period of the central operating system is 20 years whereas additions, upgrades and improvements to this asset are constant.

Goodwill and Intangible assets with indefinite useful life impairment test

Management tests goodwill for impairment annually (31 December) or more frequently if events occur or changes in circumstances indicate that the carrying value may have been reduced in accordance with accounting practice described in note 2.1.6.a "Business Combination and Goodwill".

The Group recognized impairment losses of goodwill amounting €0,6 million during the period 1/1-31/12/2015 that were recognized in the income statement (in "Gain/(Losses) from assets disposal, impairment losses and write-off of assets" - note 2.7) due to missing certain assumptions that were used in 31/12/2014 for goodwill impairment testing of the Group's subsidiary company in Italy.

The Group tested goodwill for impairment on 31/12/2015 and the key assumptions that are used for the determination of the recoverable amount are disclosed below. The recoverable amounts of cash generating units have been determined based on value in use calculations using appropriate estimates regarding future cash flows and discount rates.

Specifically, goodwill arising on consolidation of acquired subsidiaries and intangible assets with indefinite useful life are allocated to the following cash generating units (CGU) by geographical area, which are the operating segments for impairment testing purposes:

Carrying amount:

CGU	Goodwill		Intangible assets with indefinite useful life	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
European Union	5.837	6.472	2.300	2.300
Other Europe	0	0	0	0
America	21.496	21.400	2.936	2.774
Other countries	47.105	52.835	0	0
Total	**74.438**	**80.707**	**5.236**	**5.074**

Key assumptions:

The recoverable amount of each CGU is determined according to the calculations of value in use. The determination is obtained by the present value of estimated future cash flows expected to be generated by each CGU (discounted cash flow method - DCF). The cash flows are derived from the most recent approved by the management budgets for the next three years and do not include estimated future cash inflows or outflows expected to arise from future restructurings or from improving or enhancing the asset's performance which is tested for impairment. The expected cash flow projections beyond the period covered by the most recent budgets estimated by extrapolating the projections based on the budgets using a steady or declining growth rate for subsequent years, which does not exceed the long-term average growth rate for products, industries, countries in which the Group operates, or for the market in which the asset is used. The Group makes estimates beyond the period of five years where has signed revenue contracts beyond five years as well as in cases where management believes that based on market data and renewals track record of the Group, it is very possible the renewal of the relevant contracts beyond the five year period. Cash flow projections are based on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset, giving greater weight to external evidence. Management assesses the reasonableness of the assumptions underlying the current cash flow projections by examining the causes of differences between past cash flow projections and actual cash flows. Management also ensures that the assumptions on which its current cash flow projections are based are consistent with past actual outcomes, provided that subsequent events or circumstances that did not exist when those actual cash flows were generated make this appropriate. The use value for CGUs affected (has sensitivity) of the following key factors (assumptions):

- Sales
- Growth rate used to extrapolate cash flows beyond the budget period, and
- Discount rates

Sales:

Sales projections are derived from estimates of local management of various subsidiaries. These projections are based on careful assessments of various factors, such as past performance, estimates of growth of the local market, competition - if exists, possible changes in the institutional framework governing the gambling market, the economic situation of the gambling industry and the market in general, new opportunities such as lotteries privatizations, etc.

Sales growth rate:

CGU	2015	2014
European Union	-0,9% - 5,4%	0,0% - 10,3%
Other Europe	n/a	n/a
America	0,0% - 10,1%	0,0% - 8,0%
Other countries	0,0% - 8,8%	0,0% - 6,3%

Growth rate used to extrapolate cash flows beyond the budget period:

The factors taken into account for the calculation of the growth rate beyond the budgets period derive from external sources and include among others, the level of maturity of each market, the existence of barriers to entry for competitors, the economic situation of the market, existing competition and technology trends.

Growth rate beyond the budget period:

CGU	2015	2014
European Union	0,0% - 2,7%	0,0% - 3,0%
Other Europe	n/a	n/a
America	0,0% - 6,0%	0,0% - 4,0%
Other countries	0,0% - 3,6%	0,0% - 12,2%

Discount rates:

The discount rates represent the current market assessments of the risks personalized for each CGU, having made the necessary adjustments for the time value of money and possible risks specific to any assets that have not been included in the cash flow projections. The calculation of discount rates based on specific conditions under which the Group and its operating segments operate and calculated through the weighted average cost of capital method (WACC). The WACC takes into account both debt and equity. The cost of equity derives from the expected return that Group investors have for their investment. Cost of debt based on the interest rate of the Group loans. The specific risk of each country is incorporated by implementing individualized sensitivity factors "beta" (beta factors). The sensitivity factors "beta" evaluated annually based on published market data.

Discount rates:

CGU	2015	2014
European Union	7,0% - 7,4%	7,0% - 8,6%
Other Europe	n/a	n/a
America	23,1% - 38,3%	28,8% - 37,5%
Other countries	11,9% - 14,0%	11,0% - 13,7%

Recoverable amount sensitivity analysis:

On 31/12/15, the Group analyzed the sensitivity of the recoverable amounts in a reasonable and possible change of some of the basic assumptions (such as the change of a percentage point to the growth rate beyond the budget period and the discount rates). This analysis does not show a situation in which the carrying amount of the Group's significant CGUs exceeds their recoverable amount.

2.16 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2015	31/12/2014
Lotrich Information Co LTD	40%	Taiwan	5.570	4.653
Goreward LTD Group	49,99%	China	29.614	25.872
Intralot South Africa LTD	45%	South Africa	376	1.835
Bit8 Ltd Group	35%	Malta	5.303	0
Other			0	248
Total			**40.863**	**32.608**

GROUP INVESTMENT IN ASSOCIATES AND JOINT VENTURES	31/12/2015	31/12/2014
Opening Balance	**32.608**	**25.823**
Participation in net profit / (loss) of associates and joint ventures	-4.063	-2.279
Valuation share of available for sale financial assets	0	-20
New acquisitions	5.750	0
Dividends	-59	-287
Translation differences	8.224	9.371
Return of capital	-1.300	0
Transfer to investment properties (Note 2.14)	-265	0
Other	-32	0
Closing Balance	**40.863**	**32.608**

COMPANY INVESTMENT IN ASSOCIATES AND JOINT VENTURES	% Participation	Country	31/12/2015	31/12/2014
Lotrich Information Co LTD	40%	Taiwan	5.131	5.131
Intralot South Africa LTD	45%	South Africa	1.000	2.300
Total			**6.131**	**7.431**

COMPANY INVESTMENT IN SUBSIDIARIES	% Participation	Country	31/12/2015	31/12/2014
Intralot De Peru SAC	99,98%	Peru	15.759	15.759
Intralot Holdings International LTD	100%	Cyprus	8.464	8.464
Intralot Australia Pty LTD	100%	Australia	0	36.212
Betting Company S.A.	95%	Greece	139	139
Inteltek Internet AS	20%	Turkey	67.326	67.326
Bilyoner Interactif Hizmelter AS	50,01%	Turkey	10.751	10.751
Intralot Global Securities BV	100,00%	Nederland	57.028	57.028
Loteria Moldovei SA	47,90%	Moldova	656	656
Intralot Iberia Holdings SA	100%	Spain	5.638	5.638
Other			402	257
Total			**166.163**	**202.230**
Grand Total			**172.294**	**209.661**

COMPANY INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	31/12/2015	31/12/2014
Opening Balance	**209.661**	**171.520**
Increase of share capital in existing subsidiaries	105	38.203
Establishment of new subsidiaries	40	0
Provisions for impairment [1]	-36.212	0
Liquidation of affiliates	0	-62
Return of capital from associates	-1.300	0
Closing Balance	**172.294**	**209.661**

[1] This provision relates to investment value impairment in Intralot Australia Pty LTD after completion of the sale of lottery of the State of Victoria in Tatts Group during the second quarter of 2015.

2.17 OTHER FINANCIAL ASSETS

Other financial assets which in total have been classified by the Group as "Available for sale" and "Held to maturity" are analyzed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening Balance	**37.256**	**47.061**	**3.254**	**6.411**
Purchases	1.650	0	0	0
Return of Capital	-10.727	-3.150	0	-3.150
Disposals	-311	-3.471	0	0
Fair value revaluation	-1.746	-3.268	-11	-7
Foreign exchange differences	-37	84	0	0
Closing balance	**26.085**	**37.256**	**3.243**	**3.254**
Quoted securities	1.812	3.561	24	35
Unquoted securities	24.273	33.695	3.219	3.219
Total	**26.085**	**37.256**	**3.243**	**3.254**
Long-term Financial Assets	26.085	36.928	3.243	3.254
Short-term Financial Assets	0	328	0	0
Total	**26.085**	**37.256**	**3.243**	**3.254**

For the 2015 fiscal year the Group losses arising from the valuation at fair value of the above financial assets amounting to €1.746 thousand (2014: losses €3.268 thousand) are analyzed in losses amounting to €1.749 thousand (2014: losses €3.405 thousand) recorded in a separate equity reserve and in profits amounting to €3 thousand (2014: gains of €137 thousand) recognized in the income statement. Respectively for the Company, the losses amounting €11 thousand (2014: losses of €7 thousand) are analyzed in losses amounting to €11 thousand (2014: losses €7 thousand) recorded in a separate equity reserve.

For investments that are actively traded in organized financial markets, fair value is determined by reference to the closing price at the reporting date. For investments where there is no corresponding market price, fair value is determined by reference to the current market value of another instrument that is substantially the same, or estimated based on expected cash flows of the net assets underlying the investment or acquisition value.

2.18 OTHER LONG TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Receivables	2.720	47	0	0
Receivables from related parties (note 2.31.E)	8.796	6.935	28	0
Guarantees	2.406	2.415	158	0
Minus: Provisions	-7.000	-7.000	0	0
Other receivables	63.303	58.133	14	315
Total	**70.225**	**60.530**	**200**	**315**

Reconciliation of changes in provisions for impairment of long-term receivables	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening Balance	**-7.000**	**-7.000**	**0**	**0**
Provisions for the period for receivables from debtors [1]	0	0	0	0
Closing Balance	**-7.000**	**-7.000**	**0**	**0**

[1] Relating to provisions for impairment of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

2.19 TRADE AND OTHER SHORT TERM RECEIVABLES

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade receivables [2]	121.555	131.479	52.440	50.600
Receivables from associates and other related parties (note 2.31.E)	23.774	28.239	102.160	133.932
Other receivables [1]	17.914	26.260	6.751	7.311
Less: Provisions	-13.369	-10.331	-46.611	-79.893
Prepaid expenses and other receivables	52.858	39.426	12.352	16.859
Total	**202.732**	**215.073**	**127.092**	**128.809**

[1] In the Group on 31/12/2015 are included time deposits maturing beyond three months amounting to €402 thousand and at 31/12/2014 €69 thousand.
[2] The account «Trade receivables» of the Company and the Group include a receivable from the "Hellenic Organization of Horse Racing S.A." (ODIE) amounting to €24,9 million (31/12/2014: €23,3 million) that was overdue until November 2015 and had not been impaired. In November 2015 an agreement was signed between the Company and ODIE which set the repayment of all of the receivables of the Company. With this agreement ODIE grants to the Company 2/3 of the rent which it will receive from the lease of property of ODIE (Markopoulos facilities) to the company 'Ippodromies SA ". The payment of the assigned lease to the Company has already started. The whole of this receivable is covered by collateral as disclosed in note 2.32.A.q "Contingent liabilities" - "Litigation cases". We also note that the Company assesses the risk of non-collectability as minimum, given both the public character of ODIE, and the reception of physical collateral (first mortgage and note of mortgage) on the above mentioned property of ODIE. The record of the above physical collateral, was made for the amount of €20,9 million against the real estate and the facilities of ODIE in Markopoulos, that have a multiple fair value, making the collection of the claim as fully secured.

Reconciliation of changes in provisions for impairment of short-term receivables	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening Balance	**-10.331**	**-13.190**	**-79.893**	**-91.175**
Provisions for the period for receivable from affiliates [1]	0	0	-4.065	0
Provisions for the period for receivable from debtors [2]	-4.339	-3.117	0	-754
Provisions utilized for receivables from affiliates	0	0	0	1.930
Provisions utilized for receivables from debtors	1.380	5.650	0	4.083
Reversed provisions for receivables from affiliates	0	0	37.347	5.683
Reversed provisions for receivables from debtors	0	340	0	340
Foreign exchange differences	-79	-14	0	0
Closing Balance	**-13.369**	**-10.331**	**-46.611**	**-79.893**

1 Relating to impairment provision of receivables from subsidiaries derived either from machinery and equipment sales and services rendered or from loan contracts.

2 Relating to impairment provision of receivables from debtors (third parties outside the Group) derived from commercial transactions in the ordinary course of business.

The maturity information of short-term and long-term receivables is as follows:

RECEIVABLES	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade receivables	124.275	131.526	52.440	50.600
Receivables from related parties (note 2.31.E)	32.570	35.174	102.188	133.932
Prepaid expenses and other receivables	136.481	126.234	19.275	24.485
Provisions for doubtful debts	-20.369	-17.331	-46.611	-79.893
Total	**272.957**	**275.603**	**127.292**	**129.124**
MATURITY INFORMATION				
0-3 months	47.044	45.449	12.689	21.469
3-12 months	155.688	169.624	114.403	107.340
More than 1 year	70.225	60.530	200	315
Total	**272.957**	**275.603**	**127.292**	**129.124**

2.20 INVENTORIES

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Merchandise – Equipment	37.847	51.761	25.817	40.838
Other	8.080	3.609	0	0
Total	**45.927**	**55.370**	**25.817**	**40.838**
Impairment	-3.336	-3.353	-1.753	-1.753
Total	**42.591**	**52.017**	**24.064**	**39.085**

For the period ended December 31, 2015 the amount transferred to profit and loss from disposal/usage of inventories is €10.339 thousand (2014: €17.058 thousand) for the Group while the respective amount for the Company is €12.007 thousand (2014: €3.343 thousand) and included in «Cost of sales».

Reconciliation of changes in inventories provision for impairment	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening balance for the period	**3.353**	**1.753**	**1.753**	**1.753**
Period provisions*	0	1.600	0	0
Reversed provisions	-2	0	0	0
Foreign exchange differences	-15	0	0	0
Closing balance for the period	**3.336**	**3.353**	**1.753**	**1.753**

*Included in «Cost of sales»

There are no liens on reserve

2.21 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 consist of**:**

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Cash and bank current accounts	270.240	407.720	35.859	6.294
Short term time deposits	6.369	9.205	0	1.581
Total	**276.609**	**416.925**	**35.859**	**7.875**

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).

2.22 SHARE CAPITAL, TREASURY SHARE AND RESERVES

Share Capital

Total number of authorized shares	31/12/2015	31/12/2014
Ordinary shares of nominal value €0,30 each	158.961.721	158.961.721

Issued and fully paid shares	Number of ordinary shares	€'000
Balance 1 January 2014	**158.961.721**	**47.689**
Issue of new shares	0	0
Balance 31December 2014	**158.961.721**	**47.689**
Issue of new shares	0	0
Balance 31December 2015	**158.961.721**	**47.689**

Treasury Shares

The Company, according to article 16, C.L. 2190/1920, article 4.1.4.2 of the regulation of ATHEX and based on the resolution of the Shareholder's Annual General Meeting which took place on the 11.06.2014, as amended by the relevant decision of the Shareholder's Annual General Meeting on 19/05/2015, has approved a buy-back program of up to 10% of the paid share capital, for the time period of 24 months with effect from 11.06.2014 and until 11.06.2016, with a minimum price of €1.00 and maximum price of €12.00. It has also approved that the own shares which will eventually be acquired may be held for future acquisition of shares of another company. Until 31/12/2015 the Company has purchased 470,746 own shares (0.296% of the corporate share capital) with average price €1.0402 per share and a total purchase price of €490 thousand.

	GROUP		COMPANY	
	Number of ordinary shares	€ '000	Number of ordinary shares	€ '000
Balance 1 January 2014	0	0	0	0
Purchase of treasury shares	470.746	490	470.746	490
Balance 31December 2014	**470.746**	**490**	**470.746**	**490**
Purchase of treasury shares	0	0	0	0
Balance 31December 2015	**470.746**	**490**	**470.746**	**490**

Reserves

Foreign exchange differences reserve

This reserve is used to record the exchange differences arising from the translation of foreign subsidiaries' financial statements. The balance of this reserve in the Group at 31/12/2015 was €-59,4 million (31/12/2014: €-57,1 million). The Group had a total net loss which was reported in the statement of comprehensive income from the change in the fair value reserve during 2015 amounting to €5,4 million (31/12/2014: gain of €8,4 million), out of which loss of €2,3 million is attributable to the owners of the parent and a loss of €3,1 million to non-controlling interest. The above total net loss comes mainly from the fluctuation of the TRY, ARS, RUB, BRL, PEN and USD against the EUR.

The main exchange rates of abroad subsidiaries financial statements conversion were:

- **Statement of Financial Position**:

	31/12/2015	31/12/2014	Change
EUR / USD	1,09	1,21	-9,9%
EUR / JMD	130,28	138,05	-5,6%
EUR / TRY	3,18	2,83	12,4%
EUR / PEN	3,70	3,60	2,8%
EUR / AZN	1,69	0,95	77,9%
EUR / ARS	14,05	10,13	38,7%
EUR / PLN	4,26	4,27	-0,2%
EUR / BRL	4,31	3,22	33,9%

- **Income Statement**:

	Avg. 1/1-31/12/2015	Avg. 1/1-31/12/2014	Change
EUR / USD	1,11	1,33	-16,5%
EUR / JMD	129,18	146,83	-12,0%
EUR / TRY	3,03	2,91	4,1%
EUR / PEN	3,52	3,77	-6,6%
EUR / AZN	1,13	1,04	8,6%
EUR / ARS	10,28	10,77	-4,5%
EUR / PLN	4,18	4,18	0,0%
EUR / BRL	3,70	3,12	18,6%

Other Reserves

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Statutory Reserve	30.562	26.001	15.896	15.896
Extraordinary Reserves	1.649	1.650	1.456	1.456
Tax Free and Specially Taxed Reserves	31.358	31.900	28.601	29.143
Actuarial differences reserve	-424	-553	-51	-267
Revaluation reserve	-934	809	-175	-164
Total	**62.211**	**59.807**	**45.727**	**46.064**

Statutory reserve

Some of the Group companies are obliged, according to commercial laws in force in the country based, to form a percentage of their annual net profit as reflected in their statutory books to a legal reserve. Under Greek corporate law, companies are required to form at least 5% of their annual net profit as reflected in their statutory books to a legal reserve until the aggregate amount of legal reserve reaches at least 1/3 of the share capital. This reserve cannot be distributed during the Company's operation. Statutory reserve at December 31, 2015 amounts to €30,6 million for the Group and €15,9 million for the Company (2014: €26,0 million. and €15,9 million. respectively).

Extraordinary Reserves

They concern among other, reserves formed under development laws, from the Company and certain subsidiaries of the Group. For these reserves the tax liability has run out or permanently exempted from taxation and therefore their distribution does not create further tax burden on the Group and Company. Extraordinary reserves at 31 December 2015 amount to €1,7 million for the Group and €1,5 million for the Company (2014: €1,7 million. and €1,5 million. respectively).

Tax free reserves and reserves specially taxed

Tax-free and specially taxed reserves represent interest income, which are either tax free or taxed at 15% at source.

These revenues are not taxable provided that there are sufficient profits from which can be formed relative untaxed reserves. According to the Greek tax legislation, these reserves are exempt from income tax, provided they are not distributed to shareholders. The distribution of the balance of these reserves can only occur following the approval of shareholders in a regular meeting and if the applicable taxation is paid. The Group does not intend to distribute the balance of these reserves and therefore has not calculated the tax liability that would arise from the distribution. Also the profits received from resident companies which have their registered office in another member state of the European Union, in which the resident company participates within the meaning of Article 11 of L.2578/1998, are exempt from taxation. The exempt amount is displayed in tax free reserve account, regardless of the adequacy of profits or not. The balance of these reserves at December 31, 2015 was €31,4 million for the Group (2014: €31,9 million.) and €28,6 million for the Company (2014: €29,1 million.).

Stock option reserve

This reserve concerns the stock option rights granted and amounts to €922 thousand at 31/12/2013 for the Group and the Company. The above reserve on 31.12.2014 was transferred to retained earnings after the end of the relevant share option program.

Own shares reserve

It concerns the profits or losses arising on the sale, re-issuance or cancellation of treasury shares and amounted on 31/12/2013 to €856 thousand for the Group and the Company. The above reserve on 31.12.2014 was transferred to retained earnings and offset against tax losses identifiable under N.4172 / 2013 Article 72.

Actuarial differences reserve

It concerns actuarial gains / losses arising from actuarial studies performed by the Group to its subsidiaries for the various benefit plans to employees. The actuarial differences reserve on 31 December, 2015 amount to €-424 thousand for the Group and €-51 thousand for the Company (2014: €-553 thousand and €-267 thousand respectively).

Revaluation Reserve

It concerns changes in the fair value of available for sale financial assets amounting on 31 December 2015 to € -934 thousand for the Group and € -175 thousand for the Company (2014: € 809 thousand and € -164 thousand respectively).

2.23 DIVIDENDS

Declared dividends of ordinary shares:	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Final dividend of period 2012-2013	19.685	12.309	0	0
Interim dividend of 2014	0	11.228	0	0
Final dividend of 2014	27.735	0	0	0
Interim dividend of 2015	21.495	0	0	0
Dividend per Statement of changes in equity	**68.915**	**23.537**	**0**	**0**

Paid Dividends on ordinary shares:

During 2015 dividends paid on ordinary shares, aggregated €67.682 thousand (31/12/2014: €23.663 thousand).

2.24 LONG TERM LOANS

	Currency	Interest rate	GROUP 31/12/2015	GROUP 31/12/2014	COMPANY 31/12/2015	COMPANY 31/12/2014
Facility A (€250 mil)	EUR	6,00%	244.878	243.828	0	0
Facility B (€325 mil)	EUR	9,75%	326.579	323.395	0	0
Facility C (€200 mil)	EUR	1M Euribor + 5,50%	198.624	197.840	0	0
Facility D (€25 mil)	EUR	4,80%	6.762	10.164	0	0
Intercompany Loans			0	0	282.031	243.671
Other			16.349	9.473	0	0
Total Loans			**793.192**	**784.700**	**282.031**	**243.671**
Less: Payable during the next year			-29.365	-220.868	-1.358	-71.129
Repurchase Facility A			-19.296	-4.390	0	0
Repurchase Facility B			-28.437	-1.990	0	0
Long Term Loans			**716.094**	**557.452**	**280.673**	**172.542**

- Facility A: On May 2014, Intralot Capital Luxembourg issued Senior Notes with a face value of €250 million, due May 15th 2021 guaranteed by the parent company and subsidiaries of the Group. The Notes were offered at an issue price of 99,294%. Interest is payable semi-annually at an annual fixed nominal coupon of 6%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants with respect to Net Debt to EBITDA (Leverage ratio), and financial expenses coverage ratio (Fixed Charge Coverage ratio). The Group was in compliance with the covenants under Notes as at 31/12/2015. Until 31/12/2014, the Group proceeded to bonds buy back with a nominal value €4,5 million. During the fourth quarter of 2015 the Group has repurchased bonds with a nominal value €15,2 million bringing the total amount of repurchases to €19,7 million and the remaining outstanding principal amount to €230,3 million.
- Facility B: On August 2013, Intralot Finance Luxembourg SA, issued Senior Notes with a face value of €325 million, due August 15th 2018, guaranteed by the parent company and subsidiaries of the Group. The Notes were offered at an issue price of 99,027%. Interest is payable semi-annually at an annual fixed nominal coupon of 9,75%. The Notes are trading on the Luxembourg Stock Exchanges Euro MTF Market. The Notes bear the Group financial covenants with respect to Net Debt to EBITDA (Leverage ratio), and financial expenses coverage ratio (Fixed Charge Coverage ratio).The Group was in compliance with the covenants under Notes as at 31/12/15. Until 31/12/2014 the Group had repurchased bonds with a nominal value €2,0 million. During the twelve months of 2015, the Group proceeded to bonds buy back with a nominal value of €26,3 million bringing the total amount of repurchases amounting to €28,3 million and the remaining outstanding principal amount to €296,7 million.
- Facility C: On June 2014, Intralot Finance UK PLC signed a syndicated loan guaranteed by the parent and subsidiaries of the Group amounting €200 million. The loan will have three year

duration (extendable for a further year) and the current limit is set at €200 million, of which €120 million in the form of revolving facility and €80 million as term loan. The outstanding loan balance on 31/12/15 was €200 million, and bears a floating rate (Euribor) plus a margin of 5,50%.
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). The financial terms of the loan, include minimum ratio requirements of total net debt to EBITDA (Leverage Ratio) and the Interest Coverage ratio. We acknowledge that the Group on 31/12/15 covers the economic clauses of the syndicated loan.

- Facility D: On July 2012, Maltco Lotteries LTD signed a long term loan amounting to €25 million, guaranteed by the parent company. The financing bears floating interest with a total average rate equal to 4,80%, is paid in monthly instalments and matures in October 2017.

The Company, the subsidiaries of the Group or other related parties, or agents on its or their behalf, may opportunistically purchase and/or re-sell bonds of the Group (Facility A & B) in one or more series of open-market transactions from time to time. The Group does not intend to disclose the extent of any such purchase or re-sale otherwise than in accordance with any legal or regulatory obligation the Group may have to do so.

The weighted average cost of funding of the long term loans on 31/12/2015 in EUR and USD is 7,5% and 9,3% respectively (31/12/2014: EUR 7,6% and USD 9,2%).

Maturity of Group's long term borrowing (excluding finance lease liabilities):

	31/12/2015	31/12/2014
From 1 to 5 years	491.751	319.673
More than 5 years	224.343	237.779
Total	**716.094**	**557.452**

Loans are classified as follows with reference to the granting currency:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Loans in EUR	716.052	556.103	280.673	172.542
Loans in USD	42	1.348	0	0
Loans in PEN	0	0	0	0
Loans in JMD	0	0	0	0
Loans in ARS	0	1	0	0
Total	**716.094**	**557.452**	**280.673**	**172.542**

2.25 STAFF RETIREMENT INDEMNITIES

(a) State Insurance Programs:

The Group's contributions to the State insurance funds for the year ended 31st December 2015 that have been reported in the year expenses amount to €16.454 thousand as stated in Note 2.3.

(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.

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 2015 are as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Present Value of unfunded liability	6.879	7.053	3.412	4.094
Unrecognized actuarial losses	0	0	0	0
Net liability on the balance sheet	**6.879**	**7.053**	**3.412**	**4.094**
Components of the net retirement cost in the year:				
Current service cost	715	583	335	322
Interest	131	152	92	135
Amortization of unrecognised service cost	0	0	0	0
Effect of cutting / settlement / termination benefits	1.183	860	1.046	860
Intragroup staff transfer	0	0	0	230
Benefit expense charged to income statement (Note 2.3)	**2.029**	**1.595**	**1.473**	**1.547**
Additional service cost	0	0	0	0
Total charge to income statement	**2.029**	**1.595**	**1.473**	**1.547**
Actuarial (gains) / losses recognized in other comprehensive income (before deferred tax)	**-39**	**4**	**-304**	**-101**
Reconciliation of benefit liabilities:				
Net liability at beginning of year	7.053	6.840	4.094	3.881
Service cost	715	583	335	322
Interest	131	152	92	135
Amortization of unrecognised service cost	0	0	0	0
Effect of cutting / settlement / termination benefits	1.183	860	1.046	860
Benefits paid	-2.058	-1.388	-1.851	-1.233
Intragroup staff transfer	0	0	0	230
New consolidated entities	0	0	0	0
Actuarial (gains) / losses	-39	4	-304	-101
Foreign exchange difference	-106	2	0	0
Present Value of the liability at end of year	**6.879**	**7.053**	**3.412**	**4.094**

Basic assumptions:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Discount rate	2,41%	2,36%	2,00%	2,25%
Percentage of annual salary increases	2,00%	1,60%	0%	0%
Increase in Consumer Price Index	2,84%	2,80%	2,00%	2,00%

Sensitivity analysis for the most important assumptions on 31/12/2015:

Effect on current service cost	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-394	552	-255	378
Percentage of annual salary increases	532	-372	381	-252

Effect on present value of liability	GROUP		COMPANY	
	increase 1%	decrease 1%	increase 1%	decrease 1%
Discount rate	-3.214	4.459	-2.906	4.037
Percentage of annual salary increases	4.428	-3.191	4.031	-2.902

Analysis of Actuarial (gains) / losses in other comprehensive income (before deferred tax):

	31/12/2015	
	GROUP	COMPANY
Change in economic assumptions	552	257
Change in demographic assumptions	-65	-61
Change due to experience and other assumptions change	-526	-500
Actuarial (gains) / losses in other comprehensive income (before deferred tax)	**-39**	**-304**

2.26 SHARED BASED BENEFITS

The Group had no active option plan during the period 1/1-31/12/2015.

2.27 OTHER LONG TERM LIABILITIES

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Guarantees	15.227	13.654	0	0
Amounts due to associates and other related parties (Note 2.31.E)	1.665	0	0	0
Other liabilities	2.221	497	0	0
Total	**19.113**	**14.151**	**0**	**0**

2.28 TRADE AND OTHER CURRENT LIABILITES

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade Creditors	52.706	75.825	10.339	17.900
Amounts due to related parties (Note 2.31.E)	19.938	19.152	45.248	83.871
Winnings	11.528	18.262	0	0
Other Payables [1]	29.734	32.916	5.128	6.144
Taxes	21.361	29.276	1.478	1.035
Dividends payable	13	26	7	22
Total	**135.280**	**175.457**	**62.200**	**108.972**

[1] There are included financial derivatives with total value on 31/12/2014 €254 thousand for the Group.

The maturity of short-term and long-term liabilities is as follows:

PAYABLES	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade payables	52.706	75.825	10.339	17.900
Payable to related parties (note 2.31.E)	21.603	19.152	45.248	83.871
Other payables	80.084	94.631	6.613	7.201
Total	**154.393**	**189.608**	**62.200**	**108.972**
MATURITY INFORMATION				
0-3 months	70.689	76.531	15.909	5.833
3-12 months	64.591	98.926	46.291	103.139
More than 1 year	19.113	14.151	0	0
Total	**154.393**	**189.608**	**62.200**	**108.972**

2.29 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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Loan in EUR[1]	13.556	213.678	1.358	71.129
Loan in USD[1]	13.386	6.567	0	0
Loan in PEN	1.087	0	0	0
Loan in PLN	1.312	0	0	0
Loan in ARS	0	3	0	0
Loan in JMD	0	558	0	0
Loan in BRL	14	0	0	0
Loan in TRY	10	62	0	0
Total	**29.365**	**220.868**	**1.358**	**71.129**
Leasing in EUR	6.038	10.126	0	0
Leasing in USD	771	1.267	0	0
Leasing in BRL	6	7	0	0
Total	**6.815**	**11.400**	**0**	**0**
Total	**36.180**	**232.268**	**1.358**	**71.129**

[1] The Group included in "Loans in USD" funding from other related parties amounting to €322 thousand (31/12/2014: €291 thousand) and the Company in "Loans in EUR" finance from subsidiaries amounting to €1.358 thousand (31/12/2014: €71.129 thousand) (Note 2.31.E).

2.30 SHORT TERM FINANCIAL ASSETS AND LIABILITIES

The financial assets and liabilities of the Group, excluding cash and cash equivalents are analyzed as follows:

31/12/2015 Financial assets:	Loans and receivables	Available for sale financial assets	Financial assets held to maturity	Total
Trade receivables	124.275	0	0	**124.275**
Receivables from related parties	32.570	0	0	**32.570**
Prepaid expenses and other receivable	136.481	0	0	**136.481**
Bad debtors provisions	-20.369	0	0	**-20.369**
Other quoted financial assets	0	1.812	0	**1.812**
Other unquoted financial assets	0	24.273	0	**24.273**
Total	**272.957**	**26.085**	**0**	**299.042**
Long term	70.225	26.085	0	**96.310**
Short term	202.732	0	0	**202.732**
Total	**272.957**	**26.085**	**0**	**299.042**

31/12/2014 Financial assets:	Loans and receivables	Available for sale financial assets	Financial assets held to maturity	Total
Trade receivables	131.526	0	0	**131.526**
Receivables from related parties	35.174	0	0	**35.174**
Prepaid expenses and other receivable	126.234	0	0	**126.234**
Bad debtors provisions	-17.331	0	0	**-17.331**
Other quoted financial assets	0	3.561	0	**3.561**
Other unquoted financial assets	0	33.367	328	**33.695**
Total	**275.603**	**36.928**	**328**	**312.859**
Long term	60.530	36.928	0	**97.458**
Short term	215.073	0	328	**215.401**
Total	**275.603**	**36.928**	**328**	**312.859**

31/12/2015				
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	52.706	0	0	**52.706**
Payables to related parties	21.603	0	0	**21.603**
Other liabilities	80.084	0	0	**80.084**
Derivatives	0	0	0	**0**
Borrowing and finance lease	754.240	0	0	**754.240**
Total	**908.633**	**0**	**0**	**908.633**
Long term	737.173	0	0	**737.173**
Short term	171.460	0	0	**171.460**
Total	**908.633**	**0**	**0**	**908.633**

31/12/2014				
Financial liabilities	**Financial liabilities measured at amortized cost**	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at fair value through other comprehensive income**	**Total**
Trade Payables	75.825	0	0	**75.825**
Payables to related parties	19.152	0	0	**19.152**
Other liabilities	94.377	0	0	**94.377**
Derivatives	0	254	0	**254**
Borrowing and finance lease	798.320	0	0	**798.320**
Total	**987.674**	**254**	**0**	**987.928**
Long term	580.203	0	0	**580.203**
Short term	407.471	254	0	**407.725**
Total	**987.674**	**254**	**0**	**987.928**

Below is the analysis of the financial assets and liabilities of the Company excluding cash and cash equivalents:

31/12/2015 Financial assets:	Loans and receivables	Available for sale financial assets	Financial assets held to maturity	Total
Trade receivables	52.440	0	0	**52.440**
Receivables from related parties	102.188	0	0	**102.188**
Prepaid expenses and other receivable	19.275	0	0	**19.275**
Bad debtors provisions	-46.611	0	0	**-46.611**
Other quoted financial assets	0	24	0	**24**
Other unquoted financial assets	0	3.219	0	**3.219**
Total	**127.292**	**3.243**	**0**	**130.535**
Long term	200	3.243	0	**3.443**
Short term	127.092	0	0	**127.092**
Total	**127.292**	**3.243**	**0**	**130.535**

31/12/2014 Financial assets:	Loans and receivables	Available for sale financial assets	Financial assets held to maturity	Total
Trade receivables	50.600	0	0	**50.600**
Receivables from related parties	133.932	0	0	**133.932**
Prepaid expenses and other receivable	24.485	0	0	**24.485**
Bad debtors provisions	-79.893	0	0	**-79.893**
Other quoted financial assets	0	35	0	**35**
Other unquoted financial assets	0	3.219	0	**3.219**
Total	**129.124**	**3.254**	**0**	**132.378**
Long term	315	3.254	0	**3.569**
Short term	128.809	0	0	**128.809**
Total	**129.124**	**3.254**	**0**	**132.378**

31/12/2015 Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total
Trade Payables	10.339	0	0	**10.339**
Payables to related parties	45.248	0	0	**45.248**
Other liabilities	6.613	0	0	**6.613**
Derivatives	0	0	0	**0**
Borrowing and finance lease	282.031	0	0	**282.031**
Total	**344.231**	**0**	**0**	**344.231**
Long term	280.673	0	0	**280.673**
Short term	63.558	0	0	**63.558**
Total	**344.231**	**0**	**0**	**344.231**

31/12/2014 Financial liabilities	Financial liabilities measured at amortized cost	Financial liabilities at fair value through profit and loss	Financial liabilities at fair value through other comprehensive income	Total
Trade Payables	17.900	0	0	**17.900**
Payables to related parties	83.871	0	0	**83.871**
Other liabilities	7.201	0	0	**7.201**
Derivatives	0	0	0	**0**
Borrowing and finance lease	243.671	0	0	**243.671**
Total	**352.643**	**0**	**0**	**352.643**
Long term	172.542	0	0	**172.542**
Short term	180.101	0	0	**180.101**
Total	**352.643**	**0**	**0**	**352.643**

Estimated fair value

Below is a comparison by category of carrying amounts and fair values of financial assets and liabilities of the Group and the Company as at 31 December 2015 and 31 December 2014:

	GROUP			
	Carrying Amount		Fair Value	
Financial Assets	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Other long-term financial assets - classified as "available for sale"	26.085	36.928	26.085	36.928
Other long-term receivables	70.225	60.530	70.225	60.530
Trade and other short-term receivables	202.732	215.073	202.732	215.073
Other short-term financial assets - classified as "Held to maturity"	0	328	0	328
Cash and cash equivalents	276.609	416.925	276.609	416.925
Total	**575.651**	**729.784**	**575.651**	**729.784**
Financial Liabilities				
Long-term loans	716.094	557.452	708.265	539.100
Other long-term liabilities	19.113	14.151	19.113	14.151
Liabilities from finance leases	1.966	8.600	1.966	8.600
Trade and other short term payables	135.280	175.457	135.280	175.457
Short-term loans	36.180	232.268	36.412	232.465
Total	**908.633**	**987.928**	**901.036**	**969.773**

	COMPANY			
	Carrying Amount		Carrying Amount	
Financial Assets	**31/12/2015**	**31/12/2014**	**31/12/2015**	**31/12/2014**
Other long-term financial assets - classified as "available for sale"	3.243	3.254	3.243	3.254
Other long-term receivables	200	315	200	315
Trade and other short-term receivables	127.092	128.809	127.092	128.809
Cash and cash equivalents	35.859	7.875	35.859	7.875
Total	**166.394**	**140.253**	**166.394**	**140.253**
Financial Liabilities				
Long-term loans	280.673	172.542	280.673	172.542
Trade and other short term payables	62.200	108.972	62.200	108.972
Short-term loans and finance lease	1.358	71.129	1.358	71.129
Total	**344.231**	**352.643**	**344.231**	**352.643**

The management estimated that the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value, primarily because of their short term maturities.

Fair value hierarchy

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements to them. The levels of the fair value hierarchy are as follows:

Level 1: official quoted prices (unadjusted) in markets with significant volume of transactions for similar assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group and the Company held on 31/12/2015 the following assets and liabilities measured at fair value:

GROUP	**Fair Value 31/12/2015**	**Fair value hierarchy**		
		Level 1	**Level 2**	**Level 3**
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**26.085**	**1.812**	**0**	**24.273**
- Quoted shares	*1.812*	*1.812*	*0*	*0*
- Unquoted shares	*24.273*	*0*	*0*	*24.273*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

COMPANY	Fair Value 31/12/2015	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**3.243**	**24**	**0**	**3.219**
- Quoted shares	*24*	*24*	*0*	*0*
- Unquoted shares	*3.219*	*0*	*0*	*3.219*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2015 there were no transfers between Level 1 and Level 2 of the fair value hierarchy, no transfers to and from Level 3.

The Group and the Company held on 31/12/2014 the following assets and liabilities measured at fair value:

GROUP	Fair Value 31/12/2014	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**36.928**	**3.561**	**0**	**33.367**
- Quoted shares	*3.561*	*3.561*	*0*	*0*
- Unquoted shares	*33.367*	*0*	*0*	*33.367*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**254**	**0**	**254**	**0**

COMPANY	Fair Value 31/12/2014	Fair value hierarchy Level 1	Level 2	Level 3
Financial assets measured at fair value				
Other financial assets classified as "Available for sale"	**3.254**	**35**	**0**	**3.219**
- Quoted shares	*35*	*35*	*0*	*0*
- Unquoted shares	*3.219*	*0*	*0*	*3.219*
Derivative financial instruments	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value				
Derivative financial instruments	**0**	**0**	**0**	**0**

During 2014 there were no transfers between Level 1 and 2 in the hierarchy of fair value or transfer in and out of Level 3.

Reconciliation for recurring fair value measurements classified in the 3rd level of the fair value hierarchy:

Unquoted shares	GROUP	COMPANY
Balance 1/1/2014	**36.513**	**6.368**
Return of capital	-3.150	-3.150
Foreign exchange differences	4	1
Balance 31/12/2014	**33.367**	**3.219**
Return of capital	-10.726	0
Period Purchases	1.650	0
Foreign exchange differences	-18	0
Balance 31/12/2015	**24.273**	**3.219**

Valuation methods and assumptions

The fair value of the financial assets and liabilities is the amount at which the asset could be sold or the liability transferred in a current transaction between market participants, other than in a forced or liquidation sale.

The following methods and assumptions are used to estimate the fair values:

- Fair value of the quoted shares (classified as "Available for sale") derives from quoted market closing prices in active markets at the reporting date.
- Fair value of the unquoted shares (classified as "Available for sale") is estimated by reference to the current market value of another item substantially similar or using a DCF model. The valuation through the DCF model requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted equity investments.
- Fair value of the quoted bonds is based on price quotations at the reporting date. The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- 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. The fair value of these derivatives is measured mainly by reference of the market value and is verified by the financial institutions.

Description of significant unobservable inputs to valuation:

The fair value of unquoted shares (classified as "Available for sale") except that it is sensitive to a reasonably possible change in the forecast cash flows and the discount rate, is also sensitive to a reasonably possible change in growth rates. The valuation requires management to use unobservable inputs in the model, of which the most significant are disclosed in the tables below. The management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Unquoted shares (classified as "Available for sale")

Valuation method	Significant unobservable inputs	Range (Weighted Average) 31/12/2015	31/12/2014
DCF	Sales growth rate	6.0% - 6.0% (6.0%)	1.0% - 64.6% (28.3%)
	Growth rate beyond budgets period	0.0% - 6.0% (5.7%)	1.0% - 1.6% (1.6%)
	Discount rates (WACC)	7.9% - 19.5% (19.0%)	7.9% - 14.8% (14.6%)

Sensitivity analysis of recoverable amounts:

On 31/12/2015, the Group analyzed the sensitivity of recoverable amounts in a reasonable and possible change in any of the above significant unobservable inputs (i.e. the change of one percentage point in the growth rate beyond the budgets period and discount rates). This analysis did not indicate a situation in which the carrying value of the Group's significant investments in unquoted shares exceeds their recoverable amount.

2.31 SUPPLEMENTARY INFORMATION

A. BUSINESS COMBINATION AND METHOD OF CONSOLIDATON

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 SA	Maroussi, Greece	Parent	Parent	-
3.	BETTING COMPANY S.A.	Maroussi, Greece	95%	5%	100%
24.	BETTING CYPRUS LTD	Nicosia, Cyprus		100%	100%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%		100%
28.	INTRALOT GAMING SERVICES PTY	Melbourne, Australia		100%	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	100%		100%
29.	INTRALOT JAMAICA LTD	Kingston, Jamaica		100%	100%
29.	INTRALOT TURKEY A.S.	Istanbul, Turkey	50%	49,99%	99,99%
29.	INTRALOT DE MEXICO LTD	Mexico City, Mexico		99,8%	99,8%
29.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45%
30.	AZERINTELTEK AS	Baku, Azerbaijan		22,95%	22,95%
2,4.	INTRALOT DE PERU SAC	Lima, Peru	99,80%	0,20%	100%
	POLDIN LTD	Warsaw, Poland	100%		100%
	ATROPOS S.A.	Maroussi, Greece	100%		100%
	INTRALOT SERVICES S.A.	Paiania, Greece	100%		100%
	INTRALOT ADRIATIC DOO	Zagreb, Croatia	100%		100%
	BILYONER INTERAKTIF HIZMELTER AS GROUP	Istanbul, Turkey	50,01%		50,01%
	INTRALOT MAROC S.A.	Casablanca, Morocco	99,83%		99,83%
2.	GAMING SOLUTIONS INTERNATIONAL LTDA	Bogota, Colombia	99%	1%	100%
2.	INTRALOT INTERACTIVE S.A.	Maroussi, Greece	65,24%	30,70%	95,94%
	INTRALOT GLOBAL SECURITIES B.V.	Amsterdam, Netherlands	100%		100%
1.	INTRALOT FINANCE LUXEMBOURG S.A.	Luxembourg, Luxembourg		100%	100%
1.	INTRALOT CAPITAL LUXEMBOURG S.A.	Luxembourg, Luxembourg		100%	100%
	ILOT CAPITAL UK LTD	Hertfordshire, United Kingdom	100%		100%
	ILOT INVESTMENTS UK LTD	Hertfordshire, United Kingdom	100%		100%
1,2,3,4.	INTRALOT GLOBAL HOLDINGS B.V.	Amsterdam, Netherland		100%	100%
5.	INTRALOT INC	Atlanta, USA		100%	100%
12.	DC09 LLC	Wilmington, USA		49%	49%
5.	INTRALOT NEDERLAND B.V.	Amsterdam, Netherlands		100%	100%
5.	LOTROM S.A.	Bucharest, Romania		60%	60%
5.	INTRALOT BEIJING Co LTD	Beijing, China		100%	100%
5.	TECNO ACCION S.A.	Buenos Aires, Argentina		50,01%	50,01%
5.	TECNO ACCION SALTA S.A.	Buenos Aires, Argentina		50,01%	50,01%
5.	MALTCO LOTTERIES LTD	Valetta, Malta		73%	73%
5.	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand		100%	100%
5.	INTRALOT DO BRAZIL LTDA	Sao Paulo, Brazil		80%	80%
14.	OLTP LTDA	Rio de Janeiro, Brazil		80%	80%
5.	INTRALOT ARGENTINA S.A.	Buenos Aires, Argentina		100%	100%
5.	INTRALOT GERMANY GMBH	Munich, Germany		100%	100%
5.	INTRALOT HOLDING & SERVICES S.p.A.	Rome, Italy		100%	100%
5,7.	INTRALOT GAMING MACHINES S.p.A.	Rome, Italy		100%	100%
7.	INTRALOT ITALIA S.p.A	Rome, Italy		100%	100%
13.	VENETA SERVIZI S.R.L.	Mogliano Veneto, Italy		100%	100%
5.	INTRALOT SOUTH KOREA S.A.	Seoul, S. Korea		100%	100%
5.	INTRALOT FINANCE UK PLC	London, United Kingdom		100%	100%

	I. Full consolidation:	Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
5.	INTRALOT ASIA PACIFIC LTD	Hong Kong, China		100%	100%
5.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom		100%	100%
5.	BETA RIAL Sp.Zoo	Warsaw, Poland		100%	100%
5.	POLLOT Sp.Zoo	Warsaw, Poland		100%	100%
15,16,17	TOTOLOTEK S.A.	Warsaw, Poland		95,45%	95,45%
5.	INTRALOT SLOVAKIA SPOL. S.R.O.	Bratislava, Slovakia		100%	100%
5.	SLOVENSKE LOTERIE A.S.	Bratislava, Slovakia		51%	51%
18.	TACTUS S.R.O.	Bratislava, Slovakia		51%	51%
5.	NIKANTRO HOLDINGS Co LTD	Nicosia, Cyprus		100%	100%
19.	LOTERIA MOLDOVEI S.A.	Chisinau, Moldova	47,90%	32,85%	80,75%
5.	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus		54,95%	54,95%
5,6.	ROYAL HIGHGATE LTD	Nicosia, Cyprus		35,08%	35,08%
5.	INTRALOT LEASING NEDERLAND B.V.	Amsterdam, Netherland		100%	100%
5.	INTRALOT IRELAND LTD	Dublin, Ireland		100%	100%
5.	INTRALOT CYPRUS GLOBAL ASSETS LTD	Nicosia, Cyprus		100%	100%
8.	INTRALOT OOO	Moscow, Russia		100%	100%
26.	INTRALOT DISTRIBUTION OOO	Moscow, Russia		100%	100%
8.	INTRALOT ST. LUCIA LTD	Castries, Santa Lucia		100%	100%
9.	INTRALOT GUATEMALA S.A.	Guatemala City, Guatemala		100%	100%
10.	LOTERIAS Y APUESTAS DE GUATEMALA S.A.	Guatemala City, Guatemala		51%	51%
9.	INTRALOT DOMINICANA S.A.	St. Dominicus, Dominican Republic		100%	100%
9.	INTRALOT LATIN AMERICA INC	Miami, USA		100%	100%
9.	INTRALOT SURINAME LTD	Paramaribo, Suriname		100%	100%
9.	CARIBBEAN VLT SERVICES LTD	Castries, Santa Lucia		50,001%	50,001%
9.	INTRALOT CARIBBEAN VENTURES LTD	Castries, Santa Lucia		50,05%	50,05%
11.	SUPREME VENTURES LTD	Kingston, Jamaica		24,97%	24,97%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%		100%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus		100%	100%
3.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus		100%	100%
2,4.	NETMAN SRL	Bucharest, Romania		100%	100%
2.	BILOT EOOD	Sofia, Bulgaria		100%	100%
20.	EUROFOOTBALL LTD	Sofia, Bulgaria		49%	49%
21.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria		49%	49%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus		100%	100%
23.	INTRALOT LOTTERIES LTD	Nicosia, Cyprus	51%	49%	100%
23.	INTRALOT INVESTMENTS LTD	Nicosia, Cyprus	51%	49%	100%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus		100%	100%
2.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru		100%	100%
2.	NAFIROL S.A.	Montevideo, Uruguay		100%	100%
2.	LEBANESE GAMES S.A.L	Lebanon		99,99%	99,99%
2.	INTRALOT HONG KONG HOLDINGS LTD	Hong Kong, China		100%	100%
2.	INTRALOT BETTING OPERATIONS RUSSIA LTD	Nicosia, Cyprus		100%	100%
25.	FAVORIT BOOKMAKERS OFFICE OOO	Moscow, Russia		100%	100%

II. Equity method:		Domicile	% Direct Part'n	% Indirect Part'n	% Total Part'n
	LOTRICH INFORMATION Co LTD	Taipei, Taiwan	40%		40%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	45%		45%
3.	GOREWARD LTD	Taipei, Taiwan		49,99%	49,99%
31.	PRECIOUS SUCCESS LTD GROUP	Hong Kong, China		24,49%	24,49%
31.	GAIN ADVANCE GROUP LTD	Hong Kong, China		49,99%	49,99%
22.	KTEMS HOLDINGS CO LTD	Seoul, South Korea		49,99%	49,99%
31.	OASIS RICH INTERNATIONAL LTD	Taipei, Taiwan		44,99%	44,99%
32.	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	Shanghai, China		44,99%	44,99%
5.	BIT8 LTD	Valetta, Malta		35%	35%
33.	SWITCH IT NV	Willemstad, Curacao		35%	35%
2.	UNICLIC LTD	Nicosia, Cyprus		50%	50%
27.	DOWA LTD	Nicosia, Cyprus		30%	30%

Subsidiary of the company:		
1: Intralot Global Securities BV	12: Intralot Inc	23: Intralot Technologies LTD
2: Intralot Holdings International LTD	13: Intralot Italia S.p.A.	24: Betting Company S.A.
3: Intralot International LTD	14: Intralot Do Brazil LTDA	25: Intralot Betting Operations Russia LTD
4: Intralot Operations LTD	15: Pollot Sp.Zoo	26: Intralot OOO
5: Intralot Global Holdings BV	16: White Eagle Investments LTD	27: Uniclic LTD
6: Intralot Betting Operations(Cyprus) LTD	17: Beta Rial Sp.Zoo.	28: Intralot Australia PTY LTD
7: Intralot Holding & Services S.p.A.	18: Slovenske Loterie AS	29: Intralot Iberia Holdings S.A.
8: Intralot Cyprus Global Assets LTD	19: Nikantro Holdings Co LTD	30: Inteltek Internet AS
9: Intralot St.Lucia LTD	20: Bilot EOOD	31: Goreward LTD
10: Intralot Guatemala S.A.	21: Eurofootball LTD	32: Oasis Rich International LTD
11: Intralot Caribbean Ventures LTD	22: Gain Advance Group LTD	33: Bit8 LTD

The entities Atropos S.A., Nafirol S.A., Gain Advance Group LTD and Ktems Holdings Co LTD are under liquidation process.

On 1/1/2015 Slovenske Loterie A.S. merged with its 100% subsidiary Tactus S.R.O.

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.

On 31/12/2015, the Group or its subsidiaries did not have any significant contractual or statutory restrictions on their ability to access or use the assets and settle the liabilities of the Group.

The following United Kingdom subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the statutory audit of individual company accounts by virtue of Section 479A of that Act:

Intralot Finance UK Plc (company number 6451119)

White Eagle Investments Limited (company number 3450868)

Ilot Capital UK Limited (company number 9614324)

Ilot Investments UK Ltd (company number 9614271)

However, Intralot Finance UK Plc has been audited in 2015 for IFRS Group reporting purposes.

On 21/3/2016 the Group and Trilantic Capital Partners Europe, the controlling shareholder of Gamenet S.p.A. ("Gamenet") in Italy, announced the signing of a Memorandum of Understanding (MoU), to merge the Italian activities of the INTRALOT Group (subsidiaries Intralot Holding & Services S.p.A., Intralot Gaming Machines S.p.A., Intralot Italia S.p.A. and Veneta Servizi Srl) into those of Gamenet, a leading VLT and AWP concessionaire and retailer in Italy and a betting and online operator.

Following completion of the transaction, Intralot Group is envisaged to control 20% of the combined operations, with a network of approximately 800 betting POS, that will continue to use INTRALOT's brand name, around 8.200 VLTs, and over 50.000 AWPs. The completion of the transaction, which is expected by June 2016, is, inter alia, subject to approvals by the corporate bodies of the two companies and by competent public authorities. The above subsidiaries are presented in the geographical operating segment "European Union" (note 2.2).

On March 2016 the Group acquired 100% of the share capital of Entergaming Ltd, the Enterprise Value (EV) of which was calculated at €11.5m. Entergaming Ltd is an online sports betting operator that offers a user friendly interface, a wide range of betting opportunities and has a large player database.

III. Acquisitions:

During the third quarter of 2015 the Group acquired a 35% stake in Bit8 Ltd through its subsidiary Intralot Global Holdings BV. The price in cash paid to non-controlling interests until 31/12/2015 amounted to € 2,4 million. The total cost of the agreement amounts to € 5,7 million. The agreement provides for a call option for Intralot Global Holdings BV to raise its participation in the company up to 60% within the next two years if certain financial thresholds are met. In parallel the agreement contemplates a put option right for the current shareholders to sell the remaining part of their shares in Bit8 Ltd in case that certain agreed financial thresholds or certain specific business metrics (KPIs) are met.

With regard to the exercise price for the warrants (call options) to increase the shareholding of Intralot Global Holdings BV and the put options of the current shareholders for the remainder of Bit8 Ltd percentage, it will be determined in the future in accordance with the terms of the purchase agreement based on the financial results of Bit8 Ltd in the future. Bit8 Ltd owns 100% of the shares of Switch It NV.

IV. New Companies of the Group:

During the twelve months of 2015 the Group preceded to the establishment of subsidiaries Intralot Adriatic d.o.o, Tecno Accion Salta S.A., Intralot Services SA. , Ilot Capital UK Ltd and Ilot Investments UK Ltd.

V. Changes in ownership percentage during 2015:

During the third and fourth quarter of 2015 the Group acquired an additional 15% of ordinary shares with voting rights in the subsidiary Intralot Inc increasing its shareholding to 100%. The price in cash paid to non-controlling interests (executive of Intralot Group) amounted to € 13,5 million. Below is the impact on net assets attributable to owners of the Company for the change of its ownership in Group Intralot Inc, which do not result in loss of control:

Amounts in million €

Price in cash paid to non-controlling interest	13.528
Book value of additional participation percentage in Intralot Inc	5.292
Difference recognized in Retained earnings attributable to shareholders of the Company	**(18.820)**

During the fourth quarter of 2015 the Group participated in the share capital increase of subsidiary Intralot Interactive SA by paying the amount of € 155 thousand, increasing its shareholding from 93,02% to 95,95%. Below is the impact on equity attributable to owners of the Company for the change in ownership of Intralot Interactive SA which do not result in loss of control:

Amounts in million €

Book value of additional participation percentage in Intralot Interactive SA	-7
Difference recognized in Retained earnings attributable to shareholders of the Company	**7**

VI. Subsidiaries' Share Capital Increase:

During the fourth quarter of 2015 the Group completed the share capital increase through payment in cash in Intralot Cyprus Global Assets LTD amounting €625 thousand, in Netman SRL amounting €160 thousand and in Favorit Bookmakers Office OOO amounting €516 thousand.

VII. Discontinued Operations in the Group:

During the fourth quarter of 2015, the Group did not cease the operation or sell any subsidiary company.

VIII. Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:				
Subsidiary Name	**Country of incorporation and operation**	**Geographic operating segment**	**31/12/2015**	**31/12/2014**
Inteltek Internet AS	Turkey	Other countries	55%	55%
Bilyoner Interaktif Hizmelter AS	Turkey	Other countries	49,99%	49,99%
Azerinteltek AS	Azerbaijan	Other countries	77,05%	77,05%
Lotrom SA	Romania	European Union	40%	40%
Eurofootball LTD	Bulgaria	European Union	51%	51%
Supreme Ventures LTD	Jamaica	America	75,03%	75,03%
Tecno Accion SA	Argentina	America	49,99%	49,99%

Accumulated balances of material non-controlling interests per geographical operating segment:

	31/12/2015	31/12/2014
European Union	13.625	12.701
America	25.629	24.231
Other countries	29.687	56.290

Profit allocated to material non-controlling interests per operating geographical operating segment:

	1/1-31/12/2015	1/1-31/12/2014
European Union	11.600	10.644
America	11.228	8.224
Other countries	23.143	24.428

The summarised financial statements of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations as for the transactions with the other entities of the Group (but after the relevant intersegment eliminations):

Summarised statement of profit or loss for the period 1/1-31/12/2015:	**European Union**	**America**	**Other Countries**
Sales Proceeds	160.560	368.841	250.151
Gross Profit / (Loss)	28.427	51.407	86.826
EBITDA	23.874	30.101	56.302
Profit / (Loss) before taxes	23.763	25.989	62.130
Taxes	-1.498	-8.118	-20.338
Net Profit / (Loss) after taxes	**22.265**	**17.871**	**41.792**
Other Comprehensive Income after tax	-99	89	-8.792
Total Comprehensive Income	**22.166**	**17.960**	**33.000**
Attributable to non-controlling interests	11.561	11.788	18.243
Dividends paid to non-controlling interests	12.072	9.124	44.261

Summarised statement of profit or loss for the period 1/1-31/12/2014:	**European Union**	**America**	**Other Countries**
Sales Proceeds	149.476	350.171	289.403
Gross Profit / (Loss)	27.663	40.766	89.345
EBITDA	20.380	22.133	59.771
Profit / (Loss) before taxes	20.365	19.060	63.849
Taxes	-84	-5.780	-21.746
Net Profit / (Loss) after taxes	**20.281**	**13.280**	**42.103**
Other Comprehensive Income after tax	-26	186	3.790
Total Comprehensive Income	**20.255**	**13.466**	**45.893**
Attributable to non-controlling interests	10.633	8.709	26.558
Dividends paid to non-controlling interests	11.323	5.042	6.270

Summarised statement of financial position as at 31/12/2015:	**European Union**	**America**	**Other Countries**
Non-current assets	12.679	25.369	14.407
Current assets	40.089	28.549	84.500
Non-current liabilities	-86	-179	-17.477
Current liabilities	-5.092	-20.630	-23.976
Total equity	**47.590**	**33.109**	**57.454**
Attributable to:			
Shareholders of the parent company	24.723	9.650	26.510
Non-controlling interests	22.867	23.459	30.944

Summarised statement of financial position as at 31/12/2014:	European Union	America	Other Countries
Non-current assets	12.452	24.980	13.962
Current assets	42.632	32.438	141.436
Non-current liabilities	-413	-353	-15.930
Current liabilities	-7.248	-20.865	-34.554
Total equity	**47.423**	**36.200**	**104.914**
Attributable to:			
Equity holders of parent	24.878	10.766	47.277
Non-controlling interests	22.545	25.434	57.637

Summarised cash flow information for the year ending 31/12/2015:	European Union	America	Other Countries
Operating activities	24.213	17.958	17.139
Investing activities	-178	-2.860	4.131
Financing activities	-23.032	-19.439	-79.105
Net increase / (decrease) in cash and cash equivalents	**1.003**	**-4.341**	**-57.835**

Summarised cash flow information for the year ending 31/12/2014:	European Union	America	Other Countries
Operating activities	23.383	22.790	43.132
Investing activities	9	-1.975	10.470
Financing activities	-21.245	-12.238	-11.289
Net increase / (decrease) in cash and cash equivalents	**2.147**	**8.577**	**42.313**

IX. Investments in companies consolidated with the equity method:

i) Investment in associates

The Group has significant influence over the below associates. The Group's interest in these associates is accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment in associates:

Proportion of equity interest held by the Group is associates:			
Associate Name	**Country of incorporation and operation**	**31/12/2015**	**31/12/2014**
Lotrich Information Co LTD	Taiwan	40%	40%
Intralot South Africa LTD	South Africa	45%	45%
Bit8 LTD Group	Malta	35%	-
Goreward LTD Group	China	49,99%	49,99%

Summarised statement of financial position as at 31/12/2015:	Lotrich Information Co LTD	Intralot South Africa LTD	Bit8 LTD Group	Goreward LTD Group
Non-current assets	6.236	0	1.134	43.759
Current assets	15.785	428	1.394	26.265
Non-current liabilities	0	0	-1.000	-69
Current liabilities	-7.632	-83	-455	-22.209
Total equity	**14.389**	**345**	**1.073**	**47.746**
Group's carrying amount of the investment	**5.570**	**376**	**5.303**	**29.614**

Summarised statement of financial position as at 31/12/2014:	Lotrich Information Co LTD	Intralot South Africa LTD	Bit8 LTD Group	Goreward LTD Group
Non-current assets	5.246	23	0	52.817
Current assets	22.163	3.932	0	19.722
Non-current liabilities	0	0	0	0
Current liabilities	-15.312	-367	0	-15.763
Total equity	**12.097**	**3.588**	**0**	**56.776**
Group's carrying amount of the investment	**4.653**	**1.835**	**0**	**25.872**

Summarised statement of profit or loss for the period 1/1-31/12/2015:	Lotrich Information Co LTD	Intralot South Africa LTD	Bit8 LTD Group	Goreward LTD Group
Sales Proceeds	7.818	1.662	1.093	22.929
Gross Profit / (Loss)	2.179	232	840	-5.930
EBITDA	1.535	-525	186	-230
Profit / (Loss) before taxes	1.483	411	-65	-12.734
Taxes	-63	0	0	0
Net Profit / (Loss) after taxes	**1.420**	**411**	**-65**	**-12.734**
Other Comprehensive Income after tax	872	-92	0	18.023
Total Comprehensive Income after taxes	**2.292**	**319**	**-65**	**5.289**
Group's share of total comprehensive income of the period after taxes	**917**	**-100**	**-447**	**3.774**
Dividends received by the Group from the associate	0	59	0	0

Summarised statement of profit or loss for the period 1/1-31/12/2014:	Lotrich Information Co LTD	Intralot South Africa LTD	Bit8 LTD Group	Goreward LTD Group
Sales Proceeds	25.946	2.962	0	20.740
Gross Profit / (Loss)	1.068	1.013	0	-4.725
EBITDA	475	86	0	99
Profit / (Loss) before taxes	454	495	0	-6.076
Taxes	0	-34	0	0
Net Profit / (Loss) after taxes	**454**	**461**	**0**	**-6.076**
Other Comprehensive Income after tax	838	118	0	19.736
Total Comprehensive Income after taxes	**1.292**	**579**	**0**	**13.660**
Group's share of total comprehensive income of the period after taxes	**517**	**261**	**0**	**6.255**
Dividends received from the associate	0	287	0	0

Reconciliation of the summarised financial information presented to the carrying amount of investments:	Lotrich Information Co LTD	Intralot South Africa LTD	Bit8 LTD Group	Goreward LTD Group
Carrying amount of Investment as of 1/1/2014:	**4.136**	**1.862**	**0**	**19.586**
Net Profit / (Loss) after taxes of the period	182	208	0	-2.665
Other Comprehensive Income after tax of the period	335	52	0	8.920
Dividends	0	-287	0	0
Foreign exchange differences	0	0	0	31
Carrying amount of Investment as of 31/12/2014:	**4.653**	**1.835**	**0**	**25.872**
Net Profit / (Loss) after taxes of the period	568	185	-447	-4.369
Other Comprehensive Income after tax of the period	349	-285	0	8.143
Dividends	0	-59	0	0
New consolidated entities	0	0	5.750	0
Return of capital	0	-1.300	0	0
Foreign exchange differences	0	0	0	-32
Carrying amount of Investment as of 31/12/2015:	**5.570**	**376**	**5.303**	**29.614**

The associates had no other contingent liabilities or capital commitments as at 31 December 2014 and 2015, except as disclosed in Note 2.32.A

ii) Investment in Joint Ventures

The Group holds 50% in Uniclic LTD Group (consisting of Uniclic LTD and its 60% subsidiary, Dowa LTD), a consortium based in Cyprus. The Group consolidates this venture with the equity method applying the new IFRS 11 "Schemes under common control”. The carrying value of the investment in the joint venture Uniclic LTD Group is not significant for the Group's data.

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 (on 31/12/2015 the loan balance amounted to €6,8 million and the used guarantee letters to €4,0 million and the overdraft was fully repaid).

There are no other restrictions than the above, in the ownership or transfer or other encumbrances on the Group's property.

On 31 December 2015 the Group had no contractual commitments for the purchase of tangible fixed assets.

C. PROVISIONS

GROUP	Legal issues [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions [3]	Total provisions
Period opening balance	**5.749**	**3.928**	**4.584**	**14.261**
Period additions	137	0	3.775	**3.912**
Used provisions	-333	-76	-1.220	**-1.629**
Unused provisions	0	0	-27	**-27**
Translation differences	-758	0	-484	**-1.242**
Period closing balance	**4.795**	**3.852**	**6.628**	**15.275**
Long term provisions	**4.795**	**70**	**1.773**	**6.638**
Short term provisions	**0**	**3.782**	**4.855**	**8.637**
Total	**4.795**	**3.852**	**6.628**	**15.275**

[1] Relate to legal issues as analyzed in note 2.32.A.
[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-2 years.
[3] Relate to provisions for risks none of which are individually material to the Group except from provisions for additional fees (bonus) and other employee benefits of the Group amounting to €3.407 thousand as well as provisions for future payments under "onerous contracts" as provided by IAS 37 amounting to € 2.151 thousand. The Other provisions are expected to be used in the next 1-8 years.

COMPANY	Legal issues [1]	Unaudited fiscal years and tax audit expenses [2]	Other provisions	Total provisions
Period opening balance	**5.423**	**3.269**	**91**	**8.783**
Translation differences	-758	0	0	**-758**
Period closing balance	**4.665**	**3.269**	**91**	**8.025**
Long term provisions	**4.665**	**0**	**0**	**4.665**
Short term provisions	**0**	**3.269**	**91**	**3.360**
Total	**4.665**	**3.269**	**91**	**8.025**

[1] Relate to legal issues as analyzed in note 2.32.A.
[2] Relate to provisions for the coverage of differences from future audits for income taxes and other taxes. It is expected to be used in the next 1-2 years.

D. PERSONNEL EMPLOYED

The number of employees of the Group on 31/12/2015 amounted to 5.080 persons (4.963 Company/subsidiaries and associates 117) and the Company's 660 persons. At the end of 2014 the number of employees of the Group amounted to 5.348 persons (5.269 Company/subsidiaries and associates 79) and the Company 690 persons.

E. RELATED PARTY DISCLOSURES

Intralot SA purchases goods and services and/or provides goods and services to various related companies, in the ordinary course of business. These related companies consisting of subsidiaries, associates or other related companies which have common ownership and / or management with Intralot SA. Below is a condensed report of the transactions for the fourth quarter of 2015 and the balances on 31/12/2015 of other related parties:

	GROUP		COMPANY	
Amounts reported in thousand of €	31/12/2015	31/12/2014	31/12/2015	31/12/2014
a) Income				
-from subsidiaries	0	0	49.674	29.316
-from associates - joint ventures	2.931	2.424	2.954	2.711
-from other related parties	13.343	5.335	9.514	5.118
b) Expenses				
-to subsidiaries	0	0	29.516	32.907
-to associates - joint ventures	420	-343	-118	-349
-to other related parties	7.659	16.650	5.144	12.398
c) Receivables (A)				
-from subsidiaries	0	0	82.868	108.412
-from associates - joint ventures	15.709	19.158	8.839	14.995
-from other related parties	16.150	15.368	10.481	10.525
d) Payables (B)				
-to subsidiaries	0	0	311.300	311.085
-to associates - joint ventures	647	-3	108	-9
-to other related parties	20.771	18.844	15.625	16.194
e) BoD and Key Management Personnel transactions and fees	11.938	11.905	6.068	7.088
f) BoD and Key Management Personnel receivables	711	648	0	0
g) BoD and Key Management Personnel payables	507	602	246	272
(A) The respective amounts analysed as follows:				
Total due from related parties	32.570	35.174	102.188	133.932
(less) long term portion (Note 2.18)	8.796	6.935	28	0
Short term from related parties (Note 2.19)	23.774	28.239	102.160	133.932
(B) The respective amounts analysed as follows:				
Total due to related parties	21.925	19.443	327.279	327.542
(less) long term loans	0	0	280.673	172.542
(less) long term liabilities (Note 2.27)	1.665	0	0	0
Short term to related parties (Note 2.28 & 2.29)	20.260	19.443	46.606	155.000

Sales and services to related parties are made at normal market prices. Outstanding balances at year end are unsecured and settlement occurs in cash. No guarantees have been provided or received for the above requirements.

In the fourth quarter of 2015, the Company held a reversal of provisions concerning a reduction estimate in the recoverable amount of receivables from subsidiaries of €37,3 million due to realized and expected receipts related to these subsidiaries (fourth quarter of 2014: €5,7 mil.) that was recognized in Income Statement of the period. Meanwhile, in the fourth quarter of 2015, the Company made provisions concerning a reduction estimate in the recoverable amount of receivables from subsidiaries of €4,1 million (fourth quarter of 2014: €0 million), which were recognized in the income statement of the period. Accumulated relevant provisions on 31/12/2015 amounted to €41,9 million (31/12/2014: €75,2 million).

In the fourth quarter of 2015, the Group made write-offs of receivables from associates amounting to €4 thousand that have been included in the income statement for the period.

During the third and fourth quarter of 2015 the Group acquired an additional 15% of ordinary shares with voting rights in the subsidiary Intralot Inc increasing its shareholding to 100%. The price in cash paid to non-controlling interests (executive of Intralot Inc) amounted to € 13,5 million.

2.32 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

A. LITIGATION CASES

a. On 5th September 2005 a lawsuit 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 lawsuit the plaintiff withdrew of the lawsuit filed against the Company and OPAP SA 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, in case of the hearing of the case, the above-mentioned lawsuit 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 Court of First Instance 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 for precipitation of the plaintiff the case was heard on 1st December 2005. By its decision No 2412/2006 the Multi-member Court of First Instance 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. On 23rd July 2014 an application for cassation was served to the company which has been heard, following a postponement, on 2nd February 2015 and the decision no 1062/2015 was issued referring the case for hearing before the plenary session of the Supreme Court. No hearing date before the plenary session of the Supreme Court has been set.

c. INTRALOT filed before Multi-member Court of First Instance 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 a lawsuit filed by Mr. K. Thomaidis on 9th January 2006, before the Multi-member Court of First Instance 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. K. 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 Court of First Instance. 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. On 17 October 2015 an appeal was served to the company against the above decision, which was scheduled to be heard before the Athens Court of Appeals on 11 February 2016; on that date the hearing was postponed for 22 September 2016 due to lawyers strike.

e. On 26th July 2011 a lawsuit 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 had been initially set for 6th March 2014 when it was postponed for 10 November 2016. The estimate of the legal advisors of the Company is that the lawsuit has no serious chance of success.

f. The Company and its subsidiary "Intralot International Limited" and Mr. Socratis P. Kokkalis, filed before the Athens Multi-member Court of First Instance 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 Athens Multi-member Court of First Instance issued its decision partially accepting the lawsuit; "Glory Technology Limited" is obliged to pay €50.000 to the first plaintiff, €25.000 to the second plaintiff and €25.000 to the third plaintiff. No appeal of the other party has been served to the Company yet. The Company filed an appeal against the decision requesting that the lawsuit to be accepted in total; no hearing date has been set for the appeal.

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 were requesting 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 had been scheduled for 16th October 2013. On 23rd September 2013, the plaintiffs withdrew from the lawsuit.

g. 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 (€1.597.817) 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 was rejected by the Turkish Council of State which validated the decision of the first instance court that had cancelled the penalty.

h. 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 (€6,9m). 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 (€2,2m) has already been used for the payment to Etesa of a letter of guarantee amounting to 7.694.081.042 Colombian pesos.

i. 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. Mr. Petre Ion initiated an enforcement procedure of the above decision in Romania. The companies will exercise legal means against the enforcement procedure according to the provisions of the Romanian laws.

j. Mr. Petre Ion filed in Romania a lawsuit against Intralot Holdings International Ltd and LOTROM requesting to issue a decision to replace the share purchase contract of its shares in LOTROM SA for €2.500.000 (for which he had filed the above lawsuit) in order to oblige Intralot Holdings International Ltd a) to pay the amount of €400.000 as tax on the above price, b) to sign on the shareholders book for the transfer of the shares, c) to pay the price of the transfer and the legal costs. The Court of First Instance rejected Mr. Petre Ion's lawsuit. Mr. Petre Ion filed an appeal which was heard on 4 November 2014 and was partially accepted. The Company filed an appeal against this decision which was rejected. Notwithstanding the appeal, the case has been set to be heard again, following postponements, on 15 April 2016.

k. 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 Competition Board of Romania imposed a fine to the Company amounting to 5.541.874 ROL (€1.224.994) and to the subsidiary LOTROM to 512.469 ROL (€113.278). The Company and its subsidiary LOTROM filed a lawsuit against the respective decision requesting its annulment and the suspension of its execution. The applications for the suspension of validity of the above decision of the Competition Board were rejected and the Company and its subsidiary LOTROM filed appeals; no hearing date has been scheduled yet. Also, an application for the suspension of execution was filed by Intralot, scheduled to be heard on 13th November 2014, date on which the Court decided to suspend the issue of the decision until the competent court decides on the main recourse filed for annulment of the decision of the Competition Board. Against said decision an appeal was filed which has been scheduled to be heard on 19 April 2016. Finally, regarding the applications for the annulment of the decision of the Competition Board, the application of INTRALOT is scheduled to be heard, following postponements, on 06 April 2016, while the respective application of LOTROM which has been heard, following postponements, on 16 December 2015, was accepted by the court and the fine imposed to LOTROM was cancelled. No appeal against this decision has been served to LOTROM.

l. In Romania, the subsidiary Lotrom was notified on the beginning of an investigation conducted by the competent authorities against the state lottery CNLR, client of the Group, in relation to alleged occurrence of the crime of conducting games of chance without license and possible complicity to that, in relation to the operation of Video Lottery machines of CNLR; the Group was the technology provider of CNLR from 2003 to 2014. Intralot was notified, through rogatory procedure, that itself along with

LOTROM and Intracom, are alleged to be accomplices of the state lottery CNLR to the abovementioned crimes. Intralot refuted with a memo duly submitted within February 2016, the above allegations. Due to the early stage of the procedure and the nature of the case as well as due to the secrecy of the investigation procedures, neither further comments on the issue nor any estimation of any possible negative financial effect on the financials of the group can be provided.

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 was filed against the respective decision which is pending. In relation to all remaining shops a second instance decision of the Ministry of Finance was issued revoking their licenses. The company has filed recourses before Administrative Courts which were rejected at the first and second instance except one case for which the hearing date before the second instance court is pending to be scheduled and a second case whereby the court suspended the procedure. "Totolotek Totomix SA" intends to file further legal means against the above decisions. 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. Following the abovementioned decisions of the Ministry of Finance regarding the revocation of the licenses, a fine amounting to 480.000 Euro was imposed to the company. The company filed a recourse against this decision and requested the cancellation and suspension of its execution, and the hearing date had been scheduled on 29th April 2015 before the competent Administrative Court of First Instance. The court issued, on 13 May 2015, its decision vindicating "Totolotek Totomix SA" and cancelled the fine, while the respective appeal filed was rejected by the Warsaw Supreme Court rendering final the decision of the court which cancelled the fine.

n. In Italy, the company Tike Games S.r.l. filed a lawsuit before the civil courts of Rome requesting a compensation in the amount of 378.400 Euro in relation to a contract signed with Intralot Italia S.p.A. which was terminated by the latter due to material breach of an exclusivity undertaking provision when Intralot Italia SpA realized that the plaintiff had installed in its point of sale gaming machines (AWPs and VLTs) of a third party-concessionaire which was not approved by Intralot Italia S.p.A. The plaintiff claims that Intralot Italia S.p.A. is responsible for the compensation since it delayed to install the respective gaming machines. Following the hearing of 6th May 2015, the court set the next hearing date for 13 January 2016 when the case was heard and the issue of the decision is expected. The opinion of the external legal advisors is that the above lawsuit will not finally succeed.

o. 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.

p. 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 approx. €240.000 and from a services agreement calculated as a percentage 4% on the turnover of the subsidiary. On August 23rd, 2013, the decision of the local court was issued dismissing the lawsuit. The plaintiff filed an appeal and a decision was issued at the end of July 2014 which refers the case for a new hearing before the Court of First Instance. The company is examining the possibility to file legal means against this decision.

q. On 30 July 2012, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against the company "Hellenic Organization of Horse Racing S.A." (ODIE) requesting the payment of the amount of €2.781.381,15 relating to system maintenance services provided but not paid. The case was heard on 6th May 2015 and the issue of the decision is pending.
Moreover, Intralot filed a recourse to the arbitration panel on 13 August 2012 against the same company ODIE requesting the payment of the amount of €9.551.527,34 relating to operational services of integrated system provided but not paid. The arbitration was concluded on 1st March 2013 and the arbitration decision no 27/2013 was issued vindicating Intralot and compelling ODIE to pay to Intralot the total amount requested (€9.551.527,34). In order to secure its claims, Intralot:
a) by virtue of the above arbitration decision, has already recorded on the mortgage books of the Land Registry Office of Kropia a mortgage on a land property of ODIE and specifically on the property where the Horse Racetrack of Athens in Markopoulo Attica is operating, and on the buildings thereupon, for an amount of €11.440.655,35.
b) by virtue of the decision no 2209/2014 of the Athens Single Member Court of First Instance, has already recorded on the mortgage books of the Land Registry Office of Kropia, a note of mortgage on the same real estate of ODIE for an amount of €9.481.486,11.
c) advanced the procedure of compulsory execution against ODIE in order to execute its claims.
Furthermore, on 20 March 2014, Intralot filed before the Athens Multi-member Court of First Instance a lawsuit against ODIE requesting the payment of the amount of €8.043.568,69 which is owed to it pursuant to the "Agreement of Maintenance and Operation of the System of the Mutual Betting on Horse Races of ODIE" dated 6 March 2012. The hearing date is 17th February 2016 but on that date the hearing was postponed for 4 October 2017 due to lawyers' strike.

The confiscation on the above land property of ODIE in Markopoulo Attica imposed in the frame of the abovementioned procedure of compulsory execution against ODIE, was reversed with the consent of Intralot on 15 December 2015 in execution of the terms of the agreement dated 24 November 2015 between Intralot and ODIE which settled the payment of all above claims of Intralot. Pursuant to this agreement, ODIE assigned to Intralot 2/3 of the rent which it will receive from the lease agreement relating to that real estate to the company "Ippodromies SA". The payment of the assigned rent amounts has already been started.

r. In Italy, the company Stanley International Betting Ltd filed a recourse before the administrative courts of Lazio against the State Autonomous Administrative Monopolies (AAMS) and eventually against all companies to which licenses for conducting betting activities have been granted, including the subsidiary Intralot Italia SpA, requesting the annulment of the legislative decree of 2012 which provided for the granting of licenses for betting activities for three years, the annulment of the tenders conducted in 1999 and 2006 and the betting licenses granted pursuant to them for twelve and nine years respectively.

The hearing of the case was made on 5 February 2014 and the court decided to suspend the issue of the decision until the European Court of Justice responds on some preliminary queries which have been set by the court of second instance relating to a recourse of Stanley International Betting Ltd against AAMS and the companies SNAI S.p.A. and Intralot Italia S.p.A. which was rejected at the first instance and was related, among others, to the legality of the participation of Stanley International Betting Ltd to the tenders of 1999 and 2006. The second instance court (Consiglio di Stato) rejected the appeal of Stanley International Betting Ltd following a decision of the European Court which was negative for Stanley International Betting Ltd, while a second recourse of the other party is pending before the court of first instance.

s. In Italy, pursuant to a law passed in December 2014, a decision was issued by the Italian Autonomous Administration of State Monopolies (AAMS) on 15th January 2015, according to which, all companies that operate gaming machines are required to pay to the Italian Autonomous Administration of State Monopolies (AAMS) the amount of 1,2K Euro per gaming machine which was in operation on 31st December 2014. The total balance due by all the industry companies is €500 million. The amount corresponding to the Company's subsidiary, Intralot Gaming Machines S.p.A., is approximately €13 million. Intralot Gaming Machines S.p.A., together with all the industry companies, have appealed to the competent administrative court against both the abovementioned law and the decision of AAMS, requesting the annulment thereof for being unconstitutional as well as the suspension of the execution of the law and of AAMS's decision. The request for the suspension of execution was rejected by the competent court on 1st April 2015. The case regarding the constitutionality was heard on 1st July 2015 and the decision issued requested from the parties to submit additional information. Following a new hearing on 21 October 2015, the court, on 17 November 2015, decided to suspend the issue of the decision and to refer the case before the Constitutional Court. No hearing date before the Constitutional Court has been scheduled. Intralot Gaming Machines S.p.A. has exercised the right conferred by Law to recharge almost all of that tax to the sales network.

t. A former officer of the Company filed a lawsuit before the Athens First Instance Court requesting the payment of the amount of €121.869,81 as non-paid wages. The hearing has been scheduled to be heard on 25 May 2016. The Legal Department of the Company considers that, following the hearing of the case, the above-mentioned lawsuit would not be successful.

u. In U.S.A., "Georgia Atlanta Amusement" which is a master license holder to operate videolottery games in the state of Georgia U.S.A., filed a lawsuit against the subsidiary Intralot, Inc. and demands approx. 400.000 US dollars claiming malfunction of the monitoring system of the videolottery in the state of Georgia, U.S.A. The malfunction was due to equipment of third party provider. The case is at the stage of mediation. Intralot, Inc. will examine the possibility to turn against the third party provider for the payment of any possible compensation.

Until 30/03/2016, 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. FISCAL YEARS UNAUDITED BY THE TAX AUTHORITIES

COMPANY	YEARS	COMPANY	YEARS
INTRALOT S.A.	2012-2013 & 2015	INTRALOT OOO	2013-2015
BETTING COMPANY S.A.	2007-2010 & 2015	POLDIN LTD	2011-2015
BETTING CYPRUS LTD	2007-2015	INTRALOT ASIA PACIFIC LTD	-
INTRALOT DE PERU SAC	2013-2015	INTRALOT AUSTRALIA PTY LTD	2011-2015
INTRALOT INC.	2010-2011 & 2013-2015	INTRALOT SOUTH AFRICA LTD	2014-2015
INTRALOT BETTING OPERATIONS (CYPRUS) LTD	2004-2015	INTRALOT ITALIA S.p.A.	2011-2015
ROYAL HIGHGATE LTD	2008 - 2015	INTRALOT FINANCE UK PLC	2014-2015
POLLOT Sp.Zoo	2011-2015	INTRALOT IBERIA HOLDINGS S.A.	2011-2015
MALTCO LOTTERIES LTD	2004-2015	TECNO ACCION S.A.	2011-2015
INTRALOT HOLDINGS INTERNATIONAL LTD	2012-2015	GAMING SOLUTIONS INTERNATIONAL SAC	2011-2015
LOTROM S.A.	2010-2015	GAMING SOLUTIONS INTERNATIONAL LTDA	2010-2015
BILOT EOOD	2010-2015	INTRALOT BEIJING Co LTD	2007-2015
EUROFOOTBALL LTD	2010-2015	NAFIROL S.A.	-
EUROFOOTBALL PRINT LTD	2010-2015	INTRALOT ARGENTINA S.A.	2011-2015
INTRALOT INTERNATIONAL LTD	2010-2015	LEBANESE GAMES S.A.L	-
INTRALOT OPERATIONS LTD	2010-2015	VENETA SERVIZI S.R.L.	2011-2015
INTRALOT BUSINESS DEVELOPMENT LTD	2010-2015	INTRALOT SOUTH KOREA S.A.	2007-2015
INTRALOT TECHNOLOGIES LTD	2010-2015	SERVICIOS TRANSDATA S.A.	2009-2013
INTELTEK INTERNET AS	2011-2015	SLOVENSKE LOTERIE AS	2011-2015
LOTERIA MOLDOVEI S.A.	2014-2015	TORSYS S.R.O.	2011-2015
TOTOLOTEK S.A.	2011-2015	INTRALOT DO BRAZIL LTDA	2011-2015
WHITE EAGLE INVESTMENTS LTD	2014-2015	OLTP	2011-2015
BETA RIAL Sp.Zoo	2011-2015	BILYONER INTERAKTIF HIZMELTER AS	2012-2015
UNICLIC LTD	2004-2015	LOTRICH INFORMATION Co. LTD	2014-2015
DOWA LTD	2004-2015	INTRALOT INTERACTIVE S.A.	2010 & 2015
INTRALOT NEW ZEALAND LTD	2011-2015	INTRALOT HOLDING & SERVICES S.p.A.	2011-2015
INTRALOT ST.LUCIA LTD	2008-2015	NIKANTRO HOLDINGS CO LTD	2010-2015
INTRALOT DOMINICANA S.A.	2009-2015	INTRALOT SERVICES S.A.	2015
INTRALOT GUATEMALA S.A.	2009-2015	ATROPOS S.A.	2009-2015
LOTTERIA Y APUESTAS DE GUATEMALA S.A.	2009-2015	NETMAN SRL	2011-2015
INTRALOT LATIN AMERICA INC	2008-2015	AZERINTELTEK AS	2014-2015
INTRALOT JAMAICA LTD	2010-2015	INTRALOT TURKEY AS	2011-2015
INTRALOT NEDERLAND BV	2010-2015	INTRALOT MAROC S.A.	2012-2015
INTRALOT CARIBBEAN VENTURES LTD	2010-2015	INTRALOT MINAS GERAIS LTDA	2010-2012
INTRALOT SURINAME LTD	2008-2015	FAVORIT BOOKMAKERS OFFICE OOO	2013-2015
SUPREME VENTURES LTD	2008-2015	INTRALOT DE MEXICO LTD	2006-2015
DC09 LLC	2011-2015	INTRALOT DISTRIBUTION OOO	2013-2015
INTRALOT DE COLOMBIA (BRANCH)	2010-2015	INTRALOT GAMING SERVICES PTY	2011-2015
INTRALOT HONG-KONG HOLDINGS LIMITED	2015	KTEMS HOLDINGS CO LTD	2005-2015
INTRALOT SLOVAKIA SPOL. S.R.O.	2014-2015	INTRALOT BETTING OPERATIONS RUSSIA LTD	2011-2015
INTRALOT GERMANY GMBH	2012-2015	INTRALOT LOTTERIES LTD	2011-2015
GAIN ADVANCE GROUP LTD	-	PRECIOUS SUCCESS LTD GROUP	2013-2015
INTRALOT GAMING MACHINES S.p.A.	2012-2015	INTRALOT GLOBAL SECURITIES B.V.	2013-2015
CARIBBEAN VLT SERVICES LTD	2012-2015	INTRALOT LEASING NEDERLAND B.V.	2013-2015
INTRALOT INVESTMENTS LTD	2012-2015	INTRALOT CYPRUS GLOBAL ASSETS LTD	2012-2015
INTRALOT GLOBAL HOLDINGS B.V.	2013-2015	OASIS RICH INTERNATIONAL LTD	2015
INTRALOT FINANCE LUXEMBOURG S.A.	2013-2015	WUSHENG COMPUTER TECHNOLOGY (SHANGHAI) CO LTD	2015
GOREWARD LTD	2015	INTRALOT CAPITAL LUXEMBOURG S.A.	2014-2015
INTRALOT IRELAND LTD	2014-2015	TECNO ACCION SALTA S.A.	-
INTRALOT ADRIATIC DOO	-	ILOT INVESTMENTS UK LTD	2015
ILOT CAPITAL UK LTD	2015	SWITCH IT NV	-
BIT8 LTD	2015		

In Royal Highgate LTD the tax audit has been completed for the years 2004 and 2005 imposing a tax liability amounting to €59K and the tax authorities concurred that the years 2006 and 2007 to be considered audited for tax purposes, so they will not conduct further audit and any adjustments apart from restriction of tax losses. Meanwhile, the tax audit is in progress for the period 2008-2012. In Intralot Holdings International Ltd the tax inspection has been completed for the tax years 2004 to 2011 imposing additional taxes and charges amounting to €66.5K. Also the tax audit has been completed, in Intralot de Peru SAC for the year 2012 imposing tax amounting to €55K, for the year 2012 in Intralot INC imposing a penalty amounting €388K and for the period 2005-2013 in Intralot South Africa LTD. Concurrently, there is a tax audit in progress for the periods 2010-2012 in Intralot Jamaica LTD regarding the income tax, for the year 2013 in Intralot de Peru SAC, the period 2010-2011 in Eurofootball LTD , for the year 2013 in Bilyoner Interaktif Hiizmelter AS as for the period 2014 & 2015 in INTRALOT South Africa LTD. To the last, INTRALOT New Zealand was notified that it has been selected for tax audit for the period 2011-2015. In Servicios Transdata S.A the tax audit for the income tax has been completed during the year 2014 as for the year 2008 and for VAT as for the period 1/1/2008-30/6/2009 imposing additional taxes and fines amounting to €3,4 million. The company has started an objection according to the relevant law for the cancellation of imposed taxes and fines. The company's legal consultants believe that the most possible outcome of the case will be positive. In 2011 the Romanian tax authorities imposed taxes of €1,1 million on Lotrom S.A. 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, as well as penalties of €1 million that have already been paid during 2012, as a prerequisite for a relative appeal of the company and have been reflected as claims by 31/12/2014 as 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. Until 31/12/2014 the Court of Appeal quashed the decisions of the tax authorities, who appealed to the Supreme Court. In 2015 the Supreme Court quashed irrevocably the appeals of Lotrom S.A. with an effect to incur the Group results for the first quarter of 2015 by €1,8 million including surcharges and fines. Moreover, the tax inspection for INTRALOT SA in 2011 has been completed imposing taxes on accounting differences plus surcharges amounting to €3,9 million. The Company filed administrative appeals against the relevant control sheets with an effect the decrease of taxes to the amount €3,34 million. The Company testified new appeals to the Administrative Greek Courts. The company's management and its legal advisors estimate that the appeals will thrive finally for the most part. The Company has formed sufficient provisions and has paid the whole amount of the taxes. Moreover, the tax audit has been completed in the fiscal year 2014 for the companies INTRALOT S.A., INTRALOT Interactive SA and Betting Company SA and they were issued a tax certificate (tax report compliance based on the provisions of Law 4174/2013 article 65a (1) as modified by Law 4262/2014) by independent tax auditors while there is in progress the tax audit regarding the issue of tax certificate for the year 2015 of the aforementioned Societe Anonyme Companies as well as INTRALOT Services S.A. Also INTRALOT SA was notified by the relevant Tax Authorities regarding a tax audit for the year 2012.

C. COMMITMENTS

(i) Operating lease payment commitments:

On the 31rst of December 2015 within the Group there have been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the period ended on December 31, 2015.

Future minimum lease payments of non-cancelable lease contracts as at December 31, 2015 are as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Within 1 year	9.192	9.105	939	1.068
Between 2 and 5 years	15.826	19.599	1.862	1.588
Over 5 years	2.902	1.280	1.180	891
Total	**27.920**	**29.984**	**3.981**	**3.547**

(ii) Guarantees:

The Company and the Group on December 31, 2015 had the following contingent liabilities from guarantees for:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Bid	919	3.053	919	53
Performance	238.918	270.245	73.397	99.751
Financing	50.253	75.694	42.181	65.473
Other guarantees	0	30.000	0	0
Total	**290.090**	**378.992**	**116.497**	**165.277**

(iii) Financial lease payment commitments:

GROUP	Minimum of the lease payments 31/12/2015	Present value of the minimum lease payments 31/12/2015	Minimum of the lease payments 31/12/2014	Present value of the minimum lease payments 31/12/2014
Within one year	7.124	6.815	12.419	11.400
After one year but not more than five years	2.059	1.966	8.990	8.600
After more than five years	0	0	0	0
Minus: Interest	-402	0	-1.409	0
Total	**8.781**	**8.781**	**20.000**	**20.000**

The Company has no obligations under finance leases.

	GROUP	
	31/12/2015	31/12/2014
Long-term leases		
Leases in EUR	1.136	7.156
Leases in USD	830	1.435
Leases in BRL	0	9
Total	**1.966**	**8.600**
Short-term leases		
Leases in EUR	6.038	10.126
Leases in USD	771	1.267
Leases in BRL	6	7
Total	**6.815**	**11.400**
Total	**8.781**	**20.000**

2.33 FINANCIAL RISK MANAGEMENT

Description of significant risks and uncertainties

The Group's international activities create several financial risks in the Group's operation, due to constant changes in the global financial environment. The Group beyond the traditional risks of liquidity risk and credit risk also faces market risk. The most significant of these risks are currency risk and interest rate risk. The risk management program is a dynamic process that is constantly evolving and adapted according to market conditions and aims to minimize potential negative impact on financial results. The basic risk management policies are set by the Group Management. The risk management policy is implemented by the Treasury Department of the Group which operates under specific guidelines approved by management.

Credit risk

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

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group took measures to obtain certain policies to monitor the liquidity in order to hold liquid assets that can cover Group’s liabilities.

The following tables summarize the maturity of the financial liabilities of the Group based on contractual undiscounted payments.

GROUP		**31/12/2015**		
Financial Liabilities:	**0-1 years**	**1-5 years**	**> 5 years**	**Total**
Creditors (note 2.28)	52.706	0	0	**52.706**
Payables to related parties (note 2.27 & 2.28)	19.938	1.665	0	**21.603**
Other payables (note 2.27 & 2.28)	62.636	17.448	0	**80.084**
Loans and finance leases (note 2.24 & 2.29)	36.180	493.717	224.343	**754.240**
Total	**171.460**	**512.830**	**224.343**	**908.633**

GROUP		**31/12/2014**		
Financial Liabilities:	**0-1 years**	**1-5 years**	**> 5 years**	**Total**
Creditors (note 2.28)	75.825	0	0	**75.825**
Payables to related parties (note 2.27 & 2.28)	19.152	0	0	**19.152**
Other payables (note 2.27 & 2.28)	80.226	14.151	0	**94.377**
Derivative financial instruments (note 2.27 & 2.28)	254	0	0	**254**
Loans and finance leases (note 2.24 & 2.29)	232.268	328.273	237.779	**798.320**
Total	**407.725**	**342.424**	**237.779**	**987.928**

COMPANY	31/12/2015			
Financial Liabilities:	**0-1 years**	**1-5 years**	**> 5 years**	**Total**
Creditors (note 2.28)	10.339	0	0	**10.339**
Payables to related parties (note 2.27 & 2.28)	45.248	0	0	**45.248**
Other payables (note 2.27 & 2.28)	6.613	0	0	**6.613**
Loans and finance leases (note 2.24 & 2.29)	1.358	275.673	5.000	**282.031**
Total	**63.558**	**275.673**	**5.000**	**344.231**

COMPANY	31/12/2014			
Financial Liabilities:	**0-1 years**	**1-5 years**	**> 5 years**	**Total**
Creditors (note 2.28)	17.900	0	0	**17.900**
Payables to related parties (note 2.27 & 2.28)	83.871	0	0	**83.871**
Other payables (note 2.27 & 2.28)	7.201	0	0	**7.201**
Loans and finance leases (note 2.24 & 2.29)	71.129	172.542	0	**243.671**
Total	**180.101**	**172.542**	**0**	**352.643**

Market Risk

1) Foreign Exchange risk

Fluctuations in exchange rates can have significant effects on the Group's currency positions. Group transactions are carried out in more than one currency and therefore there is a high exposure in foreign exchange rate fluctuations against the euro, which is the main underlying economic currency. On the other hand, the Group's activity abroad 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, the Group enters into derivative financial instruments with various financial institutions. The Group's policy regarding the foreign exchange risk concerns not only the parent company but also the Group's subsidiaries.

Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2015 (in thousand €)			
Foreign Currency	**Currency Movement**	**Effect in Earnings before taxes**	**Effect in Equity**
USD:	5%	-572	2.665
	-5%	517	-2.411
TRY:	5%	2.693	855
	-5%	-2.437	-774
PEN:	5%	152	134
	-5%	-137	-121
BRL:	5%	-534	-456
	-5%	483	412
JMD:	5%	658	970
	-5%	-595	-877
ARS:	5%	709	-167
	-5%	-642	151
RON:	5%	-52	797
	-5%	47	-721

Sensitivity Analysis in Currency movements amounts of the period 1/1 – 31/12/2014 (in thousand €)			
Foreign Currency	**Currency Movement**	**Effect in Earnings before taxes**	**Effect in Equity**
USD:	5% -5%	-40 36	2.503 -2.265
TRY:	5% -5%	2.393 -2.165	3.445 -3.117
PEN:	5% -5%	205 -186	43 -38
BRL:	5% -5%	-194 176	-517 468
JMD:	5% -5%	455 -411	1.179 -1.067
ARS:	5% -5%	567 -513	0 0
RON:	5% -5%	363 -328	936 -847

2) Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's activities are closely linked to interest rates because of investments and long and short term borrowings. To manage this risk category, the Group uses financial hedging instruments in order to reduce its exposure to interest rate risk. The Group's policy on managing its exposure to interest rate risk affects not only the parent company but also its subsidiaries for their loans concluded in euros or local currency. The Group's exposure to the risk of changes in market interest rates relates primarily to long-term borrowings of the Group's floating rate. The Group also manages interest rate risk by having a balanced portfolio of loans with fixed and floating rate borrowings. On December 31, 2015, taking into account the impact of financial hedging products, approximately 71% of the Group's borrowings are at a fixed rate (2014: 73%). As a result, the impact of interest rate fluctuations in operating results and cash flows of the Group's operating activities is small, as shown in the following sensitivity analysis.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates after the impact of financial hedging products. With all other variables held constant, the Group's profit before tax is affected by the impact on floating rate, as follows:

Sensitivity Analysis of Group Loans in interest rate risk

Year 2015	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	2.000

Year 2014	Change in interest rate	Effect on profit before tax
Euribor 1M	+/- 1%	2.000

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 and foreign exchange Hedge:

Positions: Cross Currency Swap

Inception of contract: 11/11/2014

Expiration: 11/02/2015

Amount: USD 6,5 million

Positions: Flexible Currency Forward

Inception of contract: 26/6/2015

Expiration: 27/10/2015

Amount: USD 15 million

The Group from the fair value revaluation of the above mentioned derivatives and the settlement of derivative instruments, recognized a gain of €0,5 million in income statement of the fiscal year 2015.
As for the fiscal year 2014, the Group from the fair value revaluation of derivatives on 31/12/2014 and the settlement of derivative instruments that had in its possession from 2013, recognized a gain of €0,4 million (including deferred tax) in equity and a loss of €0,65 million in income statement.

CAPITAL MANAGEMENT

The Group aims through capital management to ensure the smooth functioning ability of the Group in the future, shareholders value maximization and maintaining the appropriate capital structure in terms of capital costs.
The Group monitors its capital adequacy based on the ratio of net debt to EBITDA. Net debt includes borrowings and finance lease liabilities minus cash and cash equivalents.

	GROUP		COMPANY	
	31/12/2015	**31/12/2014**	**31/12/2015**	**31/12/2014**
Long term loans (note 2.24)	716.094	557.452	280.673	172.542
Long term finance lease liabilities	1.966	8.600	0	0
Short term loans (note 2.29)	29.365	220.868	1.358	71.129
Short term finance lease liabilities	6.815	11.400	0	0
Total Debt	**754.240**	**798.320**	**282.031**	**243.671**
Minus: Cash and cash equivalents	-276.609	-416.925	-35.859	-7.875
Net Debt	**477.631**	**381.395**	**246.172**	**235.796**
EBITDA	**177.202**	**175.445**	**45.729**	**20.074**
Leverage ratio	**2,70**	**2,17**	**5,38**	**11,75**

2.34 COMPARABLE FIGURES

In the data presented in the previous year were limited size adjustments / reclassifications for comparative purposes, without significant impact on equity, turnover and profit after tax for the previous year the Group and the Company.

2.35 SUBSEQUENT EVENTS

In January 2016, INTRALOT Group has signed a contract with the State Lottery organization of Chile 'Polla Chilena de Beneficencia' for the management of its games including the provision of integrated, best-of-breed technological solutions and services, as well as operational support services. Polla Chilena operates national numerical, instant lottery, and sports betting games in Chile. INTRALOT won the ten-year contract, with the option to extend for an additional period of two years, follows a competitive procurement process. Under the terms of the contract INTRALOT will install its flagship LOTOS™ O/S Gaming System, as well as 2,700 Photon terminals, incorporating INTRALOT's innovative Icon Digital Imaging technology, plus 800 Genion multi-functional terminals, in Polla Chilena Points of Sale countrywide. INTRALOT will support Polla Chilena in its endeavour to improve customer experience by redesigning Polla Chilena's gaming portal using INTRALOT iGaming Console (iGC), a management and content delivery platform, and by offering its modern native mobile applications, for lottery and sports betting, to the Chilean players. iGC is fully integrated with the Interactive Gaming Platform (iGP), our dynamic player account and relationship management platform that includes, among others, advanced marketing tools through interactive channels. Moreover, INTRALOT will provide its Horizon Platform for the delivery of multimedia content on screens installed in Polla Chilena stores. As far as Fixed Odds Betting is concerned, INTRALOT will improve the Xperto FOB game through its iFlex platform, coupled with world class trading and sports betting management services. INTRALOT will also renovate Polla Chilena's e-Instant games portfolio and look-and-feel with its Remote Gaming System (RGS).

In March 2016, INTRALOT Group and Trilantic Capital Partners Europe, the controlling shareholder of Gamenet S.p.A. ("Gamenet"), announced they signed a Memorandum of Understanding (MoU), to merge the Italian activities of the INTRALOT Group into those of Gamenet, a leading VLT and AWP concessionaire and retailer in Italy and a betting and online operator. Following completion of the transaction, INTRALOT Group is envisaged to control 20% of the combined operations. With a network of approximately 800 betting POS, that will continue to use INTRALOT's brand name, ca. 8.200 VLTs, over 50.000 AWPs. Completion of the transaction, which is expected by June 2016, is, inter alia, subject to approvals by the corporate bodies of INTRALOT and Gamenet and by competent public authorities.

In March 2016, INTRALOT Group announced that its subsidiary, INTRALOT do Brasil, has signed a six-year renewal contract to continue to operate the lottery games in the State of Minas Gerais in Brazil. The renewal contract follows an initial successful six-year operation contract signed between the two parties that has become a major funding source for social policy, education and health care initiatives in the district. INTRALOT deployed more than 2,500 of its proprietary terminals in this period and established 1,700 Points of Sales statewide. Currently, INTRALOT offers five games (Keno, Multiplix, Minas 5, Lotomias and Totolot). In the new contract period it is expected to expand even further its gaming portfolio adding Virtual Games initially in 400 points of sales, as well as alternative channels. INTRALOT will continue to have the complete operation of the project, including all related services.

Maroussi, March 30th, 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE GROUP CEO**
S.P. KOKKALIS **ID. No. AI 091040**	**A.I. KERASTARIS** **ID. No. AI 682788**
THE GROUP CFO	**THE GROUP ACCOUNTING DIRECTOR**
G. SP. KOLIASTASIS **ID No. Σ 699882**	**N. G.PAVLAKIS** **ID.No. AZ 012557** **H.E.C. License** **No. 15230/ A' Class**

3. Information according to Article 10 L.3401/2005

The following notifications sent to the Daily Official List of ASE, and are posted to the ASE's website (www.helex.gr) and also to our company's website (www.intralot.com):

19/01/2015	Announcement of change happen in Senior Management
04/02/2015	INTRALOT CONSOLIDATES ONLINE POSITION THROUGH STRATEGIC ALLIANCE WITH BIT8
12/02/2015	INTRALOT SUBSIDIARY IN POLAND ACHIEVES EL RESPONSIBLE GAMING CERTIFICATION
16/03/2015	INTRALOT AWARDED FOR ITS INTERNATIONAL EXPANSION
23/03/2015	Conference Call Invitation (FY 2014 Financial Results)
26/03/2015	Press Release: INTRALOT EXPANDS ITS WLA SCS & ISO 27001 CERTIFICATION IN THE USA & AUSTRALIA
30/03/2015	Financial Calendar
31/03/2015	Press Release: INTRALOT announces 2014 Full Year Results
24/04/2015	Amendment of the Financial Calendar 2015
28/04/2015	INVITATION TO THE ORDINARY GENERAL MEETING
29/04/2015	INTRALOT: CERTIFIED FOR ITS CUSTOMER TRAINING SERVICES
14/05/2015	Press Release: INTRALOT ADVANCES YOUTH ENTREPRENEURSHIP & INNOVATION
19/05/2015	Announcement of Shareholders' Annual General Meeting : PROPOSAL FOR THE CREATION OF A NATIONAL LOTTERY IN GREECE
19/05/2015	Shareholders' Annual General Meeting: Press Release
20/05/2015	ANNOUNCEMENT OF VOTING RESULTS
20/05/2015	Announcement of amendment of the share buyback program
20/05/2015	Announcement of ratification in General Assembly of Mr. A.Kerastari as a new member of the BoD
25/05/2015	Conference Call Invitation: First Quarter 2015 Financial Results
28/05/2015	Press Release: First Quarter 2015 Financial Results
29/05/2015	Invitation to the Extraordinary General Meeting
29/05/2015	Draft of amendments of the articles of association
19/06/2015	Announcement of voting results (Extraordinary General Meeting)
13/07/2015	Announcement
28/07/2015	Announcement of Ms. Alina Papageorgiou new Head of Group Human Resources
30/07/2015	Press Release: INTRALOT ACQUIRES 35% OF BIT8 SEALING STRATEGIC ALLIANCE AGREEMENT
31/07/2015	Reply to a letter of Hellenic Capital Market Commission
12/08/2015	Conference Call Invitation: First Half 2015 Financial Results
14/08/2015	Press Release: First Half 2015 Financial Results
09/09/2015	PRESS RELEASE: INTRALOT EXPANDS ITS WLA SCS & ISO 27001 CERTIFICATION IN THE USA, ITALY, PERU & MOROCCO
18/09/2015	Release of regulated information (Law 3556/2007)
09/10/2015	Release of regulated information (Law 3556/2007)
20/10/2015	INTRALOT SELECTED AGAIN AS THE GAMING VENDOR FOR THE NEW MEXICO STATE LOTTERY
22/10/2015	Press Release: INTRALOT AWARDED WITH WLA RESPONSIBLE GAMING CERTIFICATION FOR ITS LOTTERY OPERATIONS
26/10/2015	Press Release: INTRALOT EXPANDS ITS PRESENSE IN AFRICA WITH NEW PROJECT IN NIGERIA
16/11/2015	Press Release: INTRALOT & BIT 8 Strategic Alliance
23/11/2015	Announcement 11874/2015
23/11/2015	Conference Call Invitation: Nine Months 2015 Financial Results
26/11/2015	Announcement of regulated information in accordance with L.3556/2007
27/11/2015	Press Release: 9M2015 Financial Results
30/11/2015	Press Release: INTRALOT RECOGNIZED FOR EXCELLENCE RECEIVES 5STAR EFQM AWARD
07/12/2015	Press Release: INTRALOT SUCCESSFULLY ROLLS OUT THE AWARDED PRECOMMITMENT SYSTEM IN AUSTRALIA
22/12/2015	INTRALOT FOSTERS ITS PRESENCE IN AFRICA ENTERING THE KENYAN GAMING MARKET

4. Summary Financial Information for the year January 1st to December 31st 2015

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)
Company Domicile: 64 Kifissias Av. & 3 Premetis Str., Maroussi 15125
Figures and information for the period from 1st January 2015 to 31st December 2015
According to the article 135 of C.L. 2190/1920, for Companies preparing annual consolidated and single financial statements in accordance with IAS/IFRS
Amounts in €'000

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 where the Financial Statements according to IFRSs are posted, accompanied by the Auditor's Audit Report where appropriate.

Regulatory Authority:
Ministry of Economy, Infrastructure, Marine and Tourism, Department for Companies and G.E.MI.

Financial Statements approval date:
March 30, 2016

Web site:
www.intralot.com

Certified Auditor:
Georgios A.Karamichalis Reg.No/S.O.E.L 15931
Georgios N. Deligiannis Reg.No/S.O.E.L 15791

Auditing firm:
S.O.L S.A Reg. No/S.O.E.L. 125
Grant Thornton Reg. No/S.O.E.L. 127

Type of auditors audit report:
Unqualified opinion

Board of Directors:
Chairman: Socrates P. Kokkalis
Vice-Chairman: Constantinos G. Antonopoulos
CEO: Antonios I. Kerastaris
Member: Konstantinos S. Kokkalis
Member: Dimitrios C. Klonis
Member: Petros C. Souretis
Member: Sotirios N. Filos *
Member: Anastasios M. Tsoufis *
Member: Ioannis P. Tsoukaridis *
*Independent Non executive directors

STATEMENT OF FINANCIAL POSITION GROUP / COMPANY

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
ASSETS				
Tangible Assets	166.445	182.794	17.338	8.001
Investment Property	5.805	0	0	0
Intangible Assets	328.827	348.854	83.144	77.804
Other Non-Current Assets	146.288	139.101	175.737	213.230
Inventories	42.591	52.017	24.064	39.085
Trade Receivables	202.732	215.401	127.092	128.809
Other Current Assets	276.609	416.925	35.859	7.875
TOTAL ASSETS	**1.169.297**	**1.355.092**	**463.234**	**474.804**
EQUITY AND LIABILITIES				
Share Capital	47.689	47.689	47.689	47.689
Other Equity Elements	81.874	169.790	52.569	55.994
Shareholders Equity (a)	**129.563**	**217.479**	**100.258**	**103.683**
Non-Controlling Interest (b)	77.819	100.060	0	0
Total Shareholders Equity (c)=(a)+(b)	**207.382**	**317.539**	**100.258**	**103.683**
Long-term Debt	716.094	557.452	280.673	172.542
Provisions / Other Long term Liabilities	50.738	50.615	14.777	15.116
Short-term Debt	135.280	175.457	62.200	108.972
Other Short-term Liabilities	59.803	254.029	5.326	74.491
Total Liabilities (d)	**961.915**	**1.037.553**	**362.976**	**371.121**
TOTAL EQUITY AND LIABILITIES (c)+(d)	**1.169.297**	**1.355.092**	**463.234**	**474.804**

STATEMENT OF CHANGES IN EQUITY GROUP / COMPANY

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Net equity at the beginning of the period (1/1/2015 and 1/1/2014 respectively)	**317.539**	**343.744**	**103.683**	**115.034**
Effect on retained earnings from previous years adjustments	118	-153	0	-87
Total comprehensive income / (expenses) for the year after tax (continuing and discontinuing operations)	-27.832	-2.084	-3.425	-10.774
Dividends to equity holders of parent / non-controlling interest	-68.915	-23.537	0	0
Effect due to shareholding percentage change	-13.528	0	0	0
Purchase of treasury shares	0	-490	0	-490
Tax deemed dividend distribution	0	28	0	0
Disposal / Liquidation of Subsidiary	0	31	0	0
Net Equity of the period Closing Balance (31/12/2015 and 31/12/2014 respectively)	**207.382**	**317.539**	**100.258**	**103.683**

CASH FLOW STATEMENT GROUP / COMPANY

	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Operating Activities				
Profit / (losses) before Taxation (continuing operations)	25.739	36.533	2.424	-2.148
Plus/Less adjustments for:				
Depreciation and Amortization	98.190	87.303	10.158	8.877
Provisions	9.625	10.833	4.404	94
Results (revenue, expenses, gains and losses) from Investing Activities	-183	-10.524	-20.971	-9.375
Interest and similar expenses	68.640	70.821	24.842	29.441
Interest and similar income	-18.020	-12.495	-6.969	-6.271
Plus/Less adjustments of working capital to net cash or related to operating activities:				
Decrease/(increase) of Inventories	1.158	-5.203	8.590	-2.300
Decrease/(increase) of Receivable Accounts	-19.272	14.895	10.931	36.235
(Decrease)/increase of Payable Accounts (except Banks)	-23.905	-10.261	-52.034	-22.827
Less:				
Income Tax Paid	28.188	28.986	0	954
Total inflows / (outflows) from Operating Activities (a)	**113.784**	**152.916**	**-18.625**	**30.772**
Investing Activities				
(Purchases) / Sales of subsidiaries, associates, joint ventures and other investments	-5.339	7.539	992	-695
Purchases of tangible and intangible assets	-70.786	-67.310	-17.645	-18.242
Proceeds from sales of tangible and intangible assets	2.106	315	5	0
Interest received	12.326	13.587	1.166	6.361
Dividends received	1.875	999	15.626	4.162
Total inflows / (outflows) from Investing Activities (b)	**-59.818**	**-44.870**	**144**	**-8.414**
Financing Activities				
Purchase of treasury shares	0	-490	0	-490
Cash inflows from loans	61.423	521.243	289.604	22.500
Repayment of loans	-58.781	-255.455	-227.806	-12.000
Bond buy backs	-40.885	-6.322	0	0
Repayment of finance lease obligations	-11.509	-12.170	0	0
Interest and similar expenses paid	-64.850	-66.165	-16.895	-30.026
Dividends paid	-67.682	-23.663	0	0
Total inflows / (outflows) from Financing Activities (c)	**-182.284**	**156.978**	**44.903**	**-20.016**
Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c)	**-128.318**	**265.024**	**26.422**	**2.342**
Cash and cash equivalents at the beginning of the period	**416.925**	**143.293**	**7.875**	**5.131**
Net foreign exchange difference	-11.998	8.608	1.562	402
Cash and cash equivalents at the end of the period	**276.609**	**416.925**	**35.859**	**7.875**

TOTAL COMPREHENSIVE INCOME STATEMENT GROUP / COMPANY

	GROUP				COMPANY			
	1/1-31/12/2015	1/1-31/12/2014	1/10-31/12/2015	1/10-31/12/2014	1/1-31/12/2015	1/1-31/12/2014	1/10-31/12/2015	1/10-31/12/2014
Sale Proceeds	1.914.885	1.853.164	535.043	523.655	76.582	85.714	23.787	21.228
Less: Cost of Sales	-1.653.325	-1.582.930	-463.138	-446.940	-44.852	-48.673	-12.382	-11.045
Gross Profit / (Loss)	**261.560**	**270.234**	**71.905**	**76.715**	**31.730**	**37.041**	**11.405**	**10.183**
Other Operating Income	24.944	18.630	7.170	5.377	38.836	7.021	4.885	4.273
Selling Expenses	-66.420	-60.309	-21.322	-17.752	-10.794	-8.446	-4.800	-3.086
Administrative Expenses	-124.969	-119.941	-33.809	-33.611	-14.002	-12.048	-5.516	-3.022
Research and Development Expenses	-6.063	-7.223	-797	-382	-5.989	-7.110	-778	-325
Other Operating Expenses	-10.040	-13.249	-4.082	-8.442	-4.210	-5.261	-22	-5.074
EBIT	**79.012**	**88.142**	**19.065**	**21.905**	**35.571**	**11.197**	**5.174**	**2.949**
Gain / (Losses) on Investments and securities	-231	-40	-163	-538	-17.836	4.516	2.082	-62
Assets gain/(loss) from disposal, write-off & impairment losses of assets	-1.986	-1.516	-1.871	-529	6	0	5	0
Interest and similar charges	-68.640	-70.821	-16.783	-18.249	-24.842	-29.441	-4.486	-7.609
Interest and related income	18.020	12.495	6.681	3.492	6.969	6.271	4.346	1.152
Exchange differences	3.627	10.552	2.089	3.667	2.556	5.309	1.964	2.028
Profit / (Loss) from equity method consolidations	-4.063	-2.279	-1.265	-489	0	0	0	0
Profit / (Loss) before taxes	**25.739**	**36.533**	**7.753**	**9.259**	**2.424**	**-2.148**	**9.085**	**-1.542**
Taxes	-46.415	-44.175	-11.801	-13.641	-6.054	-8.859	-4.515	-2.051
Net Profit / (Loss) after taxes (A)	**-20.676**	**-7.642**	**-4.048**	**-4.382**	**-3.630**	**-11.007**	**4.570**	**-3.593**
Attributable to:								
- Equity holders of parent	-65.148	-49.546	-14.724	-17.477	-3.630	-11.007	4.570	-3.593
- Non-Controlling Interest	44.472	41.904	10.676	13.095	0	0	0	0
Other comprehensive income / (expenses), after taxes (B)	**-7.156**	**5.558**	**5.093**	**-2.211**	**205**	**233**	**212**	**71**
Total income / (expenses) after taxes (A) + (B)	**-27.832**	**-2.084**	**1.045**	**-6.593**	**-3.425**	**-10.774**	**4.782**	**-3.522**
Attributable to:								
- Equity holders of parent	-69.149	-48.516	-11.240	-21.990	-3.425	-10.774	4.782	-3.522
- Non-Controlling Interest	41.317	46.432	12.285	15.397	0	0	0	0
Earnings / (losses) after taxes per share (in euro)								
- Basic	-0,4111	-0,3117	-0,0929	-0,1099	-0,0229	-0,0693	0,0288	-0,0226
- Diluted	-0,4111	-0,3117	-0,0929	-0,1099	-0,0229	-0,0693	0,0288	-0,0226
EBITDA	**177.202**	**175.445**	**45.345**	**43.792**	**45.729**	**20.074**	**8.576**	**5.041**
Proposed dividend per share (in €)	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

SUPPLEMENTARY INFORMATION

1. The same accounting policies have been followed as the year-end consolidated financial statements 31/12/2014 except for the changes resulting from the adoption of new or revised accounting standards and interpretations as mentioned in note 2.1.4 of the annual financial statements.

2. The companies included in the consolidation of 31/12/2015 and not in the consolidation of 31/12/2014 due to subsequent acquisition/establishment are the following: Intralot Adriatic d.o.o., Tecno Accion Salta S.A., Ilot Capital UK Ltd, Ilot Investment UK Ltd, Bit8 Ltd, Switch it N.V. and Intralot Services S.A. (note 2.31.A of annual financial statements). The entities Atropos S.A., Nafirol S.A., Gain Advance Group LTD and Ktems Holdings Co LTD are in the process of liquidation. During the third quarter of 2014 the Group ceased operation and finalized liquidation process of the subsidiaries Promarta OOO, Intralot Interactive USA LLC and DeepStack Casino LLC, while during the fourth quarter of 2014 of the subsidiaries Dinet ZAO, Kelicom Holdings Co Ltd, Intralot Luxembourg S.A., Intralot Holdings Luxembourg S.A. and Intralot De Chile S.A.. The Group sold its share in subsidiary Intralot Czech SRO on July 2014. Also in December 2014, the Group sold its participation in the subsidiary Intralot Egypt Ltd thus reducing its share in ECES SAE at 15.20% (the conditions of consolidation under IFRS 10 or IFRS 11 are no longer met). On 1/1/2015 Slovenske Loterie A.S. was merged with its 100% subsidiary Tactus S.R.O..During the third and fourth quarter of 2015 the Group acquired an additional 15% of ordinary shares with voting rights in the subsidiary Intralot Inc increasing its shareholding to 100%.During the fourth quarter of 2015 the Group participated in the share capital increase of subsidiary Intralot Interactive SA , increasing its shareholding from 93,02% to 95,95%.

3. The Group's provisions at 31/12/2015 that refer to legal issues amount to €4,8 million, those referring to unaudited tax periods and tax audit expenses amount to €3,9 million and €6,6 million refer to other provisions. The respective amounts for the Company amount to €4,6 million (legal issues), €3,3 million (provisions for unaudited tax years and tax audit expenses) and €0,1 million (other provisions) (note 2.31.C & 2.32 of annual financial statements).

4. The number of employees of the Group at the end of the current period amounted to 5.080 (4.963 subsidiaries and associates 117) and the Company's 660. At the end of 2014 the number of employees of the Group were 5.348 persons (subsidiaries 5.269 and associates 79) and the Company's 690.

5. Companies that are included in 31/12/2015 consolidated financial statements are presented in note 2.31.A.I & II of the annual financial statements 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 2.32.B of the annual financial statements.

7. The amounts of other comprehensive expense/income included directly in the Group's comprehensive income statement as at 31/12/2015 of €-7,1 million (2014: €5,5 million) concern: foreign exchange differences of €-5,4 million (2014 : €8,4 million), derivative valuation of €0 million (2014: €407 k), €-1,7 million (2014: €-3,3 million), concerns the valuation of available for sale financial assets, while ending amount €-14 k (2014: €-33 k), concerns defined benefit plans revaluation. Accordingly, the amounts of expense/income recorded in the comprehensive income statement as at 31/12/2015 for the Company, amounted to €205 k (2014: € 233 k) refer to revaluation of available for sale financial assets,amounted to €-11 k (2014 €158 k) concerns valuation of derivative & €216 k (2014:€75 k) concerns defined benefit plans revaluation.

8. On 31/12/2015 the Company held 470.746 treasury shares with a total acquisition cost of €490 k (note 2.22 of the annual financial statements).

9. There are no changes in accounting estimates. Certain prior year amounts have been reclassified for presentation purposes with no significant impact on the prior year equity, turnover and earnings after tax of the Group and the Company.

10. Significant events after the end of the reporting period and up to the release date of the financial results are stated in the note 2.35 of the annual financial statements.

11. Transactions (including income, expenses, receivables, payables) with related parties, are as follows:

	GROUP	COMPANY
a) Income		
-from subsidiaries	0	49.674
-from associates	2.931	2.954
-from other related parties	13.343	9.514
b) Expenses		
-to subsidiaries	0	29.516
-to associates	420	-118
-to other related parties	7.659	5.144
c) Receivables		
-from subsidiaries	0	82.868
-from associates	15.709	8.839
-from other related parties	16.150	10.481
d) Payables		
-to subsidiaries	0	311.300
-to associates	647	108
-to other related parties	20.771	15.625
e) BoD and Key Management Personnel transactions and fees	11.938	6.068
f) BoD and Key Management Personnel receivables	711	0
g) BoD and Key Management Personnel payables	507	246

Maroussi, March 30, 2016

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE GROUP CHIEF EXECUTIVE OFFICER	THE GROUP CHIEF FINANCIAL OFFICER	THE GROUP ACCOUNTING DIRECTOR
S. P. KOKKALIS ID. No. AI 091040	A. I. KERASTARIS ID. No. AI 682788	G. SP. KOLIASTASIS ID. No. S 699882	N.G. PAVLAKIS ID. No. AZ 012557 H.E.C. License No. 15230/A' Class