



AVENIR

**AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.
(EX ZENON S.A. ROBOTICS AND COMPUTING)
GROUP OF COMPANIES**

AP.M.A.E.: 18302/06/B/88/35

**Annual Financial Statements
for the year 1 January to 31 December 2010
(in accordance with Article 4 of Law 3556/2007)**



It is certified that the accompanying Annual Financial Statements are those approved by the Board of Directors of «AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.» on 29/03/2011 and published on the internet at the following website address www.avenir.gr. It is underlined that the published in the press condensed financial information aim to provide the reader with some general financial results and not the complete financial position and performance of the Company and the Group, in accordance with the International Financial Reporting Standards. It is also underlined that for simplification purposes, certain amounts of the condensed financial statements that were published in the press are presented in totals after reclassifications.

Ioannis Kypriotakis,,

Chairman of the Board of Directors of
AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.



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Note: All amounts in tables below are expressed in euro.



1. Statements by Members of the Board of Directors (according to Article 4 par. 2 of Law 3556/2007, as applicable)

The

1. Ioannis Kypriotakis, Chairman of the Board,
2. Thomas Achimastos, Vice Chairman of the Board & Managing Director,
3. Nikolaos Kontos, Board Member & General Manager,

WE STATE THAT

at the best of our knowledge:

- a) the Annual Financial Statements of the Company and the Group, which have been prepared in accordance with the applicable International Financial Reporting Standards, give a true view of the assets and liabilities, equity and results for the year of AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A., for the year ended 31.12.2010, as well as the undertakings included in the consolidation as a whole.
- b) the Annual report of the Board of Directors of the Company gives a true view of the development, the performance and the position of the Company AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A., and of the companies included in the consolidation as a whole, including the description of principal risks and uncertainties that they face.

Athens, 29.03.2011

Chairman of the Board

Ioannis Kypriotakis

Vice Chairman of the
Board & Managing Director

Thomas Achimastos

Board Member &
General Manager

Nikolaos Kontos



2. Annual Report of the Board of Directors for the year ended 31.12.2010

Dear Shareholders,

In accordance with the relevant provisions of Law 2190/1920 (article 107 par. 3, since the Company produces consolidated financial statements, and the article 43a par. 3 as those articles apply, after their modification by the Law 3873/2010) as well as the Law 3556 / 2007 (ΦΕΚ 91 Α'/30.04.2007) and on those executive decisions issued by the Exchange Commission and in particular the decision with number 7/448/11.10.2007 of the Board of Directors of the Exchange Commission, the Group AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. prepares consolidated financial statements (Consolidated Statement of Financial Position, Consolidated Comprehensive Income, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows) and notes to the consolidated financial statements in accordance with International Financial Reporting Standards

The present report presents the achievements of the Group and the Parent Company AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. for the year 2010 as well as the prospects for 2011.

2.1. Comments on Results – Significant events of the year 2010

The size of Avenir Group has an uprising trend during the year 2010, fact which is evidenced by the rising course of the operations of online gaming and fixed odds betting.

Specifically, the consolidated turnover amounted to €127.803.023 during 2010, compared to €46.681.859 in 2009, recording an increase of 174%.

The **gross profit** of the Group amounted to €9.383.378, recording an increase of 122%, compared to gross profits of €4.227.758 in the corresponding period of 2009.

The **operating results** of the four main activities of the group amounted to a profit of €1.230.109, a fact which confirms the business decisions of the Management of the Group following its recent reorganization.

The net result at a Group level amounted to losses of €3.121.110. It should also be noted that costs of approximately €1.300.000, which took place in 2010 will not be repeated in the year 2011.

In the context of the reorganisation of the Company and the Group, on 30 September 2010, the group sold its 100% subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. and its subsidiary REYMETRIX S.A., with the activities of Robotics, Research, Development and Remote Sensing Laser Technologies. The said subsidiary did not manage over the last 3 years to contribute positively to the financial results of the Group while the



sale also contributes to the elimination of potential obligations and to a further reduction of operating costs which substantially strengthens the balance sheet of the Group.

Furthermore, it confirms the commitment of the Management of the Group on the chosen strategy and concerns the activation in areas of collective betting and online gaming. Overall, the loss from these discontinued operations amounted to €992.751.

Finally, the very low level of borrowings of the Group should be noted, which amounted to €3.530.467, while the equity of the Group amounted to €41.492.942.

The objective of the Management of the Group, is to complete the restructuring and the development of its operations in the areas of online betting and gaming, both from the physical network of its 160 stores in Cyprus and by the use of the International Licenses held in the online area of these products with a view to create the conditions to increase its market share and to further improve the position of the two subsidiaries EUROGOAL and MEGABET in the market of Cyprus.

Furthermore, the group plans to introduce in the current year new products and services, thus continuing the fully successful effort that began in September 2009 by expanding in the market of casino ships which are engaged in international routes to and from Greece.

In the context of the formulation of new international regulations for betting and gaming the Group also prepares for its geographic expansion in foreign countries.

The Management of the group is fully committed to the absolute achievement of the goals for 2011 with ultimate aim to create added value for shareholders and net profit for the group.

The significant events of the year 2010 and up to the and up to the preparation of this report, are as follows:

2.1.1 Disposal - liquidation of subsidiaries

In the context of its reorganisation, the Group on 30th September 2010 disposed its 100% subsidiary of ZENON AUTOMATION TECHNOLOGIES S.A. and its subsidiary REYMETRIX S.A., the activities of Robotics, Research, Development and Remote Sensing Laser Technologies. The sale price of the subsidiary was nil and the equity of the subsidiary at the date of disposal were negative at an amount of euro (2.821.249,25). For the Company AVENIR LEISURE & ENTERTAINMENT COMPUTING S.A. the sale resulted to a loss of euro (743.688,82) due to impairment of receivables related to discontinued operations of robotics - automation and for the Group profit of euro 835.295,41 (euro 1.381.591,61 - euro 546.296,20 goodwill reduction of industries). On 31.12.2010 there is a contractual obligation by AVENIR LEISURE & ENTERTAINMENT



INFORMATICS S.A. to acquire during 2011, in current value, the shares of SEA STAR CAPITAL PLC (number of shares 19.728.257) held by ZENON AUTOMATION TECHNOLOGIES S.A..

For the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. as at 31.12.2008 there were reasons to apply article 47 of Law 2190/1920 and generally the Company faced serious issues of capital adequacy and uncertainty as to its going concern. Furthermore, the report of the auditors stated that the capability of the Company to cover its current liabilities from its current assets depended on the sale of its premises. On 28.6.2010 the Shareholders General Meeting of ZENON AUTOMATION TECHNOLOGIES S.A. decided to increase the share capital of the company.

The main reasons of the business problems of the Company were factors such as the low profit margin of Public projects (in connection with the frequently observed payments delays), the small size of Greek Industry, which was the potential market of automation systems and the dispersion of the company's operations in different markets (e.g. automation systems, information technology, research and development) and more recently the effect of the adverse international economic conditions. As a result the investments made by the Group in fixed assets (e.g. robotics equipment) and specialized manpower, by pledging substantial part of its capitals over the previous years, did not provide the expected return.

Also, the company in the context of its activities received in the past subsidies from the European Union and the General Secretariat for Research and Technology of the Ministry of Development in the context of co-financed projects of research and development projects. After examination of two related programs, conducted by the European Union in November 2008, it revealed that the Company has an obligation to return an amount of € 298 thousand. Moreover, because of this, the European Union requested the Company to resubmit its costs for a significant number of projects that have been subsidised, retrospectively, having carried out rechecking of the relevant documents. On 30 October 2009, the Company submitted to the European Union restated financial reports, whereby resulted to financial returns towards the European Union of approximate € 300 thousand.

Under the business reorganisation of the Group, the disposal of the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. recommends the implementation of corporate decisions to withdraw the Group from the activity of Robotics and Automation. This option was included in the context of implementation of the 22.09.2008 decision of the Extraordinary General Meeting of shareholders of the Company for the secession from the industries of Robotics, Research & Development with the intention to operate in new profitable activities. In the past 3 years the robotics industry failed to contribute positively to the financial results of the Group.



The disposal of subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. beyond the positive impact this will have on the financial results of the Group by avoiding future losses, contributed to the elimination of potential liabilities thus significantly contributing to the improvement of the financial position of the Group. Also on 31.12.2010 MEGABET LTD proceeded to the liquidation of its 100% subsidiary Appletone Ltd. For MEGABET LTD the liquidation resulted to a loss of euro (1591) and loss for the Group of euro (5195).

2.1.2 Relocation of Head Office

According to the resolution, of the 29.06.2010 meeting of the Shareholders Annual General Meeting, to transfer the head office of the Parent Company «AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.» from the District Glikon Neron Attikis in the City of Athens, to the new address of the Company is 5, Koumbari Street, Athens 106 74, while the telephone number remains the same, i.e. 210-6655800, as well as the fax, i.e. 210- 6041051.

2.1.3 Changes in the composition of the Board of Directors

According to the resolution of the 29.06.2010 meeting of the Shareholders Annual General Meeting, the new Board of Directors was elected as follows:

1. Carolos Gikas, Chairman & Chief Executive Officer (executive member)
2. Thomas Achimastos, Vice Chairman & Managing Director (executive member)
3. Nikolaos Kontos, Director (non executive member)
4. Evangelos Pantelopoulos, Director (independent non-executive member)
5. Ioannis Filos, Director (independent non-executive member)

The term of the above Board of Directors is up to 29.06.2015.

2.2 Analysis of financial information of 2010

2.2.1 Parent Company

➤ Balance Sheet information of Parent Company

The **Total Assets** as at 31.12.2010 amounted to euro 51.774.793, compared to euro 51.101.489 as at 31.12.2009. This increase is due to the increase of receivables.

The total **Current Assets** stood at 31.12.2010, to the amount of euro 1.311.748, compared to euro 640.177 as at 31.12.2009.



The **Equity** amounted to euro 46.759.985 as at 31.12.2010, compared to euro 48.794.352 as at 31.12.2009. This decrease is mainly due to impairment losses of the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. and to the increase of the costs of the company.

The **Total Liabilities** as at 31.12.2010 amounted to euro 5.014.807, compared to euro 2.307.137 as at 31.12.2009. The increase in liabilities is mainly due to the increase in bank borrowings amounting to euro 3.338.329.

➤ **Cash Flow information of Parent Company**

Cash flows from operating activities on 31.12.2010 were negative at an amount of euro 2.355.963, while on 31.12.2009 they were positive at an amount of euro 292.225.

➤ **Results information of Parent Company**

Turnover on 31.12.2010 amounted to euro 417.264, while on 31.12.2009 amounted to euro 335.234.

The **Earnings before taxes, interest, investment results** amounted on 31.12.2010 to a loss of euro 1.149.418, compared to a profit of euro 46.861 on 31.12.2009.

The **Earnings before taxes, interest and investment results and depreciation** amounted on 31.12.2010 to a loss of euro 1.146.359, compared to a profit of euro 48.632 on 31.12.2009.

The **finance expenses** on 31.12.2010 amounted to euro 141.260, while on 31.12.2009 amounted to euro 176.

The **Net Profit after Taxes for the year** amounted on 31.12.2010 to losses of euro 2.034.366 compared to euro 1.393.904 on 31.12.2009.

2.2.2 Group

➤ **Comparative Information of the total Comprehensive Income 01.01-31.12.2009**

The Company «AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.» during the year 2009 has acquired Megabet Limited, Poerol Limited, Eurogoal Cyprus Limited, Eurogoal Betting Limited, Eurogoal Racing Limited, Shigi Bet Limited, Kastor Leisure Limited, Kastor Betting Limited and Primebet Limited through issuing its own shares. After the exchange of equity securities, the Company became the controlling party of the new organisation.

Under the provisions of IFRS 3 "Business Combinations", this acquisition is accounted for as a reverse acquisition, the company Megabet Limited to be accounted for as the acquiring entity. Although the consolidated financial statements are issued in the name of the legally acquiring entity, the Company ZENON, are essentially a continuation of the financial reporting of the legally acquired Megabet Limited.



The statement of comprehensive income and the statement of cash flows 01.01-31.12.2009 have been reflected in accordance with the requirements of IFRS 3 (as revised and adopted by the European Union on 3 June 2009) paragraph B21, for reverse consolidation and relates to the group of the subsidiary company MEGABET LIMITED (Accounting Parent) from 01.01 - 31.12.2009 and of the other subsidiaries from 20.11.2009 - 31.12.2009.

For this reason the comparative information of the statement of comprehensive income and the statement of cash flows does not reflect the whole of the Group of the legally Parent Company «AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.».

➤ **Information of Consolidated Balance Sheet**

The **Total Assets** as at 31.12.2010 amounted to euro 48.047.752, compared to euro 56.760.481 as at 31.12.2009. This decrease was mainly due to the disposal of the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A..

The **Total Current Assets** stood at 31.12.2010, to euro 5.797.866 compared to euro 7.144.387 as at 31.12.2009.

The **Equity** amounted to euro 41.492.942 as at 31.12.2010, compared to euro 45.802.294 as at 31.12.2009. This decrease is due to current period losses and loss on revaluation of shares of Sea Star Capital for the period 01.01 – 30.09.2010 (listed on the Cyprus Stock Exchange).

The **Total Liabilities** as at 31.12.2010 amounted to euro 6.554.810, compared to euro 10.958.186 as at 31.12.2009. This decrease was mainly due to the disposal of the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A..

➤ **Information of Consolidated Cash Flows**

Cash flows from operating activities on 31.12.2010 were negative at an amount of euro 2.789.920, mainly due to decrease of liabilities, compared to positive on 31.12.2009 of euro 562.275.

➤ **Information of Consolidated Results**

The **Turnover** on 31.12.2010 amounted to euro 127.803.023, compared to euro 46.681.859 on 31.12.2009. This difference is due to the fact that the consolidated statements of the period 31.12.2009 concern only the group Megabet LTD and 20.11.2009 – 31.12.2009 for the other subsidiaries.

The **Earnings before taxes, interest, investment results** amounted on 31.12.2010 to a loss of euro 3.682.574, compared to a profit of euro 762.614 on 31.12.2009.

The **Earnings before taxes, interest and investment results and depreciation** amounted on 31.12.2010 to loss of euro 2.487.168, compared to profit of euro 1.325.032 on 31.12.2009.



The **finance expenses** on 31.12.2010 amounted to euro 487.497, compared to euro 100.005 on 31.12.2009.

Net Profit after Taxes for the period amounted on 31.12.2010 to a loss of euro 3.121.110, compared to profit of euro 619.298 on 31.12.2009.

2.3 Ratios

The ratios which reflect the financial position of the Group and the Parent Company had the following progress:

| | THE GROUP | | THE COMPANY | |
|---|------------|------------|-------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| A. Economic Structure | | | | |
| Current assets / Total assets | 12,07% | 12,59% | 2,53% | 1,25% |
| Equity / Total liabilities | 633,02% | 417,97% | 932,44% | 2114,93% |
| Equity / Non-Current assets | 98,21% | 102,30% | 92,66% | 96,70% |
| Current assets / Short term obligations | 100,93% | 203,35% | 30,85% | 33,33% |

| | THE GROUP | | THE COMPANY | |
|--------------------------------------|------------|------------|-------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| B. Performance and efficiency | | | | |
| Net profit after tax / Sales | -2,44% | 1,33% | -487,55% | -415,80% |
| Net profit after tax / Equity | -7,52% | 1,35% | -4,35% | -2,86% |
| Gross profit / Sales | 7,34% | 9,06% | 65,95% | 52,01% |
| Gross profit / Cost of Sales | -7,92% | -9,96% | -193,69% | -108,37% |
| Sales / Equity | 308,01% | 101,92% | 0,89% | 0,69% |



2.4 Risk management

2.4.1 Risks associated with the Company

The New Group AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. operates under a new organisational structure. The new, after completion of the Share Capital Increase, organisational structure of the Group has changed considerably compared to the previous one, since the sizes and the type of new activities are significantly differentiated. Although the Company has experience in the industry of collective betting in Cyprus, from its previous stake in Megabet Public Company Ltd, there is no previous history of the New Group AVENIR A.E. under the new organisational structure. Possible weakness of the Company to manage effectively the development of the operations of the New Group under the new structure may substantially affect unfavorably the activities, the results and the financial position of the New Group. The risk is mitigated by assigning executive tasks to managers who are successful in the subject and had operational management in Megabet Ltd.

Adverse changes in the operating economic environment of the New Group.

The activities of the New Group are mainly performed in Cyprus, while a small part of the revenues derives from Greece and other countries (through the provision of services of web betting and gaming). The demand for such services and therefore the activities, the results and the financial position of the New Group may be substantially affected unfavorably by various external factors, such as, possible economic uncertainty and/or recession to the countries of operation of the New Group, possible negative psychology of the public, factors that affect, in different extent, each company, regardless of the sector that it operates.

The New Group, in the context of its activities, is exposed to various financial risks, of which the most important are the credit risk and the risk of changes of the interest rates levels.

➤ Credit risk

Credit risk may arise from the inability of counterparties to meet their contractual obligations. Regarding the new activities of the New Group in the sector of collective betting in Cyprus is subject to credit risk in the context of the cooperation between the companies of the New Group and the bookmakers. Concerning the other activities, the payables of the Group derive from a limited number of contracts creating concentration of credit risk. The New Group applies procedures for assessing the reliability of partners and counterparties, and continuous monitoring of any debit balances and attaches great importance to proper management of



credit risk. In particular, it has arranged for the creation and ongoing development of appropriate procedures, in order to assess and evaluate the creditworthiness of each counterparty.

➤ **Risk of changes of the interest rates levels**

The risk arises from fluctuations of interest rates that affect interest-bearing assets and interest-bearing bank borrowings of the Group. The Group has no material assets that bear interest at fluctuating rates. However, it enters into loans at fluctuating rates that expose the Group to interest rate risk. The Management of the New Group monitors interest rate fluctuations on continuous basis and acts accordingly. Increasing trends in interest rates will have adverse effects on the cash flows, the results and the financial position of the New Group.

2.4.2 Risks associated with the activities of the New Group in the areas of Collective Betting and Online Gaming

The activities of the New Group are dependent on the cooperation with third party providers of services and products.

The New Group, in the context of its activities in the area of conducting collective betting with fixed odds in Cyprus, cooperates with a large number of licensed agents. Although that the Management of the Company / the Management of the New Subsidiaries, estimate that there is no risk of losing significant numbers of agencies, no assurance can be provided that such event will not happen in the future. Suggestively, there is the possibility of a coalition of agents over the island with the intention to change certain business practices that govern their relationship with the conducting companies and the bet receivers (such as, indicative, claim of a higher commission rate). Any change in the relations of the New Group with the network of agents they co-operate may have a materially adverse impact on the activities, the financial position, the results and the prospects of the New Group.

In addition, in connection with the activities of the New Group in Malta and in the field of Internet gaming, the New Subsidiary company of the Group, Megabet Ltd, cooperates with the licensed from the relevant authority in Malta, company Glimmer Ltd in regard to the integration of the systems of Megabet Ltd on the software platform of Glimmer Ltd so that they can provide, online, gambling casino (live and on line). However, if for any reason the company Glimmer Ltd is unable to provide the agreed services on the desired level of quality, or if for any reason the cooperation of the parties is discontinued and the immediate replacement of the cooperation is not attainable, it is possible that the activities and reputation of the New Group to be negatively affected, with a corresponding negative influence on its results and financial position.



Of course, because of this risk, the Company precaution by acquiring through another subsidiary in Malta a license to provide online gaming casino. Specifically, by obtaining license I from the Lotteries and Gaming Authority of Malta would allow the company in case of failure of Glimmer Ltd to fulfill the agreed, to operate autonomously.

The activities of the New Group depend on technological and informational systems that may malfunction. The technological systems that are used within the activities of the New Group, either of ownership of the New Group, or of third parties, may present malfunctioning, technical damages, damages caused by human error and be affected by natural hazards, computer viruses, increase of the volumes of usage of online services, sabotage. In addition, there is no assurance that the particular technological systems used by the New Group will be able to support a significant increase in web traffic or an increase in number of customers.

Although the New Group has taken the necessary steps to deal with similar problems, there can be no assurance that such a risk will not occur, creating possible dissatisfaction in the customer base of the New Group, reducing the number of users who use its web services and causing a negative impact on its business activities.

Therefore, the New Group at any given time may be required to undertake heavy investment costs for upgrading, maintenance or replacement of such systems, or find alternative providers of these systems in whole or partly. In case the New Group is unable to secure the effectiveness of the technological infrastructure it uses, it may cause directly or indirectly materially adverse effect on its activities, its financial position and its results.

Changes in the institutional framework governing the activities of the New Group in each jurisdiction in which the New Group operates

The institutional framework that governs the most important area of the activities of the New Group is set by the relevant authorities of Cyprus and Malta.

In particular, the activities of the New Group in the area of collective betting of predefined returns in the market of Cyprus, are supervised by the Ministry of Finance of Cyprus and are regulated by the relevant Cyprus legislation on collective betting.

The activities of the New Group in Malta (provision of online betting and online gaming) are supervised by the Lotteries and Gaming Authority of Malta (LGA - Lotteries and Gaming Authority) and regulated by the relevant legislation of Malta (Malta Remote Gaming Regulations). The New Group currently holds one license



(Remote Gaming License) Class II (concerns the provision of online betting) that has been issued by the LGA to Megabet International Ltd, and two Class I licenses (concerns the provision of online gaming) which have been granted to Megabet Gaming International Ltd. In accordance with the relevant institutional framework of Malta, licenses granted are for five years subject to continued compliance with the requirements of the institutional framework, which may change during the validity of the license. Although usually no licenses are revoked, except when there is a breach of license conditions by the owner, however, no assurance can exist that the Lotteries and Gaming Authority (LGA) of Malta will not remove licenses that have been already granted.

It is not always feasible for the New Group to foresee the precise way in which new laws and regulations, that affect its activity, will be interpreted or applied by the regulators or the courts, the impact that these new regulations may have on its activity, the specific actions which the companies of the Group will have to take or the extent of the costs that they may need to take in order to comply with these regulations. The absence of a regulatory framework for the provision of online betting and gaming in Cyprus, in combination with the uncertainty regarding the anticipation of the relevant legislation, provided this is established (mainly to the level of tax), as well as future amendments to the laws, regulations and the changes in the interpretation of the existing legislation could affect materially adversely the activity, the financial position, the results and the prospects of the New Group.

Additionally there is no guarantee that the requirements for obtaining / maintaining licenses from the relevant authorities of the countries that the New Group companies operate will not be amended. In the case that the relevant requirements are amended, it is possible that the New Group may need to invest considerable funds in order to comply with the new requirements, and it is possible that it may not be able to comply eventually. In any case, such a development would have material adverse effect on the activities, the results and the financial position of the New Group.



INTERCOMPANY SALES - PURCHASES 1/1-31/12/2010
BUYER

| SELLER | STRIKE GOLD BET | | CONSTANTINOU | | TOTAL |
|------------------------|-----------------|----------------|---------------------|--------------------|------------------|
| | Avenir A.E. | SHOP LIMITED | BOOKMAKERS LI9MITED | G.P.UNIBET LIMITED | |
| ZENON TECHN. | 6.261 | | | | 6.261 |
| V.C BOOKMAKERS LTD | | 645.446 | | | 645.446 |
| PREMIER BOOKMAKERS LTD | | | 379.912 | | 379.912 |
| UNIBET BETTING LIMITED | | | | 224.794 | 224.794 |
| TOTAL | 6.261 | 645.446 | 379.912 | 224.794 | 1.256.413 |

INTERCOMPANY RECEIVABLES-LIABILITIES 1/1-31/12/2009
LIABILITIES

| RECEIVABLES | ZENON | PEIMETPIE | ZENON TECHN. | MEGABET LTD | POEROL LTD | EUROGOAL CYPRUS LTD | EUROGOAL BETTING LTD | EUROGOAL RACING LTD | SHIGI BET LTD | KASTOR LEISURE LTD | KASTOR BETTING LTD | PRIMEBET LTD | TOTAL | GEOMATION | TESEIK | GRAND TOTAL |
|----------------------|----------------|----------------|--------------|------------------|----------------|---------------------|----------------------|---------------------|----------------|--------------------|--------------------|----------------|------------------|---------------|---------------|------------------|
| | ZENON SA | | 139.230 | | | | | | | | | | | 139.230 | | |
| ZENON TECHN. | 630.293 | 79.009 | | | | | | | | | | | 709.302 | 50.519 | 13.405 | 773.226 |
| PEIMETPIE | 7.000 | | | | | | | | | | | | 7.000 | | | 7.000 |
| MEGABET LTD | 15.000 | | | | | | | | | | | | 15.000 | | | 15.000 |
| POEROL LTD | | | | 1.558.971 | 208.009 | | | | | | | | 1.766.980 | | | 1.766.980 |
| EUROGOAL CYPRUS LTD | | | | | | | | 105.467 | 157.463 | 314.806 | 522.790 | 402.539 | 1.503.065 | | | 1.503.065 |
| EUROGOAL BETTING LTD | | | | | | 401.064 | | | | | | | 401.064 | | | 401.064 |
| EUROGOAL RACING LTD | | | | | | | | 77.952 | | | 5.770 | | 83.722 | | | 83.722 |
| SHIGI BET LTD | | | | | | | | 162.434 | | | | | 162.434 | | | 162.434 |
| KASTOR LEISURE LTD | | | | | | | | 200.928 | 13.010 | | | | 213.938 | | | 213.938 |
| KASTOR BETTING LTD | | | | | | | | 204.241 | 33.950 | 70.363 | | | 308.554 | | | 308.554 |
| PRIMEBET LTD | | | | | | | | 260.058 | 4.567 | 116.161 | 19.779 | | 405.898 | | | 405.898 |
| TOTAL | 652.293 | 218.239 | 0 | 1.558.971 | 208.009 | 401.064 | 905.613 | 110.034 | 209.756 | 507.100 | 542.569 | 402.539 | 5.716.187 | 50.519 | 13.405 | 5.780.111 |

INTERCOMPANY SALES-PURCHASES 1/1-31/12/2009
BUYER

| SELLER | ZENON | PEIMETPIE | ZENON TECHN. | MEGABET LTD | POEROL LTD | EUROGOAL CYPRUS LTD | EUROGOAL BETTING LTD | EUROGOAL RACING LTD | SHIGI BET LTD | KASTOR LEISURE LTD | KASTOR BETTING LTD | PRIMEBET LTD | TOTAL | GEOMATION | TESEIK | GRAND TOTAL |
|----------------------|---------------|----------------|---------------|---------------|----------------|---------------------|----------------------|---------------------|---------------|--------------------|--------------------|--------------|------------------|--------------|----------|------------------|
| | ZENON SA | | 117.000 | 78.000 | | | | | | | | | | 195.000 | | |
| ZENON TECHN. | 12.000 | 6.432 | | | | | | | | | | | 18.432 | 2.196 | | 20.628 |
| PEIMETPIE | | | | | | | | | | | | | 0 | | | 0 |
| MEGABET LTD | | | | | 190.290 | | | | | | | | 190.290 | | | 190.290 |
| POEROL LTD | | | | 35.719 | | | | | | | | | 35.719 | | | 35.719 |
| EUROGOAL CYPRUS LTD | | | | | | | | | | | | | 0 | | | 0 |
| EUROGOAL BETTING LTD | | | | | | 376.736 | | | | | | | 376.736 | | | 376.736 |
| EUROGOAL RACING LTD | | | | | | 136.074 | | | | | | | 136.074 | | | 136.074 |
| SHIGI BET LTD | | | | | | 187.539 | | | | | | | 187.539 | | | 187.539 |
| KASTOR LEISURE LTD | | | | | | 275.052 | | | | | | | 275.052 | | | 275.052 |
| KASTOR BETTING LTD | | | | | | 204.152 | | | | | | | 204.152 | | | 204.152 |
| PRIMEBET LTD | | | | | | 262.322 | | | | | | | 262.322 | | | 262.322 |
| TOTAL | 12.000 | 123.432 | 78.000 | 35.719 | 190.290 | 1.441.875 | 0 | 0 | 0 | 0 | 0 | 0 | 1.881.316 | 2.196 | 0 | 1.883.512 |

Transactions with members of the Boards of Directors and the Management amounted for the Group to euro 580.874 and for the Company to euro 372.819.



2.6 Information and estimates for the progress of the activities of the Company and the Group for the year 2011.

The 2010 was a crucial and difficult year for the Group as structural changes took place in both the Group's activities and to its strategy. The Group's transition to the broader betting and gaming industry took place, anticipating high growth rates and creating the conditions for reversing past losses of the Group and gradually achieving profitability.

Despite the worldwide difficult economic conditions, the management of the Group estimates that in 2011 the Group's turnover will increase significantly. The betting and gaming industry is a rapid growing business activity worldwide, which constantly shifts, having as a guide the technological development and the penetration of the internet in increasing masses of the population.

2.7 Events after the reporting period and until its publication

Change of the composition of Board of Directors

At the meeting of the Board on 14.03.2011, under article 13 of its memorandum, it elected, Messrs. Ioanni Kyriotaki and Nicolaos Marantos as Directors in replacement of the resigned members Messrs. Carolos Gikas and Ioanni Filou, and is reconstructed as a Body as follows:

1. Ioannis Kyriotakis, Chairman (non-executive member)
2. Thomas Achimastos, Vice Chairman & Managing Director (executive member)
3. Nikolaos Kontos, Director & General Manager (executive member)
4. Evangelos Pantelopoulos, Director (independent non-executive member)
5. Nicolaos Marantos, Director (independent non-executive member)

Messrs. T. Achimastos and N. Kontos are executive members, which their signature is binding the Company according to the as defined in the relevant board minutes. The remaining three non-executive members, Messrs. Nicolaos Marantos and Evangelos Pantelopoulos are independent members.

In addition, the Audit Committee was appointed, pursuant to article 37 of Law 3693/2008, consisting of three new non-executive members of the Board, namely Mr. Nicolaos Marantos (independent member), Mr. Evangleos Pantelopoulos (independent member) and Mr. Ioannis Kyriotakis. The term of the above Board is up to 29.06.2015.

It is noted that the above, need approval from the first General Meeting of the Company, after their election. It is also noted, that the term of the above Board of Directors coincides with that of the previous Board which ends on 29.06.2015, and is automatically prolonged until the first Annual General Meeting of Shareholders, following the termination of the term.



There were no material events after the reporting period, which have a bearing on the understanding of the financial statements of the Group and the Company.

2.8 Explanatory Statement of Directors (Article 4, paragraphs 7 and 8 of Law 3556/2007)

a) Share Capital Structure

The Company's share capital amounts to € 53.765.983,98 divided to 105,423,498 ordinary shares of nominal value € 0,51 each.

All the shares of the Company are listed in the Athens Stock Exchange and are traded on the Main Market

b) Restrictions on transfer of shares of the Company

The transfer of the shares of the Company is made as required by law and there are no restrictions from its Memorandum.

c) Significant direct or indirect participations within the meaning of articles 9 to 11 of Law 3356/2007

The significant participations as at 31/12/2010 (more than 5%) are as follows:

| SHAREHOLDER (Direct & Indirect) | Holding (No. of shares) | Percentage% |
|---------------------------------|-------------------------|-------------|
| FRAGKOS GEORGIOS | 19.822.783 | 18,80 |
| DOUROS IOANNIS | 18.463.950 | 17,51 |
| KAVROULAKIS NICOLAOS | 23.879.766 | 22,65 |
| KYPRIOTAKIS IOANNIS | 6.467.565 | 6,13 |
| OTHER SHAREHOLDERS MORE THAN 5% | 36.789.434 | 34,91 |

d) Shares with special control rights

There are no shares of the Company which provide their holders with special control rights

e) Restriction of voting right

There are no provisions in the articles of association of the Company, which restrict the voting right of their holders.

f) Agreements between the shareholders of the Company

The Company is not aware of any agreements between the Company's shareholders, which imply restrictions on the transfer of shares or the exercise of their voting rights.

g) Rules governing the appointment and replacement of members of the Board of Directors and amendments of the memorandum differ from the provisions of Law 2190/20

The rules laid down by the memorandum of the Company for the appointment and replacement of members of the Board of Directors as well as its amendments, do not differ from the provisions of Law 2190/1920.

h) Powers of the Board of Directors to issue new shares or purchase of own shares



In accordance with article 6 § 1 of the articles of association of the Company, it is stated that the Board of Directors, subject to § 2 of article 6 (which states that if its reserves exceed one fourth ($\frac{1}{4}$) of the paid-up share capital then a decision from a General Meeting with the quorum and majority specified in article 25 of its memorandum ie two-thirds ($\frac{2}{3}$) of the paid up share capital, is always required). Within five years from the date of the decision of the General Meeting, the Board of Directors has the opportunity and the right, by its decision, for which it needs at least the majority votes from two-thirds ($\frac{2}{3}$) of its total members, to increase the share capital wholly or partly, by issuing new shares until the capital amount that is paid up at the date that the Board of Directors were granted such power. The increases in the share capital that are decided under § 1 of article 6 of the memorandum do not constitute an amendment of it.

i) Significant agreements taking effect, are amended or terminate in case of change of control

The company has not conducted any such agreements.

j) Agreements with Board members or employees of the Company

There are no agreements between the Company and the members of its Board of Directors or its employees which provide for the payment of compensation specifically in the case of resignation or unfair dismissal or termination of service or employment.

2.9 Corporate Governance Statement (This statement is prepared in accordance with article 43a par. 3 case d of the Law 2190/1920)

2.9.1 Introduction

The Code of Corporate Governance is addressed to the Greek public limited companies (as defined by Law 2190/1920) established in Greece, especially those whose shares are traded on a regulated market (listed).

The term 'corporate governance' describes the way in which companies are managed and controlled. Corporate governance is a system of relations between the Management of the Company, the Board of Directors, the shareholders and other stakeholders and it constitutes the structure through which the objectives of the Company and the means of achieving these are set, and enables the monitoring of management performance at the implementation process of the above.

Effective corporate governance plays a vital and leading role in promoting competitiveness of businesses, while the increased transparency has led to improved transparency in the whole economic activity of private enterprises and government organizations and institutions.



2.9.2 Statement of Compliance with Corporate Governance Code in accordance with paragraph 2d of the article 43a of Law 2190/1920

Our company fully complies with the requirements and arrangements of the abovementioned laws (especially law 2190/1920, 3016/2002 and 3693/2008), which is the minimum requirements of any Code of Corporate Governance and they constitute an informal Code. Currently, our Company is at a substantial and thorough process, of developing and formulating a Code of Corporate Governance, which sets and adopts standards, rules and best governance practices in which the Company will fall under and will follow hereafter.

The formulation of the Code of Corporate Governance, will include and incorporate the minimum requirements resulting from the above legislation on the one hand and on the other hand it will adopt corporate governance practices that are related to the activities of the Company and that will serve its needs with a view to promote transparency and efficiency of the operations of the Company. It requires a specific and systematic work for the preparation and adoption of a sound Code of Corporate Governance, based on the above mentioned parameters. This work-process has been initiated by the Company but has not been completed yet.

In view of the above and for the purpose of full compliance of our Company with the requirements of Law 3873/2010, the Company, states that currently it adopts the Corporate Governance Code (CGC) the generally (and only one so far) widely approved Code of Corporate Governance which was formed by the Enterprises Association (Σ.Ε.Β.) (available at http://www.sev.org.gr/Uploads/pdf/KED_TELIKO_JAN2011.pdf) in which it states that it is subject to. On the other hand, the Company states that within the current year 2011 it will proceed on own initiative in the formulation, adoption and acceptance of its own Code of Corporate Governance, based on the above findings, assumptions and requirements in the light of promoting the company's objectives and to achieve its short and long term goals.

The related standard article of the Code, as it will be finalized will displayed on the Company's website (www.avenir.gr) and a relevant notice will be made by the Company. Up to this time reference will be made to the Code of ΣΕΒ.

2.9.3 Deviations from the Code of Corporate Governance, and reasons for deviation

The Company is in full compliance with relevant national legislation, rules and regulations for the development of corporate governance principles and it has adjusted to the institutional framework of corporate governance.



Exceptionally, in some specific practices of the Code the Company deviates from the following points. The company's management intends to harmonize immediately in view of the forthcoming Annual General Meeting of Shareholders, which may decide the relevant amendments.

Board of Directors and its members

a) Role and responsibilities of the Board of Directors

The Board of Directors has not established a separate committee, which will deal with the nominations of candidates for election to the Board and which will prepare proposals to the Board regarding the remuneration of executive directors and key executive members, since the company's policy in relation to the fees are fixed.

b) Size and composition of the Board of Directors

The Board does not consist of seven (7) to fifteen (15) members, as the size of the Company does not justify the existence of such a populous Board.

The Board is composed in its majority by non-executive members, two (2) executive and three (3) non-executive members, so as, to ensure both the productive and the coordinating role.

c) Duties and behavior of the members of the Board of Directors

The Board has not adopted as part of the internal regulations of the Company, any policies for management of conflicts of interest among its members and the Company, as these policies have not been fully formed yet.

There is no obligation for analytical disclosure of any business obligations of the members of the Board (including significant non-executive commitments to companies and non-profit organizations).

d) Nomination of candidates for the Board of Directors

The maximum term of the board members is more than four years (at least five years), so that there is no need to elect new Board in short periods, as this will result to αδδιπιοναλ φορμουλατιονς (third party certification etc).

There is no nomination committee for nominating candidates for the Board as because of the structure and operation of the Company, this committee is not assessed as necessary at the moment.

e) Operation of the Board of Directors

There is no particular regulation for the operation of the Board, as the provisions of the articles of association of the Company are considered adequate for the organization and operation of the Board.

At the beginning of each calendar year, the Board does not adopt calendar meetings and 12-month action plan, which may be revised depending to the needs of the Company. This is due to the fact that all of its



members are residents of prefecture of Attica, and a meeting of the Board can easily take place when there is a need to, without the existence of predetermined plan of action.

There is no provision for introductory information programs for new Board members and also for the continuing professional development and training of the other members, given that nominees for election as new Board members are persons who are capable and proven experience and organizational - managerial skills.

There is no provision for providing adequate resources to the committees of the Board to fulfill their duties and to hire external consultants in the extent necessary, as the required resources are approved by the management of the company, based on the business needs of each case individually.

f) Evaluation of the Board of Directors

There is no established procedure for the assessment of the efficiency of the Board and of its committees, neither of the performance of the Chairman of the Board, during a process which is headed by an independent Vice Chairman or other non-executive member of the Board, in the absence of an independent Vice Chairman. This procedure is not considered necessary in view of the organizational structure of the company.

Internal Control

Internal Control-Audit committee

The Audit committee does not meet more than three (3) times a year.

There is no specific regulation for the operation of the audit committee and the key tasks and its responsibilities are described on the following sections.

There are no special funds available to the Committee to be used for recruiting external consultants as the composition of the Committee and the specialized knowledge and experience of their members ensure its effective operation.

Remuneration

Level and structure of remuneration

There is no remuneration committee consisted exclusively of non-executive members, regardless of their majority, which is responsible to determine the remuneration of executive and non executive members of the Board and therefore there are no rules on the functions of this Committee, the frequency of its meetings and for other subjects related to its operation. The establishment of this committee, in view of the structure and operation of the Company has not been assessed as necessary so far.



Relationship with its shareholders

Communication with shareholders

No deviation was observed.

The General Meeting of Shareholders

No deviation was observed.

2.9.4 Corporate governance practices applied by the Company in addition to the provisions of the Law

The Company strictly applies the provisions of the above legal framework on corporate governance. At this time, no additional corporate governance practices are applied in addition to the above provisions.

2.9.5 Board of Directors

Composition and method of operation of the Board of Directors

In accordance with article 10 of its memorandum, the Board of Directors of the Company consists of three (3) to seven (7) directors.

The members of the Board of Directors are elected by the General Meeting of the Shareholders of the company for a five year term, which is automatically extended until the first Annual General Meeting following the expiry of their term, which however cannot exceed six years. The members of the Board of Directors may be re-elected and withdrawn.

The Board of Directors has the management of corporate assets and the representation of the company.

They decide on all general matters which concern the company in the context of the corporate goals, with the exception of the matters which under the law or the memorandum are of the exclusive responsibility of the General Meeting.

Subject to the below paragraph, the Company accepts obligation and commitment where the signature of one or two authorized Board members next to the Company's name.

The Board of Directors may delegate, only in writing, the exercise of all or part of its powers and responsibilities (except those that require collective action), as well as the representation of the company in



one or more persons, whether members or not, and simultaneously setting the extent of such an assignment.

These persons may further delegate the exercise of all or part of the powers and responsibilities that they have been previously assigned to other members or third parties, if this is provisioned from the decisions of the board of directors. However, the responsibilities of the Board of Directors are subject to articles 10, 20, 22, 23 and 23a of Law 2190/1920, as applicable.

Specifically the Board of Directors:

- a) Convene the General Meetings of shareholders and determine the agenda and arrange for the relevant publications.
- b) Represent the company before all Greek and Foreign courts, of any grade and jurisdiction, and before the Supreme Court and the Council of State, and of any other public, municipal, administrative or professional Authority, in accordance with article 10 hereof.
- c) Deal with Company's general operational matters and allocate resources.
- d) Decide the establishment, expansion or removal of branches, factories, workshops, offices or agencies anywhere this is considered appropriate, determining the extent of their operations and the authority of those who will manage them.
- e) Borrow on behalf of the Company with any conditions they consider appropriate, except for issuing of loans with bearer bonds.
- f) Issue, accept and endorse bills of exchange, promissory notes and bank or other checks that have been issued in the name of the company.
- g) Represents the company before the customs authorities taking all necessary actions for the acceptance or dispatchment of goods nationally or internationally, and signs declarations and any other relevant customs document which relates to the Company.
- h) Receives and transfers by endorsement or any other way any bills, and repays those that are issued in the Company's name.
- i) Sign any statements and documents that serve the needs of the company and generally, they are responsible for the custody of the corporate assets, and may take any urgent protective and precautionary measures to ensure the interests of the Company or at least not to deprive them.
- j) Make discounts and prepayments, collects the amounts due to the Company from any physical or any private or public legal person or from the Government. It enters into contract work with or without any privileges, subject to articles 10 and 23a of Law 2190/1920.



- k) Assigns the receivables of the Company and accepts the assignment of any other receivables and generally it undertakes any liability for the Company.
- l) Determines each time the use of the available capital and reserves, to negotiate, to enter into agreements, to appoint arbitrators, to decide or to proceed with legal proceedings through the courts, to accept decisions to resign wholly or partly out of the court, to register or write off mortgages memos or any other liens.
- m) Provides general or partial power of attorney to approved persons and appoints lawyers of the company, giving them the necessary legal power of attorney.
- n) To finalise the accounts, books and records and the annual financial statements of the Company and to provide these accompanied with additional explanations and notes to the Annual General Meeting detailing the depreciation that needs to be booked or any establishment expenses and any necessary retentions for possible losses or for the establishment of a permanent reserve, as well as the dividends to be distributed to the shareholders.
- o) To provide to General Meeting proposals for the changes of the Company's memorandum, regarding increase or decrease of the share capital, extension of the duration of the Company and for the merger of the Company with any other company.
- p) To determine the details relating to the issue of new shares according to the provisions of the existing memorandum, to determine freely the number of shares which each title represents.
- q) To decide every time the name of the newspapers in which publications will be made according to clause 21 of the memorandum.
- r) To keep the minutes of meetings.
- s) To recruit and to make redundant the company's employees and to determine the remuneration levels.
- t) To enter into agreements with the banks for the opening of credits, the issue of letters of guarantee for the fulfilling of any Company's purpose or credits of open accounts with any pre-approved clauses.
- u) To assign and to mortgage bills of lading, stocks, deposits, against any third party and demands against third party arising from the sale of stock.
- v) To buy and sell on behalf of the Company movable and immovable property.
- w) To grant liens of any kind.
- x) To provide guarantees on behalf of subsidiaries and associates companies of the Group for the opening of credits, the issue of letters of guarantees by the banks and other organisations for the fulfilment of any company's purpose based on pre-approved terms.
- y) To generally act for the management of the Company even if this is not provided in the existing article since the above mentioned responsibilities are indicative and are no circumstance restricting.



The Board of Directors can elect members to replace members that have resigned, death, or lost their capacity in any other way. This election is possible under the condition that the replacement of the abovementioned members is not possible by substitute members appointed by the General Meeting. This election by the Board of Directors is determined by the decision of the remaining members provided that they are at least three (3) and is applicable for the remaining term of the member that has been replaced. The decision of this election is published according to article 7b of Law 2190/20 and is announced by the Board of Directors to the earliest General Meeting, that can determine the replacement of the new board members even if this matter is not shown in the agenda.

In the event of resignation, death or loss of capacity with any other way of the Board member or members, the remaining members can continue the management and the representation of the Company and without the replacement or the missing members according to the previous paragraph, under the condition that the number of the members exceed fifty percent of the total. In any case, the members are not allowed to be less than three (3).

In any case the remaining members of the Board of Directors, independently from their number, can call a general meeting with the exclusive purpose of the election of a new Board of Directors.

The continuing and without any non excused absence of a board member from the meetings in excess of three (3) continuing meetings results to immediate resignation that the board of directors can decide immediately and register this in the minutes.

The Board of Director meetings take place in the Company's register office every time that it is needed by the law or the existing memorandum or it is necessitated by the Company's circumstances. Under limited circumstances it is allowed that the board meetings can take place in any other place, provided that in these meetings, all board members are presented or are represented.

The Board of Directors is invited by the Chairman or its replacement with notice of two (2) business days in advance of the board meeting. The agenda of the board meetings should clarify all the matters to be discussed and must be distributed to the board members at least two (2) days in advance of the meeting. In order to take a decision of any matter that is not shown on the agenda the presence or the representation of all board members is necessary.

Any meeting of the Board of Directors can be triggered provided that two (2) members of the board have applied to the Chairman of the Board. The Chairman of the Board has an obligation to invite the Board of



Directors within seven (7) days from the application. In this application the matters to be discussed in the meeting should be shown clearly. In case that the Board of Directors is not invited within seven (7) days by the Chairman or its replacement, the board members who made the application can invite the Board of Directors within five (5) days from the end of the seven (7) days lapsed by informing the relevant invitation to the remaining members of the Board of Directors.

The Board of Directors can meet through teleconferencing according to Law 2190/1920. In this case, the invitation to be sent to the members of the Board of Directors, must include all necessary details for their presence.

A Director that is absent can be represented by another director. Every director can only represent one director that is absent.

The Board of Directors is in quorum and the meeting takes place provided that more than fifty percent of the members are present or they are represented as well as the numbers of the Directors present is not less than three (3). For the determination of the number for quorum purposes, a fraction of a number is not accepted. The decisions of the Board of Directors is taken provided that the majority of the Directors present or represented, accept this decision. In the case of draw, the vote of the Chairman is not accepted. The discussions and decision of the Board of Directors are documented in summary in a special book that can be kept even electronically. After the application of a board member the Chairman has the obligation to document in the minutes his exact opinion. In this book it is also documented the list of the names of the Directors that are present or represented in any meeting of the Board of Directors. Copies of the Board of Directors meetings that are under an obligation to be submitted to the register of listed companies according to the articles of 7a of Law 2190/1920, are submitted to the relevant authority within twenty (20) days from the date of the board meeting.

Copies and extracts of the Board of Directors minutes can be certified by the Chairman or its replacement.

Information for the members of the Board of Directors

The existing Board of Directors of the Company consist of five persons. During the meeting of the Board on 14.03.2011, it elected, according to article 13 of its memorandum, Messrs Ioanni Kyriotaki and Nicolao Maranto as Directors, in replacement of the resigned members, Messrs Carolos Gikas and Ioannis Filos and is reconstructed as a Body as follows:

1. Ioannis Kyriotakis, Chairman (non-executive member)
2. Thomas Achimastos, Vice Chairman & Managing Director (executive member)



3. Nikolaos Kontos, Director & General Manager (executive member)
4. Evangelos Pantelopoulos, Director (independent non-executive member)
5. Nicolaos Marantos, Director (independent non-executive member)

Messrs. T. Achimastos and N. Kontos are executive members, which their signature is binding the Company according to the as defined in the relevant board minutes. The remaining three non-executive members, Messrs. Nicolaos Marantos and Evangelos Pantelopoulos are independent members.

Brief biographies of the members of the Board are as follows:

KYPRIOTAKIS IOANNIS - >Chairman – Non-executive Member of the Board

Born in 1954 in Poros Troizinias. He graduated from the Practical part of the Leonteiou Sxolis Neas Smyrnis. He took a degree from the Law School of Thessaloniki. He is a lawyer in the Supreme Court and Council of State and maintains a law office in Athens since 1979. He specializes in business law and its criminal extent. For many years, he was legal counsel of companies listed in the Athens Stock Exchange and a member of the board of directors of many companies. He has extensive experience in the field of management and corporate governance. Since 14.03.2011 he is the Chairman of the Board of the group «AVENIR A.E.».

THOMAS ACHIMASTOS - >Vice Chairman & Managing Director – Executive Member of the Board

Born in 1968 in Athens. He is a Mechanical Engineer of NTUA with Phd studies at NTUA and Martin Luther in Germany (Martin Luther Universität - Halle - Wittenberg, Germany). He has extensive experience, working in senior management positions in listed companies which are involved in the field finance. Since 01.04.2005, he joined the manpower of the group «Megabet Ltd», firstly as a general manager and later on as its Managing Director. Since 29.06.2010 he is the Vice Chairman of the Board of Directors of the group «AVENIR A.E.», and since 14.03.2011 he is also the Managing Director of the same group.

NICOLAOS KONTOS - >Director & General Manager – Executive Member of the Board

Born in 1973 in Athens. He is Civil Engineer of the University of Sunderland (Sunderland University, United Kingdom) with postgraduate studies at UMIST and the Henley Management College. In the past 10 years, Nicolaos Kontos was a Manager of Investment Relations and Press Office of Mytilineos Group. He has extensive experience in the field, facilitating, widening and improving the profile of listed groups to the investors and to the financial press. Since 01.02.2010, he took over the duties of Corporate Affairs Manager in the group «AVENIR A.E.», and on 14.03.2011 he is the General Manager of the same group.

PANTELOPOULOS EVANGELOS - >Director - Independent Non-executive Member of the Board

Born in 1977 in Athens. He Studied Computer Science and Telecommunications and Computer Networks in England. He has worked as computer officer in Π.Γ.ΝΙΚΑΣ Α.Β.Ε.Ε. and to the Athens Professional Chamber.



In 2003, he took over the Management of the designing of Integrated Information Systems in Powersoft Integrated Solutions Ε.Π.Ε. He participates to the Board of the Company since 09.10.2006.

MARANTOS NICOLAOS - >Director – Independent Non-executive Member of the Board

Born in 1955. He is a graduate of Economics of the University of Athens. He worked at Emporiki Bank from 1973 – 2008. Since 1988 he had managerial positions in the fields of Companies Financing, Process Planning of Production and Products Control, Credit Control, etc. and since 1999 he took over the Risk Management (RISK MANAGEMENT) of the Group. He was a member of Risk and Audit Committees in the Group of Emporiki and to committees of Greek Banks Association for the regulatory framework of the Bank. He was also member of the Board of Directors of ΤΡΑΠΕΖΑΣ ΕΠΕΝΔΥΣΕΩΝ, ΕΜΠΟΡΙΚΗΣ LEASING και της ΑΕ «ΤΕΙΡΕΣΙΑΣ» ΤΡΑΠΕΖΙΚΑ ΣΥΣΤΗΜΑΤΑ ΠΛΗΡΟΦΟΡΙΩΝ. From 2008 up to date he is partner in FINAL CONSULTANTS, a company providing financial and business advices. Since 14.03.2011 he is an independent non-executive member of the Board and chairman of Audit Committee of the Avenir Group.

Audit Committee

In accordance with article 37 of Law 3693/2008, the Audit Committee was formed, consisted of three new non-executive members of the Board, namely Mr. Nicolaos Marantos (independent member), Mr. Evangelos Pantelopoulos (independent member) and Mr. Ioannis Kyriotakis.

The powers and responsibilities of the Audit Committee are as follows:

- a) to monitor the process of financial reporting,
- b) to monitor the effective operation of the internal controls and of the risk management system, as well as monitoring the proper functioning of the internal auditors of the Company,
- c) to monitor the progress of the statutory audit of the individual and the consolidated financial statements of the Company,
- d) to review and monitor issues related to the existence and maintenance of objectivity and independence of the statutory auditor or the audit firm, particularly regarding the provision of other services to Company by the statutory auditor or the audit firm.

Mission of the Audit Committee is to ensure the effectiveness and efficiency of the corporate operations, testing the reliability of the financial reporting given to the investors and the shareholders of the Company, the Company's compliance with the existing legal and regulatory framework, to safeguard the investments and assets of the Company and to identify and deal with major risks.



It is clarified that the Regular Auditor of the Company, which conducts the audit of the annual and the interim financial statements, do not provide any other non-audit services to the Company and has no other relationship with the Company, in order to ensure he's objectivity and independence.

2.9.6 General Meeting of Shareholders

How the General Meeting operates and key powers

The General Meeting of the shareholders of the company is its governing body and is allowed to decide for all matters that relate to the company. Its legal decisions also bind the shareholders who are absent or are in disagreement.

The General Meeting is the only responsible body to decide for:

- a) Extension, merge, division or liquidation of Company.
- b) Alter the Memorandum.
- c) Increase or decrease of the Share Capital, except in the case of paragraph 1 of article 6 of the memorandum (the Board of Directors has the ability and the right, within five years from the relevant decision of the General Meeting, with its decision, for which at least the majority votes of two-thirds (2/3) of its total members are needed in order to increase the share capital partly or wholly by issuing new shares, up to the amount of the share capital which is paid up on the date that the Board of Directors was granted such a power. The above powers of the Board of Directors can be renewed by the General Meeting for a period which not exceeds five years and its validity begins after the end of each five year period. These decisions of the General Meetings are subject to the publication of article 7b of Law 2190/20.)
- d) Election of members of the Board of Directors.
- e) Election of auditors.
- f) Appointment of liquidator.
- g) Distribute the annual profits.
- h) Approval of the annual financial statements.

3. In the provisions of the preceding paragraph the following are not subject to:

- a) increases that are decided on application of par. 1 and 14 of article 13 of Law 2190/1920 as applicable, and increases that are imposed from the provisions of other laws.
- b) the amendments of the memorandum that are decided by the Board of Directors on application of par. 5 of article 11, of par. 2 of article 13a, of par. 13 of article 13 and of par. 4 of article 17b of Law 2190/1920 as applicable.



- c) the absorption, according to article 78, of a limited company from another limited company that holds the 100% of its shares, and
- d) the distributable profits or optional reserves during the current company's year, with a decision of the Board of Directors, where such authorisation has been given by the Annual General Meeting.

The General Meeting of the shareholders is called by the Board of Directors and it meets regularly at the company's registered office or at the region of another municipality within the county of the registered office of the Company or in another neighbouring municipality, at least once a year, but always within the first six months from the end of each company's year. The General Meeting can also be held at the municipality of the stock exchange centre that the Company's shares are listed. Exceptionally, the General Meeting is possible to meet and in other places, when all the shareholders are present or are represented in the meeting and no shareholder objects to the meeting being held and for decisions to be made. The Board of Directors may arrange for an extraordinary General Meeting of shareholders to take place, if appropriate.

The General Meeting is possible to be made through teleconference according to Law 2190/1920.

Except for the repetitive Meetings and those treated as such, the General Meeting, must be announced at least (20) days before the proposed date that the meeting will be held. It is clarified that non-working days are also included. The date of publication of the invitation of the General Meeting and the date of the meeting are not accounted for.

The year, the date, the time and the place that the meeting will be held, with full address details, the agenda, the shareholders who have voting rights and exact details of the way that the shareholders can participate to the meeting and exercise their rights either on their attendance or through a representative or possibly through distance, should be clearly stated on the invitation to the shareholders of the General Meeting. This invitation is published ten (10) full days before in the Issue of Listed and Limited Liability Companies of the Government's newspaper and twenty (20) full days before in one of the daily political newspapers that are published in Athens and particularly from the one judged by the Board of Directors, that is more widely released in the country from the newspapers of article 3 of 3757/57, as applicable. The invitation should also be published in one daily financial newspaper from those that: a) Are published (6) days a week and for (3) consecutive years are published as clear financial newspapers. b) they sell at least five thousand (5.000) newspapers per day for all the three years period, and c) meet the conditions specified in the joint decision of the Minister of Trade and the Minister of Press and Media, in order to be designated as a financial newspaper. The Minister of Trade will decide each six months which financial newspapers will



have the ability to publish invitations and will be announced by a document of the Minister of Press and Media that will confirm the above conditions a, b, and c. The invitation must be also published and in one daily or at least weekly prefectural newspaper or a national weekly newspaper of Greece, which however is located at the prefectural of the Company's registered office, and in case there is no newspaper which head offices are located in the prefectural of the Company's registered office, invitation should be published in at least one daily or weekly prefectural or a national weekly newspaper of Greece which head offices are located at the capital of the County where the Company's register office is located. Exceptionally, if the Company's head offices are in a prefecture of Attika, outside of Athens, the invitation should be published in a daily or weekly local newspaper or in a national weekly newspaper of Greece from those that are located in the prefecture of the Company's head offices and in case that no newspaper is published in that area, in a daily or weekly local newspaper or in a national weekly newspaper of Greece from those that are situated in the Prefectural Authority in which the Company belongs.

The daily or weekly newspapers should meet the criteria of article 1 of Law 1263/1972 and of article 2 of Law 4286/1963, respectively, as applicable and they should be released for at least three (3) consecutive years.

Call to the General Meeting is not required in cases where in the General Assembly attended or are represented shareholders which represent the entire share capital and no one objects to its realization and decision making.

The Board of Directors is required within ten (10) days before the Annual General Meeting to give any shareholder who requests the annual financial statements and a copy of the auditors on these.

Shareholders who wish to participate in the General Meeting must provide evidence of their shares to the fund of the company or the Deposits and Loans Fund, or any bank in Greece, at least five (5) calendar days before the meeting.

Shareholders that are entitled to participate in the General Meeting may be represented at this from a person legally authorized to.

The depository receipts and documents legalization of shareholder representatives must be submitted to the company at least five (5) calendar days before the General Meeting.

Shareholders who not complied with the provisions of paragraphs 1 and 3 of this article may participate in the General Assembly only after permission.



In the case the Company listed in the Athens Stock Exchange, for their participation in the General Meeting, shareholders must meet the above deadlines, a commitment of their shares in accordance with relevant provisions of the Rules of Stock Exchange and Clearing Operations of Intangible Securities System.

It is possible to remotely participate in the voting at a general meeting of shareholders with the prior delivery to the shareholders of the agenda of the General Assembly ballot papers and related to these issues. The issues and ballot papers can be made available, and their completion can be done electronically over the Internet. Shareholders who vote in this manner are calculated to form a quorum and a majority if the ballots received on the company two (2) full days before the day of the meeting. These are carried out in accordance with paragraph 7 of Article 28 Law 2190/1920.

Forty-eight (48) hours prior to each General Meeting, the legally compiled list of shareholders who entitled to vote in the General Meeting is posted at a conspicuous location of the store of the company. This list should contain all the information it requires by law as evidence of any representatives of shareholders, the number of voting shares of each shareholder the addresses of shareholders and their representatives.

The General Assembly is in quorum and convenes validly on the items on the agenda when it is represented at least by the 20% of issued share capital.

If such quorum is not achieved at the first meeting convened meeting is resumed within twenty (20) days from the date that the meeting was canceled by a call ten (10) days at least before. Repeated meeting is in quorum and convenes validly on the issues of the original agenda whatever portion of the share capital represented therein. Later call is not required if the initial call specifies the place and time of the repeated statutory meetings in case of failure to reach quorum.

The decisions of the General Meeting are taken by absolute majority of votes represented at the meeting.

Exceptional General Meeting is in quorum and convenes validly on the items on the agenda if it is represented by the two-thirds (2 / 3) of the paid up share capital in the case where decisions concerns:

- a) Merger, division, conversion, revival, extension of term or dissolution of Company.
- b) Change the business activities of the company.
- c) Change the country of incorporation of the Company.
- d) Increase of share capital with the exception of the increases of the Article 6, paragraph 1 hereof, or provisions required by law or done with the capitalization of reserves and reduction of share capital.
- e) Change of distribution of profits.



- f) Enhance of the obligations of shareholders.
- g) Conversion of shares in bearer and vice versa.
- h) Provide or renew authority for the Board to increase share capital or, in accordance with paragraph 1 of the Article 6 of this and any other event specified in the law.

In case that no quorum is in place in the first meeting, the meeting will be repeated within twenty (20) days from the existing meeting after invitation has been sent at least ten (10) days before the repetition of the meeting. During this meeting the agenda with the topics is discussed and approved if at least 50% of the issued paid share capital is represented. Earlier invitation is not required if at the first invitation the place and the time of the meeting to be repeated is shown as it is required by the relevant law in place.

If after the above, no quorum is in place, there is again a meeting to be repeated within twenty (20) days, with an invitation of at least ten (10) days in advance. During this meeting the agenda with the topics is discussed and approved if at least one fifth (1/5) of the issued paid share capital is represented. Earlier invitation is not required if at the first invitation the place and the time of the meeting to be repeated is shown as it is required by the relevant law in place.

All decisions of par. 1 of this article are taken with the majority of two thirds (2/3) of the votes that are represented in the Meeting.

The General Meeting is chaired temporarily by the Chairman of the Board of Directors or in any other event by his replacement. The secretary that will act temporarily is appointed by the Chairman.

Once the list of shareholders that are eligible to vote is approved, the members of the Meeting proceed to the election of a Chairman and one Secretary that will have the responsibility to collect all the votes from the members.

The discussions and decisions of the General meeting are restricted to the topics that appear on the agenda. The topics and matters that are discussed or decided during the Meeting are documented in the minutes that are signed by the Chairman and the Secretary.

Copies and extracts of the minutes are confirmed by the Chairman of the Board of Directors or his replacement.

2.9.7 System of Internal Audit and risk management

Major Characteristics of the internal audit system



The internal audit of the Company is performed by the Internal Audit Department in accordance with the audit program that is included in the Internal Audit Manual of the Company.

It is noted that the internal audit is carried out in accordance with the law 3016/2002, as it is applicable as of today, and specifically to be in line with articles 7 and 8 of the relevant law, as well as to be in line with the decision 5/204/2000 of the Board of Directors of Securities and Exchange Commission, as this is applicable after the amendment of the decision numbered 3/348/19.7.2005.

During the internal audit, the internal audit department reviews all necessary books and records, bank accounts and portfolios of the Company and it requests the full and continuing cooperation of the Management in order to obtain all necessary information and evidence for the purpose of drafting a Report that will include the department's conclusions and it will be free from material misstatements. The audit does not include any evaluation of the appropriateness of the accounting policies followed or the reasonableness of the estimations that have been by the Management, as these are subject to the audit of the statutory auditor of the Company.

The purpose of internal audit is the assessment of the control environment and internal control procedures of the internal control system. During a period the visits and audits to be carried out are decided and on a continuing basis there is an assessment of the management and organization of the Company's Board of Directors and two basic departments namely the Department of Shareholders Relationships and Department of Company's Announcements. Management of the Company's and the Group's Risks in relation to the preparation of the financial statements (Company and Consolidated).

The Group has invested in the development and maintenance of computer software that enable all necessary security, and the accuracy of the numbers. Moreover, an analysis of the financial results is carried out on a daily basis covering all important areas of the business. Comparisons are made against actual, historical and budgeted accounts of income and expenses including the details comments of all important variances.

2.9.8 Other Committees of the Company

Presently there are no any other Committees in place.

2.9.9 Reference to information (c), (d), (e), (f) και (g) of par. 1 of article 10 of directive 2004/25/EK

The required information of the point (c) of par. 1 of article 10 of directive 2004/25/EK are already included in another section of the Annual Financial Statements which refers to the additional information of article 4 par. 7 of Law 3556/2007.



In relation to the required information of point (d) of par. 1 of article 10 of directive 2004/25/EK, there are no Company's shares that provide special rights of control to its holders.

In relation with the required information of point (e) of par. 1 of article 10 of directive 2004/25/EK, there is restriction on the voting rights.

In relation with the required information of point (f) of par. 1 of article 10 of directive 2004/25/EK, the amendment of the Memorandum of the Company requires the approval of the General Meeting according to the Law 2190/1920. The appointment of the members of the Board of Directors is made from the General Meeting following a relevant proposal by the Board of Directors. In case of replacement of a member of the Board of Directors the decision is taken by the Board of Directors and is submitted for approval in the next General Meeting of shareholders.

The required information of point (g) of par. 1 of article 10 of directive 2004/25/EK, are already included in another section of the Annual Financial Statements which refers to the additional information of article 4 of par. 7 of Law 3556/2007.

Athens, 29 March 2011

Chairman of the Board
of Directors

Ioannis Kypriotakis

Vice Chairman of the Board
& Managing Director

Thomas Achimastos

Board Member &
General Manager

Nikolaos Kontos

Board Member

Evangelos Pantelopoulos

Board Member

Nicolaos Marantos

3. Independent Auditor's Report

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Audit | T.

Independent Auditor's Report To the Members of

AVENIR LEISURE & ENTERTAINMENT ΠΛΗΡΟΦΟΡΙΚΗ ΑΕ

Report on the Company's and the Consolidated Financial Statements

We have audited the accompanying separated and consolidated financial statements of AVENIR LEISURE & ENTERTAINMENT ΠΛΗΡΟΦΟΡΙΚΗ ΑΕ and its subsidiaries, which comprise from the separate and the consolidated statement of financial position as at 31 December 2010, the separate and consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and presentation of these separated and consolidated financial in accordance with International Financial Reporting Standards, as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 of consolidated financial statements that give a true and fair view 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 internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the 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 separated and consolidated financial statements give a true and fair view of the financial position of AVENIR LEISURE & ENTERTAINMENT ΠΛΗΡΟΦΟΡΙΚΗ ΑΕ and its subsidiaries as at 31 December 2010 and of its financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Report on Other Legal and Regulatory Requirements

a) The Report of Board includes a statement of corporate governance, which will provide the information specified in paragraph 3d of article 43a of CL 2190/1920.

b) We verified the agreement and the correspondence of the contents of the Report of Management Board with the attached corporate and consolidated financial statements under the requirements of Articles 43a, 108 and 37 of Law 2190/1920.

Athens, 31 March 2011
The Certified Public Accountant

RSM!

Athos Stylianou
A.M. SOEL 12311
For RSM Stylianou SA (A.M. 104)
Independent member of RSM International
Patroklou 1 and Paradeisou Street, 151 25, Marousi



4. Annual Financial Statements for the year 01.01 – 31.12.2010

4.1 Statement of comprehensive income

| | Note | THE GROUP | | | THE GROUP | | | THE COMPANY | | |
|---|------|----------------------|-------------------------|--------------------|----------------------|-------------------------|------------------|----------------------|-------------------------|--------------------|
| | | 01/01-31/12/2010 | | | 01/01-31/12/2009 | | | 01/01-31/12/2010 | 01/01-31/12/2009 | |
| | | Continued Operations | Discontinued Operations | Total | Continued Operations | Discontinued Operations | Total | Continued Operations | Discontinued Operations | |
| Turnover | 5.4 | 127.277.901 | 525.121 | 127.803.023 | 46.306.836 | 375.023 | 46.681.859 | 417.264 | 335.234 | |
| Cost of sales | 5.24 | (117.931.543) | (488.101) | (118.419.644) | (42.163.796) | (290.305) | (42.454.101) | (142.075) | (160.885) | |
| Gross Profit | | 9.346.358 | 37.020 | 9.383.378 | 4.143.040 | 84.718 | 4.227.758 | 275.189 | 174.349 | |
| Other operating income | 5.25 | 505.008 | 286.418 | 791.426 | 2.843.816 | 15.658 | 2.859.474 | 153.229 | 548.315 | |
| Selling expenses | 5.24 | (7.331.965) | (23.352) | (7.355.318) | (3.110.429) | (98.616) | (3.209.045) | (120.449) | 0 | |
| Administration expenses | 5.24 | (3.988.501) | (509.834) | (4.498.335) | (2.639.907) | (332.726) | (2.972.633) | (1.302.626) | (637.367) | |
| Research & Development expenses | 5.24 | 0 | (237.212) | (237.212) | 0 | 0 | 0 | 0 | 0 | |
| Other operating expenses | 5.25 | (1.289.346) | (477.168) | (1.766.514) | (142.940) | 0 | (142.940) | (154.761) | (38.436) | |
| Profit/(losses) before interest, tax and investment results | | (2.758.447) | (924.128) | (3.682.574) | 1.093.580 | (330.966) | 762.614 | (1.149.418) | 46.861 | |
| Finance income | 5.26 | 72.268 | 11.397 | 83.665 | 35.104 | 9.038 | 44.142 | 0 | 0 | |
| Finance expenses | 5.26 | (240.689) | (246.807) | (487.497) | (11.119) | (88.886) | (100.005) | (141.260) | (176) | |
| Other financial results | 5.27 | 0 | 0 | 0 | 58.508 | 0 | 58.508 | 0 | 6.412 | |
| Results from investing activities | 5.28 | 788.153 | 20.000 | 808.153 | 0 | (50.824) | (50.824) | (743.689) | (1.337.000) | |
| Profit/(losses) before taxes | | (2.138.715) | (1.139.539) | (3.278.253) | 1.176.073 | (461.638) | 714.435 | (2.034.366) | (1.283.904) | |
| Income Tax | 5.30 | 10.356 | 146.788 | 157.144 | (77.298) | (17.839) | (95.137) | 0 | (110.000) | |
| Net profit/(losses) for the period | | (2.128.359) | (992.751) | (3.121.110) | 1.098.774 | (479.476) | 619.298 | (2.034.366) | (1.393.904) | |
| Attributable to: | | | | | | | | | | |
| Owners of the parent | | (2.128.359) | (991.925) | (3.120.284) | 1.098.774 | (480.164) | 618.610 | (2.034.366) | 0 | (1.393.904) |
| Attributable to non-controlling interest | | 0 | (826) | (826) | 0 | 688 | 688 | - | - | |
| Profit/(losses) after taxes per share - basic | 5.31 | (0,0202) | (0,0094) | (0,0296) | 0,0293 | (0,0128) | 0,0165 | (0,0193) | (0,0792) | |
| Profit/(losses) after taxes for the period | | (2.128.359) | (992.751) | (3.121.110) | 1.098.774 | (479.476) | 619.298 | (2.034.366) | 0 | (1.393.904) |
| Other comprehensive income: | | | | | | | | | | |
| Profit/(losses) on revaluation of available-for-sale-financial assets during the period | 5.29 | 0 | (1.183.695) | (1.183.695) | 0 | (745.097) | (745.097) | 0 | 0 | |
| Translation reserve | 5.29 | 0 | (4.548) | (4.548) | 0 | (65.469) | (65.469) | 0 | 0 | |
| Expenses for share capital increase | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (994.893) | |
| Total comprehensive income for the period after taxes | | (2.128.359) | (2.180.994) | (4.309.353) | 1.098.774 | (1.290.042) | (191.268) | (2.034.366) | 0 | (2.388.797) |
| Attributable to: | | | | | | | | | | |
| Owners of the parent | | (2.128.359) | (2.180.169) | (4.308.527) | 1.098.774 | (1.290.730) | (191.956) | (2.034.366) | 0 | (2.388.797) |
| Attributable to non-controlling interest | | 0 | (826) | (826) | 0 | 688 | 688 | - | - | |
| Results before tax, finance, investing results and amortisation | | (1.709.123) | (778.044) | (2.487.168) | 1.653.388 | (328.356) | 1.325.032 | (1.146.359) | 48.632 | |



4.2 Statement of financial position

| | Note | THE GROUP | | THE COMPANY | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Tangible fixed assets | 5.5 | 1.950.699 | 1.708.504 | 5.101 | 2.655 |
| Goodwill | 5.6 | 28.889.089 | 40.467.738 | - | - |
| Intangible assets | 5.5 | 10.641.224 | 130.205 | 2.082 | 2.796 |
| Investments in subsidiaries | 5.7 | 0 | 0 | 50.455.862 | 50.455.862 |
| Available-for-sale financial assets | | 89.675 | 140.960 | 0 | 0 |
| Other non-current assets | | 679.200 | 764.101 | 0 | 0 |
| | | 42.249.887 | 43.211.508 | 50.463.044 | 50.461.312 |
| Non-current assets held for sale | 5.10 | 0 | 1.558.939 | 0 | 0 |
| Current assets | | | | | |
| Trade and other receivables | 5.11 | 3.113.987 | 4.758.972 | 150.219 | 42.580 |
| Other receivables | 5.12 | 2.634.643 | 725.245 | 1.150.310 | 530.625 |
| Financial assets at fair value through profit or loss | 5.13 | 1.735 | 0 | 1.735 | 0 |
| Cash and cash equivalents | 5.14 | 47.501 | 1.660.170 | 9.485 | 66.973 |
| | | 5.797.866 | 7.144.387 | 1.311.748 | 640.177 |
| Current assets held for sale | 5.10 | 0 | 4.845.647 | 0 | 0 |
| Total assets | | 48.047.752 | 56.760.481 | 51.774.793 | 51.101.489 |
| Equity and liabilities | | | | | |
| Equity | | | | | |
| Share capital | 5.15 | 53.765.984 | 53.765.984 | 53.765.984 | 53.765.984 |
| Share premium | | 0 | 0 | 12.483.527 | 12.483.527 |
| Restatement differences | | 0 | 0 | 0 | 392.930 |
| Fair value reserves | 5.16 | 89.702 | (655.395) | | 0 |
| Other reserves | 5.16 | 8.011.838 | 8.011.838 | 7.163.462 | 7.163.462 |
| Translation reserve | | 0 | (134.451) | 0 | 0 |
| Reverse acquisition reserve | | (15.567.098) | (15.567.098) | 0 | 0 |
| Retained earnings | | (4.807.484) | 378.005 | (26.652.988) | (25.011.551) |
| Equity attributable to the shareholders of the parent | | 41.492.942 | 45.798.883 | 46.759.985 | 48.794.352 |
| Non controlling interests | | 0 | 3.412 | - | - |
| Total equity | | 41.492.942 | 45.802.295 | 46.759.985 | 48.794.352 |
| Non-current liabilities | | | | | |
| Retirement benefit obligations | 5.17 | 53.796 | 36.269 | 53.796 | 36.269 |
| Other non-current liabilities | 5.18 | 406.790 | 0 | 358.541 | 0 |
| Provisions | 5.19 | 350.000 | 486.688 | 350.000 | 350.000 |
| Total non-current liabilities | | 810.586 | 522.957 | 762.337 | 386.269 |
| Current liabilities | | | | | |
| Trade and other payables | 5.20 | 974.921 | 1.154.687 | 445.892 | 293.873 |
| Current tax liabilities | 5.21 | 829.771 | 563.396 | 189.616 | 163.444 |
| Short term loans | 5.22 | 3.530.467 | 1.182.738 | 3.338.329 | 0 |
| Other current liabilities | 5.23 | 409.065 | 1.600.825 | 278.634 | 1.463.552 |
| Total current liabilities | | 5.744.224 | 4.501.646 | 4.252.470 | 1.920.868 |
| Current liabilities held for sale | 5.10 | 0 | 5.933.583 | 0 | 0 |
| Total liabilities | | 6.554.810 | 10.958.186 | 5.014.807 | 2.307.137 |
| Total equity and liabilities | | 48.047.752 | 56.760.481 | 51.774.793 | 51.101.489 |



4.3 Consolidated statement of changes in equity

| THE GROUP | | | | | | | | | |
|---|-------------------|--------------------|------------------|-----------------------------------|-----------------------------|--------------------|--------------------|--|--------------------|
| | Share capital | Fair value reserve | Other reserves | Reserves conversion balance sheet | Reverse acquisition reserve | Retained earnings | Total | Attributable to non-controlling interest | Total |
| Balance on 1 January 2010 | 53.765.984 | (655.395) | 8.011.838 | (134.451) | (15.567.098) | 378.005 | 45.798.882 | 3.412 | 45.802.294 |
| Disposal of subsidiary | | 1.928.792 | | 138.999 | | (2.065.205) | 2.586 | (2.586) | 0 |
| Total comprehensive income for the period after tax | | (1.183.695) | | (4.548) | | (3.120.284) | (4.308.527) | (826) | (4.309.353) |
| Equity balance on 31 December 2010 | 53.765.984 | 89.702 | 8.011.838 | 0 | (15.567.098) | (4.807.484) | 41.492.942 | 0 | 41.492.942 |

| THE GROUP | | | | | | | | | |
|--|-------------------|--------------------|------------------|-----------------------------------|-----------------------------|-------------------|--------------------|--|--------------------|
| | Share capital | Fair value reserve | Other reserves | Reserves conversion balance sheet | Reverse acquisition reserve | Retained earnings | Total | Attributable to non-controlling interest | Total |
| Balance on 1 January 2009 | 200.000 | 89.702 | 8.011.838 | (68.982) | 0 | 895.072 | 9.127.630 | 0 | 9.127.630 |
| Effect of reversal of capital acquisition | 53.565.984 | | | | (15.567.098) | | 37.998.885 | 2.724 | 38.001.609 |
| Elimination of intercompany profit or loss on sale of subsidiary | | | | | | (1.135.677) | (1.135.677) | | (1.135.677) |
| Total comprehensive income for the period after tax | | (745.097) | | (65.469) | | 618.610 | (191.956) | 688 | (191.268) |
| Equity balance on 31 December 2009 | 53.765.984 | (655.395) | 8.011.838 | (134.451) | (15.567.098) | 378.005 | 45.798.882 | 3.412 | 45.802.294 |



4.4 Statement of changes in equity of Parent Company

| THE COMPANY | | | | | | |
|---|-------------------|-----------------------|----------------------|------------------|---------------------|--------------------|
| | Share capital | Share premium reserve | Revaluation Reserves | Other reserves | Retained earnings | Total |
| Balance on 1 January 2010 | 53.765.984 | 12.483.527 | 392.930 | 7.163.462 | (25.011.551) | 48.794.352 |
| Transfer of goodwill of non-current assets held for sale in retained earnings | | | (392.930) | | 392.930 | 0 |
| Total comprehensive income for the period after tax | | | | | (2.034.366) | (2.034.366) |
| Equity balance on 31 December 2010 | 53.765.984 | 12.483.527 | 0 | 7.163.462 | (26.652.988) | 46.759.985 |

| THE COMPANY | | | | | | |
|---|-------------------|-----------------------|----------------------|------------------|---------------------|--------------------|
| | Share capital | Reserve Share premium | Revaluation Reserves | Other reserves | Retained earnings | Total |
| Balance at 1 January 2009 | 3.310.122 | 12.483.527 | 1.156.464 | 7.163.462 | (23.386.289) | 727.286 |
| Share capital increase reverse acquisition | 50.455.862 | | | | | 50.455.862 |
| Transfer of goodwill of non-current assets held for sale in retained earnings | | | (763.534) | | 763.534 | 0 |
| Total comprehensive income for the period after tax | | | | | (2.388.797) | (2.388.797) |
| Equity balance on 31 December 2009 | 53.765.984 | 12.483.527 | 392.930 | 7.163.462 | (25.011.551) | 48.794.352 |



4.5 Statement of cash flows

| | THE GROUP | | THE COMPANY | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| | 01/01- 31/12/2010 | 01/01- 31/12/2009 | 01/01- 31/12/2010 | 01/01- 31/12/2009 |
| Operating activities | | | | |
| Net profit/(loss) before tax from continuing operating activities | (2.138.715) | 1.176.073 | (2.034.366) | (1.283.904) |
| Net profit/(loss) before tax from discontinuing operating activities | (1.139.539) | (461.638) | 0 | 0 |
| <i>Adjustments for:</i> | | | | |
| Depreciation | 1.049.322 | 559.808 | 3.058 | 1.772 |
| Impairments | 1.171.356 | 0 | 0 | 0 |
| Provisions | (119.161) | 35.034 | 17.527 | 117.530 |
| Exchange differences | 248 | (58.508) | 0 | 0 |
| Results (income, expenses, profit and losses) from investing activities | (728.225) | (1.171.679) | 743.689 | 1.330.588 |
| Interest expense and other related expenses | 240.689 | 11.119 | 141.260 | 176 |
| <i>Adjustments for changes of working capital and operating activities</i> | | | | |
| Decrease / (increase) in inventories | 0 | 0 | 0 | 0 |
| Decrease / (increase) in receivables | (1.232.092) | (1.026.194) | (1.471.014) | (44.196) |
| (Decrease) / increase in payables (excluding banks) | (1.195.249) | 1.686.003 | 340.084 | 187.394 |
| <i>Less:</i> | | | 0 | |
| Interest expense and other related expenses paid | (195.526) | (8.185) | (96.202) | (176) |
| Income tax paid | (65.482) | 0 | 0 | (16.958) |
| Operating activities of discontinued operations | 1.562.453 | (179.559) | 0 | 0 |
| Total cash inflow / (outflow) from operating activities (a) | (2.789.920) | 562.275 | (2.355.963) | 292.225 |
| Investing activities | | | | |
| Acquisition of subsidiaries, associates and other investments | 0 | 0 | 0 | 0 |
| Purchase of tangible and intangible assets | (770.183) | (739.274) | (4.791) | (3.485) |
| Proceeds from sales of tangible and intangible assets | 0 | 108.263 | 0 | 0 |
| Purchase of financial assets | (1.735) | 0 | (1.735) | |
| Interest received | 72.241 | 35.104 | 0 | 0 |
| Dividends received | 9.338 | 0 | 0 | 0 |
| Investing activities from discontinued operations | 11.764 | 105.338 | 0 | 0 |
| Total cash inflow / (outflow) from investing activities (b) | (678.575) | (490.569) | (6.526) | (3.485) |
| Financing activities | | | | |
| Payment of charges to increase the share capital | 0 | (221.767) | 0 | (221.767) |
| Proceeds from borrowings | 2.356.419 | 12.068 | 2.305.001 | 0 |
| Repayments of borrowings | (53.744) | (356.639) | 0 | 0 |
| Repayments of obligations under finance leases | (12.170) | 0 | 0 | 0 |
| Financing operations from discontinued operations | (221.661) | (15.649) | 0 | 0 |
| Total cash inflow / outflow from financing activities (c) | 2.068.844 | (581.987) | 2.305.001 | (221.767) |
| Net increase / (decrease) in cash and cash equivalents for the period (a) + (b) + (c) | (1.399.651) | (510.281) | (57.488) | 66.973 |
| Cash and cash equivalents at beginning of the year from continuing operations | 1.660.170 | 882.660 | 66.973 | 0 |
| Cash and cash equivalents at beginning of period 20.11.2009 acquired subsidiaries from continuing operations | - | 736.283 | - | - |
| Cash and cash equivalents at beginning of the year from discontinued dratiriotites | 191.318 | 742.826 | - | - |
| Less: Cash and cash equivalents at end of period from discontinued dratiriotites | (404.336) | (191.318) | - | - |
| Cash and cash equivalents at the end of the period | 47.501 | 1.660.170 | 9.485 | 66.973 |



Cash flows from discontinued operations

| | DISCONTINUED OPERATIONS |
|--|------------------------------------|
| <u>Operating activities</u> | |
| Depreciation | 146.084 |
| Impairments | 470.886 |
| Exchange differences | (11.136) |
| Results (income, expenses, profit and losses) from investing activities | 19.270 |
| Interest expense and other related expenses | 246.807 |
| <i>Adjustments for changes of working capital and operating activities</i> | |
| Decrease / (increase) in inventories | (96.033) |
| Decrease / (increase) in receivables | 1.302.623 |
| (Decrease) / increase in payables (excluding banks) | (269.241) |
| <i>Less:</i> | |
| Interest expense and other related expenses paid | (246.807) |
| Total cash inflow / (outflow) from operating activities | 1.562.453 |
| <u>Investing activities</u> | |
| Liquidation - Sale of subsidiaries, associates and other investme | 20.000 |
| Purchase of tangible and intangible assets | (8.496) |
| Interest received | 261 |
| Total cash inflow / (outflow) from investing activities | 11.764 |
| <u>Financing activities</u> | |
| Repayments of borrowings | (141.283) |
| Repayments of obligations under finance leases | (80.378) |
| Total cash inflow / (outflow) from investing activities | (221.661) |

5. Additional information on the financial statements 31.12.2010

5.1 Basis of preparation of financial statements

The financial statements of AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. and the Group as at 30 June 2010, covering the period from 1 January 2010 up to 30 June 2010, have been prepared under the historical cost convention as modified by the changes in fair values of assets and liabilities and the application of the principle of business continuity (going concern) and are in accordance with the International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) as well as their interpretations, and particularly in accordance with IAS 34 on interim financial statements.

The Company applies from 1 January 2005 the IASs / IFRSs with all the interpretations and any revisions or changes and they are applied to the financial statements from 01/01/2010:



| | |
|--------|--|
| IAS 1 | Presentation of financial statements (revised) |
| IAS 2 | Inventories |
| IAS 7 | Cash flow statements |
| IAS 8 | Accounting policies, changes in accounting estimates and errors |
| IAS 10 | Events after the reporting period |
| IAS 11 | Construction contracts |
| IAS 12 | Income taxes |
| IAS 16 | Property, plant and equipment |
| IAS 17 | Leases |
| IAS 18 | Revenue |
| IAS 19 | Employee benefits |
| IAS 20 | Accounting for government grants and disclosure of government assistance |
| IAS 21 | The effects of changes in foreign exchange rates |
| IAS 23 | Borrowing costs |
| IAS 24 | Related party disclosures |
| IAS 26 | Accounting and reporting by retirement benefit plans |
| IAS 27 | Consolidated and separate financial statements |
| IAS 28 | Investment in associates |
| IAS 29 | Financial reporting in hyperinflationary economies |
| IAS 31 | Interests in joint ventures |
| IAS 32 | Financial instruments: Presentation |
| IAS 33 | Earnings per share |
| IAS 34 | Interim financial reporting |
| IAS 36 | Impairment of assets |
| IAS 37 | Provisions, contingent liabilities and contingent assets |
| IAS 38 | Intangible assets |
| IAS 39 | Financial instruments: Recognition and measurement |
| IAS 40 | Investment Property |
| IAS 41 | Agriculture |
| IFRS 1 | First time adoption of international financial reporting standards |
| IFRS 2 | Share based payments |
| IFRS 3 | Business combinations |
| IFRS 4 | Insurance contracts |



| | |
|--------|--|
| IFRS 5 | Non current assets held for sale and Discontinued Operations |
| IFRS 6 | Explorations for and evaluation of mineral resources |
| IFRS 7 | Financial instruments: Disclosures |
| IFRS 8 | Operating segments |

The accounting policies that have been followed for the preparation of the accompanying Financial Statements are consistent with those followed for the preparation of the Annual Financial Statements for the year ended 31.12.2009.

➤ **Comparative information for the total comprehensive income 01.01-31.12.2009**

The statement of comprehensive income and statement of cash flows 01.01-31.12.2009 have been presented in accordance with IFRS 3 (as amended and adopted by the European Union on the 3rd of June 2009) paragraph B21 consolidated financial statements prepared following a reverse acquisition and relate to the group of the subsidiary company namely MEGABET LIMITED (accounting parent company) from 01.01 – 31.12.2009 and of the other subsidiaries from 20.11.2009 - 31.12.2009.

For this reason the comparative information of the statement of comprehensive income and the statement of cash flows does not represent the whole Group of the legal Parent Company namely «AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A.».

The preparation of Financial Statements in accordance with IFRSs requires the use of critical accounting estimates and judgment in applying the accounting policies of the Company. The use of critical accounting estimates and application of judgment adopted by the management has been identified and disclosed were appropriate.

Amendments to Standards - New Interpretations for periods beginning on 1 January 2010

Certain new standards, amendments to standards and interpretations have been issued, that are mandatory for accounting periods beginning during the current year or later. The Group's assessment on the impact of the implementation of these new standards, amendments and interpretations is listed below.

Standards and Interpretations mandatory for the current financial period

IFRS 3 (Revised) «Business Combinations» and IAS 27 (Amended) «Consolidated and Separate Financial Statements»



The revised IFRS 3 introduces a number of changes in the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. These changes include the expensing of costs related to acquisition and recognition of subsequent changes in fair value of contingent consideration in the results. The amended IAS 27 requires that transactions that result to a change in the ownership interest of a subsidiary is accounted for in equity. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Moreover, option of choice is given, in each business combination, the acquirer to measure any non-controlling interest in the acquiree either at fair value or at their proportionate share of the non-controlling interest in net identifiable assets of the acquiree. The Group applies the changes from 1 January 2010.

IFRS 1 (Amended) «First time adoption of International financial reporting standards» - additional exemptions

The amendment includes additional guidance for entities adopting for the first time the IFRS regarding the use of full cost method for oil and gas assets, leases and recognition of provisions as part of non-current assets. This amendment has no impact on the financial statements of the Group, as the group has already transitioned to IFRS.

IFRS 2 (Amendment) «Group Cash-settled Share-based Payment transactions»

The purpose of this amendment is to clarify the scope of IFRS 2 and the accounting treatment of all group cash-settled share-based payment transactions on the consolidated and separate financial statements of the financial entity that receives goods or services, where the financial entity has no obligation to pay the fees that are dependent on the value of the shares. The application of the standard is not expected to have an impact on the financial statements of the Group.

IAS 32 (Amendment) «Financial Instruments: Presentation» (Effective for annual periods beginning on or after 1 February 2010)

The amendment includes supplementary guidance about how certain rights should be classified. Specifically derivatives that will or may be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments are classified as equity instruments. Rights issues and options for the purchase of shares offered pro-rata to an entity's existing shareholders that upon their exercise, the entity will receive a fixed amount of cash in exchange for a fixed number of the entity's own equity instruments are classified as equity instruments regardless of the currency in which the exercise price



is denominated. The application of the standard is not expected to have an impact on the financial statements of the Group.

IAS 39 (Amendment) «Financial Instruments: Recognition and Measurement»

The Amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as a hedged item. This amendment does not apply to the Group as it does not follow the hedge accounting under IAS39.

IFRIC 12 - «Service Concession Arrangements» (in accordance with the adoption from EU, effective for periods beginning on or after 30 March 2009)

This interpretation applies to companies involved in concession arrangements. This interpretation is not applicable to the Group.

Amendments to standards that are a part of the project for annual improvements of IASB (International Accounting Standards Board)

The following amendments describe the major modifications entered into the IFRSs as a consequence of the results of the annual improvements project of the IASB that has been published in July 2009. The following amendments apply to the current financial period / year. Also, unless otherwise stated, these amendments have no significant impact on the financial statements of the Group.

IFRS 2 (Amendment) «Share-based Payment transactions»

The amendment confirms that the contributions of a company for setting up a joint venture and the common control transactions are excluded from the scope of IFRS 2.

IFRS 5 «Non-current assets held for sale and discontinued operations»

The amendment clarifies the disclosures required for non-current assets classified as held for sale or discontinued operations.

IFRS 8 «Operating Segments»

The amendment provides guidance on the disclosure of the assets of the sector.



IAS 1 «Presentation of Financial Statements»

The amendment provides clarification that the potential settlement of an obligation by issuing equity securities is not related to its classification as current or not current.

IAS 7 «Statement of Cash Flows»

The amendment requires that only costs leading to a recognised asset in the statement of financial position may be classified as investing activities.

IAS 17 «Leases»

The amendment provides clarification on the classification of leases of land and buildings as financial or operating leases.

IAS 18 «Revenue»

The amendment provides additional guidance on the determination as to whether the financial entity acts as principal or agent.

IAS 36 «Impairment of Assets»

The amendment clarifies that the greater cash-generating unit to which goodwill must be allocated for the purpose of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the concentration/aggregation of the sectors).

IAS 38 «Intangible Assets»

The amendments clarify (a) the requirements in accordance with IFRS 3 (revised) regarding the accounting treatment for intangible assets acquired in a business combination and (b) a description of valuation techniques that are commonly used by financial entities in determining the fair value of intangible assets acquired in a business combination and are not traded in active markets.

IAS 39 «Financial Instruments: Recognition and Measurement»

The amendments relate to (a) clarification on the treatment of penalties/fines on loan prepayments as derivatives closely related to the host contract, (b) the scope of exemption for business combination contracts, and (c) a clarification that the earnings or losses from cash flow hedge of an expected transaction should be reclassified from equity to results in the period during which the forecast hedged cash flows affect the results.



IFRIC 9 «Reassessment of Embedded Derivatives»

The amendment clarifies that IFRIC 9 is not applicable to a possible reassessment, at the date of acquisition, of the embedded derivatives in contracts acquired in a business combination that involve financial entities under common control.

IFRIC 16 «Hedges of a Net Investment in a Foreign Operation»

The amendment states that, a hedge of a net investment in a foreign operation, suitable hedging means may be held by any financial entity within the group, including its own operation abroad, if certain conditions apply.

Standards and Interpretations mandatory from 1 July 2010

IFRS 9 «Financial Instruments» (effective for annual periods beginning on or after 1 January 2013)

IFRS 9 is the first part of the first phase of the project of the IASB (International Accounting Standards Board) to replace IAS 39. The IASB plans to expand IFRS 9 during 2010 in order to add new requirements for the classification and measurement of financial liabilities, the derecognition of financial instruments, impairment, and hedge accounting. The IFRS 9 determined that all financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, specific transaction costs. The subsequent measurement of financial assets is either at amortised cost or at fair value and it depends on the business model of the financial entity in relation to the management of financial assets and the contractual cash flows of a financial asset. The IFRS 9 prohibits reclassifications, except in rare cases where the business model of the financial entity changes and in this case the financial entity is required to reclassify in the future the affected financial assets. According to the principles of IFRS 9, all equity investments should be measured at fair value. However, the management has the option to present in other comprehensive income realised and unrealised fair value gains and losses of equity securities not held for trading. This determination is made on initial recognition for each financial instrument individually and cannot be changed. The fair value gains and losses cannot be subsequently transferred to the results, while dividend income will continue to be recognised in the results. IFRS 9 eliminates the exception from the measurement at cost for unlisted shares and derivatives on unlisted shares, but provides guidance on when cost can be a representative estimate of fair value. The Group is in the process of assessing the impact of IFRS 9 on its financial statements. The IFRS 9 cannot be implemented earlier by the Group because it has



not been adopted by the European Union. Only when adopted, the Group will decide whether to apply IFRS 9 earlier than 1 January 2013.

IAS 24 (Revised) «Related Party Disclosures» (effective for annual periods beginning on or after 1 January 2011)

This amendment seeks to reduce the disclosures of transactions between public sector related parties (government-related entities) and to clarify the meaning of a related party. In particular, it removes the requirement for public sector related parties to disclose details of all transactions with the public sector and with other public sector related entities, clarifies and simplifies the definition of related party and requires disclosure not only of relationships, transactions and balances between related parties, but also the commitments in both individual as well as consolidated financial statements. The Group will implement these changes from the effective date. This amendment has not yet been adopted by the European Union.

IFRS 1 (Amendment) «First time adoption of International Financial Reporting Standards» - financial instruments disclosures (effective for annual periods beginning on or after 1 July 2010)

This amendment provides for companies applying for the first time the IFRSs the same transition provisions contained to the amendment of IFRS 7 on the comparative information that relates to the disclosures of the new three-level hierarchy of fair value. This amendment will have no impact on the financial statements of the Group as the group has already transitioned to IFRSs.

IFRIC 19 «Extinguishing Financial Liabilities with Equity Instruments» (effective for annual accounting periods beginning on or after 1 July 2010)

The Interpretation 19 addresses to the accounting treatment by economic entity that issues equity instruments to a creditor in order to settle in full or in part, a financial obligation. This interpretation is not applicable to the Group. This change has not yet been adopted by the European Union.

IFRIC 14 (Amendment) «The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction» (effective for annual accounting periods beginning on or after 1 January 2011)

The amendments apply in limited circumstances: when a financial entity is subject to minimum funding requirements and proceeds to early payment of the contributions in order to meet these requirements. These amendments allow such a financial entity to deal with the benefit of such early payment as an asset.



This interpretation is not applicable to the Group. The amendment has not yet been adopted by the European Union.

Amendments to standards that are a part of the project for annual improvements for 2010 by the IASB (International Accounting Standards Board)

The following amendments describe the major modifications entered into the IFRSs as a consequence of the results of the annual improvements project of the IASB that has been published in May 2010. The following amendments, unless determined otherwise, are effective for annual accounting periods beginning on or after 1 January 2011. Also, unless otherwise stated, these amendments are not expected to have a significant impact on the financial statements of the Group.

IFRS 1 «First-time Adoption of International Financial Reporting Standards»

The amendments relate to: (a) additional disclosures if a financial entity changed its accounting policies or the application of the exemptions of IFRS 1 after it has already published interim financial information in accordance with IAS 34 (b) exemptions when the basis of readjustment is used as «deemed cost», and (c) exemptions for the financial entities that are subject to specific rules to use as a «deemed cost» for tangible assets or intangible assets the book values in accordance with previous GAAP financial statements.

IFRS 3 «Business Combinations»

The amendments provide additional clarifications in relation to: (a) agreements of contingent consideration arising from business combinations with acquisition dates that precede the application of IFRS 3 (2008), (b) the measurement of non-controlling interest, and (c) accounting treatment for share based payment transactions which consist part of a business combination, including rewards that are based on value of shares that have not been replaced or voluntarily replaced.

IFRS 7 «Financial Instruments: Disclosures»

The amendments include several clarifications regarding the disclosures of financial instruments.

IAS 1 «Presentation of Financial Statements»

The amendment clarifies that financial entities may present the analysis of the components of other comprehensive income either in the statement of changes in equity or in the notes.



IAS 27 «Consolidated and Separate Financial Statements»

The amendment clarifies that the amendments to IAS 21, IAS 28 and IAS 31 resulting from the revision of IAS 27 (2008) should be applied prospectively.

IAS 34 «Interim Financial Reporting»

The amendment puts more emphasis on principals of disclosures that have to be applied in connection to material events and transactions, including changes regarding fair value measurements, as well as the need to update the relevant information from the most recent annual report.

IFRIC 13 «Customer Loyalty Programs»

The amendment clarifies the meaning of the term «fair value» in the context of the measurement of rewarding customer loyalty programs.

5.2 Accounting policies

5.2.1 Consolidation

Subsidiaries: Are all companies managed and controlled, directly or indirectly, by another company (parent), whether through ownership of a majority of the shares in which the investment was made, either through reliance on the expertise provided by the Group. That is, subsidiaries are companies over which control is exercised by the parent. The parent obtains and exercises control through voting rights. The existence of any potential voting rights that is exercisable at the time of preparation of financial statements, taken into account in order to establish whether the Group controls another entity. Subsidiaries are fully consolidated (total consolidation) by the purchase method from the date that control over them and are no longer consolidated from the date that control ceases.

The acquisition of subsidiaries by the Group is accounted for under the purchase method. The cost of an acquisition is the fair value of assets purchased, equity instruments issued and liabilities undertaken at the date of exchange plus costs directly associated with the transaction. Identifiable assets, liabilities and contingent liabilities acquired in a business combination are measured at acquisition at fair value regardless of shareholding percentage. The cost of acquisition over the fair value of the individual assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the individual assets acquired, the difference is accounted directly in the income statement.

Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of



the asset transferred. Accounting policies of subsidiaries have been amended to be consistent with the policies adopted by the Group.

Associates: Are those entities over which the Group can exercise significant influence but do not qualify to be classified as subsidiaries or joint venture. The assumptions used by the group imply that between 20% and 50% of a company indicates a significant influence on the company. Investments in associates are initially recognized at cost and are subsequently valued using the equity method. At the end of each use, the cost of investment increases with the proportion of the investing company to changes in equity of the invested company and is reduced by the dividends received from the associate company.

Regarding the acquisition of goodwill, this reduces the value of investment at the expense of income statement if the value is reduced. The Group by adopting IFRS 3 does not provide depreciation and goodwill will be shown at amortized cost less any reductions in value. The consolidation of these companies is being made to the extent in which their sizes are considered significant compared with the group and the relationship between the cost of consolidation and the benefits that will arise for users of the information is such that requires consolidation.

The Group's share in the profits or losses of associated companies after the acquisition is recognized in the income statement and the share of changes in reserves after the acquisition is recognized in reserves.

The accumulated changes affect the carrying value of investments in affiliated companies. When the Group's share in losses in an associate equals or exceeds its interest in the associate, including any other doubtful debts, the Group does not recognize further losses, unless it has met obligations or made payments on behalf of the associate and generally those arising from ownership.

Unrealized gains from transactions between the Group and its associates are eliminated to the extent of participation of the Group's associated companies. Unrealized losses are eliminated unless the transaction provides evidence of impairment of the asset transferred. Accounting policies for associates have been amended to be consistent with the policies adopted by the Group.

Reverse acquisition:

A reverse acquisition occurs when an entity that issues securities (the legal acquirer) is identified as the acquiree for accounting purposes.

An entity whose equity interests are acquired (the legal acquirer) must be the acquirer for accounting purposes, in order to be considered a reverse acquisition transaction. The reverse acquisitions sometimes occur for example when an entity that is operating as a private company wishes to become a public company, but does not wish to list its shares in a stock exchange. In order to achieve this, the private company will arrange with a public company to acquire its equity interests in exchange for equity interests of



the public company. In this example, the public company is the legal acquirer because it issued the equity interests and the private company is the legal acquiree, because its equity interests acquired.

However, for the purpose of accounting has the effect of recognition:

- a) The public company as the acquiree for accounting purposes (the accounting acquiree) and
- b) The private company as the acquirer for accounting purposes (the accounting acquirer).

The accounting acquiree must meet the definition of a business in order the transaction to be accounted for as a reverse acquisition, and all the recognition and measurement principles of this IFRS, including the requirement for recognition of goodwill.

Measurement of the consideration transferred.

In a reverse acquisition, the accounting acquirer usually does not pay in return for the acquiree.

Instead, the accounting acquiree, usually issues its shares to the owners of the accounting acquirer. Consequently, the fair value at the acquisition date of the consideration transferred by the accounting acquirer for his participation in the accounting acquiree, is based on the number of equity instruments the legal subsidiary would have had to adopt to give owners of the legal parent the same percentage of equity interests in the combined entity resulting from the reverse acquisition. The fair value of the number of equity interests calculated in this way can be used as the fair value of consideration transferred in exchange for the acquiree.

Preparation and presentation of consolidated financial statements

The consolidated financial statements prepared following a reverse acquisition are issued under the name of the legal parent (the accounting acquiree), but described in the notes as a continuation of the financial statements of the legal subsidiary (accounting acquirer), with an adjustment, which is adjusted retroactively to the legal capital of the accounting acquirer, to reflect the legal capital of the accounting acquiree. This adjustment is required to reflect the capital of the legal parent (the accounting acquiree). The comparative information presented in these consolidated financial statements also is retrospectively adjusted to reflect the legal capital of the legal parent (the accounting acquiree).

Because the consolidated financial statements represent a continuation of the financial statements of the legal subsidiary outside its capital structure, the consolidated financial statements reflect:

- a) The assets and liabilities of the legal subsidiary (accounting acquirer) recognized and measured in the pre-combination carrying amounts.
- b) the assets and liabilities of the legal parent (the accounting acquiree) are recognized and measured in accordance with this IFRS.
- c) retained earnings and other equity balances of the legal subsidiary (accounting acquirer) before the business combination.



d) the amount recognized as issued equity interests in the consolidated financial statements is determined by adding the issued equity interests of the legal subsidiary (accounting acquirer) which are issued immediately before the business combination at the fair value of the legal parent (the accounting acquiree) is determined in accordance with this IFRS. However, the capital structure (ie the number and type of equity interests issued) reflects the equity structure of the legal parent (the accounting acquiree), including the equity interests issued by the legal parent for carrying out the combination. Therefore, the capital structure of the legal subsidiary (accounting acquirer) is restated using the exchange ratio established in the acquisition agreement to reflect the number of shares of the legal parent (the accounting acquiree) issued in the reverse acquisition.

e) the proportion of non-controlling interest of the pre-combination carrying amounts of retained earnings and other equity interests of the legal subsidiary (accounting acquirer).

Earnings per share

The shareholding structure of the consolidated financial statements prepared following a reverse acquisition reflects the equity structure of the legal acquirer (the accounting acquiree), including the equity interests issued by the legal acquirer to effect the combination.

To calculate the weighted average number of common shares issued (the denominator of earnings per share) during the period in which the reverse acquisition:

a) the number of common shares outstanding from the beginning of this period until the date of acquisition will be calculated based on the weighted average number of common shares of the legal acquiree (the accounting acquirer) issued during the period multiplied by the exchange ratio defined in the merger agreement, and

b) the number of common shares issued from the acquisition date until the end of the season will be the actual number of common shares of the legal acquirer (the accounting acquiree) issued during that period.

Basic earnings per share for any comparable period before the date of acquisition in the consolidated financial statements following a reverse acquisition shall be calculated by dividing:

a) The gain or loss of the legal acquiree attributable to ordinary shareholders in each of these periods.

b) The historical weighted average number of common shares of the legal acquiree issued multiplied by the exchange ratio established in the acquisition agreement.

5.2.2 Foreign currency translation

(a) Functional and presentation currency

The financial statements of the Group's subsidiaries are shown in local currency of the country which they operate, which is the functional currency. The consolidated financial statements are presented in euros (€),



which is the functional currency of the Company and the presentation currency of the Group's financial statements.

(b) Transactions and account balances

The transactions in foreign currency into the functional currency are made using the exchange rates (spot rates) that exist at the dates of transactions. Exchange differences (gains or losses) arising from the settlement of such transactions and from the translation at year-end of the monetary items in foreign currency into the functional currency are recorded at the income statement, unless they qualify as hedging on the net investment abroad, so are recorded directly in equity.

Exchange differences arising on translation of non-monetary items at fair value are recognized in income statement, and for available for sale in equity.

(c) Group companies

The operating results and the equity of all Group companies (excluding those operating in hyperinflationary economies), whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- The assets and liabilities for each statement of financial position are presented and translated at the exchange rate at the statement of financial position date.
- The income and expenses in the income statement of each company are converted according to the average rate formed by the beginning of the year to date of statement of financial position.
- All exchange differences arising are recognized as "foreign exchange translation reserve" transformation in equity.
- At the sale of subsidiaries operating abroad, the accumulated exchange differences exist in the "reserve currency translation differences" in equity, are recognized in the income statement as gains or losses from the sale of subsidiaries.

The exchange differences arising from loans designated as hedging for these investments are transferred to the reserve for foreign exchange hedging 'in equity. Goodwill and fair value adjustments arising on acquisition of subsidiaries operating abroad are recognized as assets and liabilities of foreign subsidiary and translated at the closing price applicable at a time.

5.2.3 Fixed Assets

Land and buildings were valued at the date of transition at the market value which was determined from an independent firm of valuers.

The other fixed assets were valued at cost less the amount of depreciation resulting from the estimated useful life.



Subsequent expenditure is added to the book value of tangible assets as a separate asset only to the extent that these costs increase the future economic benefits expected to flow from the use of the asset and the cost can be measured reliably. The cost of repairs and maintenance are charged to income statement when they occur.

Depreciation for tangible fixed assets (excluding land which is not depreciated) is calculated using the straight-line method over their useful lives as follows:

| | |
|-------------------------------------|------------|
| Improvements to leasehold buildings | 10 years |
| Machinery | 4-30 years |
| Motor vehicles | 4-5 years |
| Other equipment | 4-7 years |

The residual values and useful lives for tangible assets are reassessed at each balance sheet date. When the book value for tangible assets exceeds its recoverable amount, the difference (impairment) is immediately recorded in the income statement.

Upon sale of tangible assets, the differences between the proceeds and their carrying value are recorded as gains or losses in the income statement. Repairs and maintenance are expensed in the period concerned.

Self-constructed tangible assets constitute an addition to the cost of tangible assets at values that comprise the direct cost of wages of employees engaged in construction (corresponding employer contributions), cost of materials used and other general costs.

5.2.4 Intangible assets

Intangible assets include the cost of software whether it resulted from the purchase or self developed. The estimated useful life is from 1 to 6 years.

The company also includes in these accounts the cost of those intangible assets for which there are estimates that will generate future revenues. The assets are in the progress and will be amortized in accordance with future revenue that will generate.

5.2.5 Impairment of assets

Assets that have an indefinite useful life are not amortized and are tested for impairment annually and when certain facts indicate that the carrying value may not be recoverable. The assets that are depreciated are reviewed for impairment when there are indications that the carrying value may not be recoverable. The recoverable amount is the higher of net selling price and value in use. An impairment loss for assets is



recognized by the company when the book value for assets (or cash generating unit) is greater than its recoverable amount.

Net sales value is the amount from the sale of an asset in an arm's length transaction where the parties are fully knowledgeable, after deducting any direct incremental selling costs of the asset, while value in use is the present value of estimated future cash flows expected to flow to the company from using an asset and from its disposal at the end of its useful life.

5.2.6 Inventories

At the reporting date, inventories are valued at lower of cost and net realizable . Net realizable value is the estimated selling price in the ordinary course of business less any costs of sale. The cost of inventories does not include financial expenses.

5.2.7 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. If the carrying value or the cost of a financial asset exceeds this value, the item is valued at recoverable amount, i.e. the present value for future cash flows of the asset, calculated by using the original effective interest rate. The loss is transferred directly to the income statement. Impairment losses, i.e. when there is objective evidence that the Group is unable to collect all amounts due in accordance with the contractual terms are recognized in the income statement.

5.2.8 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and can also include short-term highly liquid investments like money market instruments and bank deposits. The Money market instruments are financial assets at fair value through profit or loss.

5.2.9 Financial instruments

A financial instrument is any contract that creates a financial asset of one entity and a financial liability or equity instrument of another enterprise. The Group's financial instruments when appropriate are classified into the following categories based on the substance of contract and the purpose for which acquired.

i) Financial assets at fair value through profit and loss

These are the financial assets that satisfy any of the following conditions:

- Financial assets held for trading purposes (including derivatives, except those that are designated hedging instruments, those acquired or created for the purpose to be sold or purchase and finally those that are part of a portfolio of financial instruments).



- Upon initial recognition, is designated by the company as measured at fair value with any changes recognized through the Income Statement.

ii) Loans and advances

Are non-derivative financial instruments with fixed or determinable payments that are not traded in active markets. In this category (loans and advances) are not included:

- a) claims for advance payments for purchase of goods or services;
- b) requirements that have to do with tax transactions that have been legislatively imposed by the State
- c) anything not covered by a contract that gives the company the right to receive cash or other financial assets.

Loans and advances are included in current assets, except from those that maturity is greater than 12 months from the balance sheet date which are included in non-current assets.

iii) Investments held to maturity

Includes non-derivative financial assets with fixed or determinable payments and fixed maturity date that the Group has the intention and ability to hold to maturity. The Group does not hold any investments in this category.

iv) Available-for-sale financial assets

Includes non-derivative financial assets that are either designated in this category or they are not classified in any category of the above. Then, available for sale financial assets are measured the fair value and the related gains or losses are recognized in equity reserve until such assets are sold or impaired.

Upon sale or when impaired, gains or losses are transferred to the income statement. Impairment losses which have been recognized in the income statement are not reversed through the income statement. Purchases and sales of investments are recognized on the transaction date, which is the date the Group commits to purchase or sell the item.

Investments are initially recognized at fair value plus directly attributable transaction costs, except for the directly attributable to the transaction costs for those items that are measured the fair value with changes in the results. Investments are derecognized when the rights to cash flows from the investments have expired or the Group has substantially transferred all the risks and rewards of ownership.

Loans and advances are recognized at amortized cost using the effective interest method. Realized and unrealized gains or losses arising from changes of the fair value of financial assets at fair value with changes in profit or loss are recognized in the period incurred.



The fair values of financial assets which are traded in active markets are based on current bid prices. For non-traded assets, fair values determined using valuation techniques such as, analysis of recent transactions, comparable data traded on regulated markets and discounted cash flows.

The non-traded in active market financial assets which have been classified in the category Available for sale financial assets and whose fair value cannot be determined reliably are valued at cost. At each balance sheet date the Group assesses whether there is objective evidence to suggest that financial assets have been impaired.

For shares in companies which have been are classified as financial assets available for sale, such evidence is significant the prolonged decline of the fair value below cost. If there is impairment, the cumulative loss which is the difference between cost and of the fair value is transferred in the income statement.

5.2.10 Non-Current Assets Held for Sale

The entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to happen the asset (the disposal group) must be available for immediate sale in its present condition, only under conditions which are usual and customary for sales of such assets (the disposal groups) and the sale must be highly probable.

For the sale to be highly probable, the level management must be committed to a plan to sell the asset (the disposal group) and have enabled a program to find a buyer. In addition, the asset (the disposal group) should be actively marketed for sale at a price that is reasonable in relation to the current fair value.

Also, the sale should be expected to qualify for the recognition as a completed sale, a year from the date of classification and the steps needed to complete the program should indicate that it is unlikely to make major changes to the sale process or to be revoked.

The entity shall measure a non-current asset (or disposal group) as held for sale, at the lower carrying amount fair less costs sell.

The entity shall disclose the amount in a single line on the face of the income statement comprising the total after-tax gain or loss of discontinued operations.

The entity shall present a non current asset classified as held for sale, separately from other assets on statement of financial position. The liabilities of a disposal group that is classified as held for sale, are presented separately from other liabilities in the statement of financial position. Those assets and liabilities will not be offset and presented as in a single amount.



5.2.11 Share capital

Expenses incurred for the issuance of shares after deduction of the income tax. The costs associated with issuing shares to acquire companies included in the cost business acquired.

During the acquisition of own shares, the price paid, including the expenditure is shown as a deduction from equity (retained earnings).

5.2.12 Income tax & deferred tax

The tax for the period consists of the current tax and deferred taxes, ie taxes or tax credits related to the economic benefits that arising in the period but have been or will be assessed by the tax authorities in different periods. Income tax is recognized in the income statement for the period, except for the tax on transactions recognized directly in equity, in which case it is recorded directly in a similar way to equity.

Current income taxes include the payables or receivables to the tax authorities relating to taxes payable on the taxable income for the period and any additional income taxes related to prior years.

Current taxes are measured at the tax rates and tax laws which have been applicable to accounting periods to which they relate, based on taxable profit for the year. All changes to current tax assets or liabilities are recognized as part of tax expense in the income statement.

Deferred income tax is determined using the liability method which is been calculated in respect of temporary differences between book and tax bases of assets and liabilities. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in period during which the claim or liability is settled, based on tax rates (and tax laws) that have been put into effect or substantively enacted at the date Balance Sheet. Failure to clearly identify the time of the reversal of of temporary differences, the tax rate applicable is on the day following the date of the balance sheet .

Deferred tax assets are recognized to the extent that there will be future taxable profit for the use of the temporary differences that create the deferred tax asset.

Deferred income tax is recognised on temporary differences arising from investments in subsidiaries and associates, except where the reversal of temporary differences is controlled by the Group and is probable that the temporary differences will not be reversed in the foreseeable future.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in income statement. Only changes in assets or liabilities which have been affect temporary differences are recognized directly in equity of the Group, including revaluation property, resulting in the relative change in deferred tax assets or liabilities being charged against the relevant equity account.



5.2.13 Employee Benefits

Short-term benefits: Short-term employee benefits (termination benefits of employment) in cash and in kind is recognized as an expense when accrued. The company has not officially or unofficially activated any special benefit plan for the employees. The only plan which have been is activated in the past is the contractual obligation (under the current Law 2112/20) to provide a lump sum payment. For this sum the company provides for when it is considered necessary by an actuarial study.

5.2.14 Grants

An important part business group is to be engaged in programs sponsored by state (domestic) or community agencies. The Group recognizes government grants, which cumulatively meet the following criteria: a) There is reasonable assurance that the company has complied or will comply with conditions of the grant b) it is probable that the amount of grant will be received. Are recorded at fair value and are recognized as revenue in a systematic way, based on the principle of matching grants with the related costs which they subsidize. Grants relating to assets are included in liabilities as deferred income and are recognized systematically and rationally in revenue. These revenues are shown under the heading other operating income and the related cost is show under the heading research and development costs.

5.2.15 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and is likely to have an outflow of resources and can be measured reliably. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the liability. Contingent liabilities are not recognized in financial statements but are disclosed in the notes unless the probability of outflow of resources embodying economic benefits is minimal. Contingent assets are not recognized in financial statements but disclosed when an inflow of economic benefits is probable.

5.2.16 Recognition of income and expenses

Income: Revenue comprises the fair value of projects, sales of goods and services, net of Value Added Tax, discounts and rebates. Inter-company revenues within the Group are eliminated in full. The recognition of revenue is as follows:

- **Construction contracts:** The proceeds from the execution of construction contracts are accounted for in the period that the project is constructed based on the stage of completion.
- **Collective Betting / Online betting:** Collective and online betting is recognized in the accounting period which are accepted by the representatives of the Group.



- **Sale of goods:** Sales of goods are recognized when the Group delivers goods to customers, the goods are accepted by them and the collection of receivable is reasonably assured.
- **Services:** Revenue from services is accounted for in the period the services are provided with based on the stage of completion of service in relation to all services.
- **Revenue from the assigned rights to use tangible assets (offset):** The fair value of the rights is recognized as deferred income and is amortized to the income statement based on the rate of execution of contracts for which they are assigned in exchange.
- **Interest income:** Interest income is recognized on a time proportion basis using the effective interest rate. When a receivable is impaired, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the original effective interest rate.
- **Dividends:** Dividends income is recognized when there is a right to receive payment.

Expenses: Expenses are recognized on an accrual basis. Payments made under operating leases are transferred to profit or loss as expenses during the time of the lease. Interest expenses are recognized on an accrual basis.

5.2.17 Construction Contracts

The construction contracts concerns the construction of assets or group of related assets specifically for customers in accordance with the terms specified in the relevant contracts and their performance usually lasts for more than one year.

The cost of the contract is recognized when incurred.

Where the outcome of a construction contract is not possible to be assessed reliably, particularly in cases where the project is at an early stage, then revenue is recognized only to the extent that the contract costs incurred may be recovered and contract costs should be recognized as an expense in the period in which incurred. So for these contracts the revenue is recognised in such a way in order for the profit from this project to be zero.

When the outcome of a construction contract can be estimated reliably, revenue and expenses of the contract is recognized over the contract period, respectively, as revenue and expense. The Group uses the percentage of completion method to determine the appropriate amount of income and expense that will be recognized in a given period.

The stage of completion is calculated based on the contract costs that have been made to the balance sheet date in relation to the total estimated construction cost of each project. When it is likely that the total cost of



contract will exceed the total revenue, then the expected loss is recognized immediately in the income statement as an expense.

To calculate the cost realized by the end of the period, any costs associated with future work on the contract are excluded and shown as a work in progress. The total cost incurred and the profit / loss recognized for each contract is compared with progressive invoicing by the end of year.

Where the costs incurred plus net profits (less the losses) recognized exceed the progressive invoicing, the difference appears as a receivable from construction contract customers in line "Other receivables ". When the progressive invoicing exceed costs incurred plus net profits (less losses) recognized, the rest appear as a liability to customers in the construction contract item "other liabilities.

5.2.18 Leases

Group Company as a lessee: Leases of assets, where transferred to the Group all the risks and rewards associated with ownership of an asset, regardless of the final transfer of title or non-ownership of the asset, a financial lease. These leases are capitalized at the inception of the lease at the lower of the fair value of the asset or the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The respective rental obligations, net of finance charges, are included in liabilities. The part of the finance charge relating to finance leases is recognized in the income statement over the lease term. Fixed assets acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where the lessor transfers the right to use an asset for an agreed period, without transferring the risks and rewards of ownership of the asset are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement over of lease period.

Group Company as a lessor: When assets are leased under a finance lease, the present value of lease payments is recognized as an asset. The difference between the gross receivable and the present value of debt is recorded as deferred finance income. The revenue from the lease is recognized in the income statement over the lease period using the net investment method, which reflects a constant periodic rate of return.

Assets leased out under operating leases are included in tangible assets of the balance sheet. They are depreciated over their estimated useful life on a basis consistent with similar owned fixed assets. The rent revenue (net of any incentives given to lessees) is recognized on a straight line during the period of the lease.



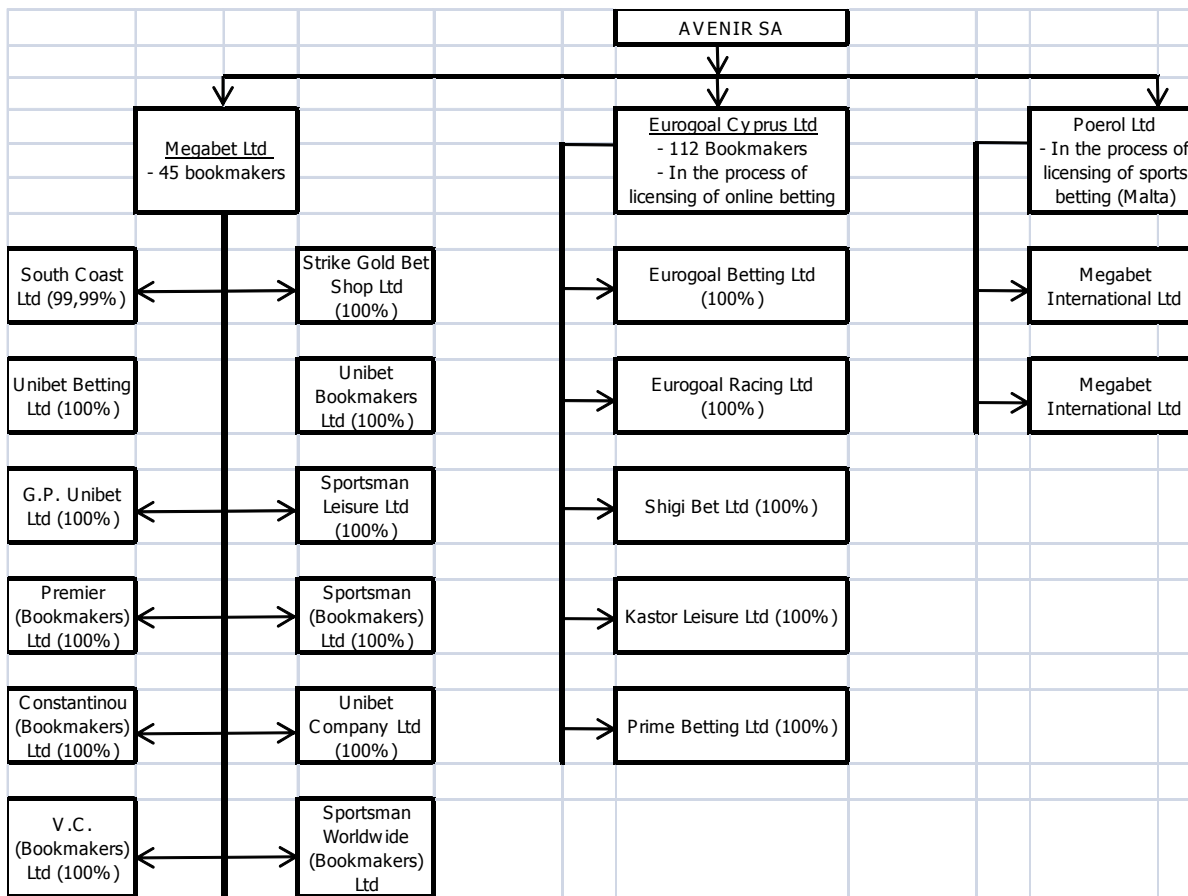
5.2.19 Dividend distribution

The distribution of dividends to the shareholders of parent company is recognized as a liability in the consolidated financial statements on the date on which the dividends are approved by the General Meeting.

5.3 Information about the Group

5.3.1. Group Structure and basis of consolidation

Organizational chart of the Group



The Group companies which are included in the consolidated financial statements as at 31.12.2010 are the following:

STRUCTURE OF THE GROUP 31.12.2010

| Companies that have been consolidated | Company Headquarters | Holding | Consolidation Method | Unaudited Tax years |
|---|----------------------|---------|----------------------|---------------------|
| Εταιρείες που ενοποιήθηκαν | | | | |
| AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. | GREECE | Parent | | 2005-2010 |
| MEGABET LIMITED (GROUP) | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| POEROL LIMITED (GROUP) | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| EUROGOAL CYPRUS | CYPRUS | 100,00% | Acquisition method | 2009-2010 |



| | | | | |
|-----------------|--------|---------|--------------------|-----------|
| EUROGOAL BETTIG | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| EUROGOAL RACING | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| SHIGIBET | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| KASTOR LEISURE | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| KASTOR BETTING | CYPRUS | 100,00% | Acquisition method | 2009-2010 |
| PRIMEBET LTD | CYPRUS | 100,00% | Acquisition method | 2009-2010 |

Companies that have not been consolidated due to nil fair value

| | | | | |
|---|--------|--------|---|-----------|
| K/Ε ΑΙΝΟΟΥΧΑΟΥ Α.Ε. – EXODUS Α.Ε. – ΖΗΝΩΝ Α.Ε. | GREECE | 15,91% | - | 2008-2010 |
|---|--------|--------|---|-----------|

STRUCTURE OF THE GROUP MEGABET LTD for the year 31.12.2010

| Companies | Country of incorporation | Holding | Consolidation Method |
|------------------------------------|--------------------------|---------|----------------------|
| MEGABET LIMITED | CYPRUS | Parent | |
| V.C. BOOKMAKERS LIMITED | CYPRUS | 100% | Acquisition method |
| PREMIER BOOKMAKERS LIMITED | CYPRUS | 100% | Acquisition method |
| SPORTSMAN WORLDWIDE BOOKMAKERS LTD | CYPRUS | 100% | Acquisition method |
| UNIBET BETTING LIMITED | CYPRUS | 100% | Acquisition method |
| UNIBET BOOKMAKERS LIMITED | CYPRUS | 100% | Acquisition method |
| SPORTSMAN BOOKMAKERS LIMITED | CYPRUS | 100% | Acquisition method |
| STRIKE GOLD BET SHOP LIMITED | CYPRUS | 100% | Acquisition method |
| CONSTANTINOU BOOKMAKERS LIMITED | CYPRUS | 100% | Acquisition method |
| G.P. UNIBET LIMITED | CYPRUS | 100% | Acquisition method |
| UNIBET COMPANY LIMITED | CYPRUS | 100% | Acquisition method |
| SOUTHCOAST LIMITED | BRITISH VIRGIN ISLANDS | 100% | Acquisition method |

STRUCTURE OF THE GROUP POEROL LTD for the year 31.12.2010

| Companies | Country of incorporation | Holding | Consolidation Method |
|--------------------------------------|--------------------------|---------|----------------------|
| POEROL LTD | CYPRUS | Μητρική | Acquisition method |
| MEGABET INTERNATIONAL LIMITED | MALTA | 100% | Acquisition method |
| SPORTSMAN LEISURE LIMITED | CYPRUS | 100% | Acquisition method |
| MEGABET GAMING INTERNATIONAL LIMITED | MALTA | 100% | Acquisition method |

It is noted that the duration of the joint venture between ΑΙΝΟΟΥΧΑΟΥ SA – ΖΗΝΩΝ – EXODUS SA that was originally agreed until the end of December of 2009 with the possibility of an extension depending on possible contract variations extensions allowed in the agreement between EOT and K/Χ ΑΙΝΟΟΥΧΑΟΥ SA – ΖΗΝΩΝ – EXODUS SA, depends on contract extensions and good performance of all letters of guarantee and other guarantees. The joint venture will continue to be in force even after the return of the above mentioned letters of guarantee, depending on whether there will be further requirements that will be imposed by the



relevant authority having the responsibility of the contract to the joint venture or the opposite. The joint venture will continue to be in force, since the relevant authority (EOT) examines the possibility of a new contract for maintenance to be offered to joint venture.

In the context of its reorganisation, the Group on 30th September 2010 disposed its 100% subsidiary of ZENON AUTOMATION TECHNOLOGIES S.A. and its subsidiary REYMETRIX S.A., the activities of Robotics, Research, Development and Remote Sensing Laser Technologies. The sale price of the subsidiary was nil and the equity of the subsidiary at the date of disposal were negative at an amount of euro (2.821.249,25). For the Company AVENIR LEISURE & ENTERTAINMENT COMPUTING S.A. the sale resulted to a loss of euro (743.688,82) due to impairment of receivables related to discontinued operations of robotics - automation and for the Group profit of euro 835.295,41 (euro 1.381.591,61 - euro 546.296,20 goodwill reduction of industries). On 31.12.2010 there is a contractual obligation by AVENIR LEISURE & ENTERTAINMENT INFORMATICS S.A. to acquire during 2011, in current value, the shares of SEA STAR CAPITAL PLC (number of shares 19.728.257) held by ZENON AUTOMATION TECHNOLOGIES S.A..

For the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. as at 31.12.2008 there were reasons to apply article 47 of Law 2190/1920 and generally the Company faced serious issues of capital adequacy and uncertainty as to its going concern. Furthermore, the report of the auditors stated that the capability of the Company to cover its current liabilities from its current assets depended on the sale of its premises. On 28.6.2010 the Shareholders General Meeting of ZENON AUTOMATION TECHNOLOGIES S.A. decided to increase the share capital of the company.

The main reasons of the business problems of the Company were factors such as the low profit margin of Public projects (in connection with the frequently observed payments delays), the small size of Greek Industry, which was the potential market of automation systems and the dispersion of the company's operations in different markets (e.g. automation systems, information technology, research and development) and more recently the effect of the adverse international economic conditions. As a result the investments made by the Group in fixed assets (e.g. robotics equipment) and specialized manpower, by pledging substantial part of its capitals over the previous years, did not provide the expected return.

Also, the company in the context of its activities received in the past subsidies from the European Union and the General Secretariat for Research and Technology of the Ministry of Development in the context of co-financed projects of research and development projects. After examination of two related programs, conducted by the European Union in November 2008, it revealed that the Company has an obligation to return an amount of € 298 thousand. Moreover, because of this, the European Union requested the Company to resubmit its costs for a significant number of projects that have been subsidised,



retrospectively, having carried out rechecking of the relevant documents. On 30 October 2009, the Company submitted to the European Union restated financial reports, whereby resulted to financial returns towards the European Union of approximate € 300 thousand.

Under the business reorganisation of the Group, the disposal of the subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. recommends the implementation of corporate decisions to withdraw the Group from the activity of Robotics and Automation. This option was included in the context of implementation of the 22.09.2008 decision of the Extraordinary General Meeting of shareholders of the Company for the secession from the industries of Robotics, Research & Development with the intention to operate in new profitable activities. In the past 3 years the robotics industry failed to contribute positively to the financial results of the Group.

The disposal of subsidiary ZENON AUTOMATION TECHNOLOGIES S.A. beyond the positive impact this will have on the financial results of the Group by avoiding future losses, contributed to the elimination of potential liabilities thus significantly contributing to the improvement of the financial position of the Group. Also on 31.12.2010 MEGABET LTD proceeded to the liquidation of its 100% subsidiary Appletone Ltd. For MEGABET LTD the liquidation resulted to a loss of euro (1591) and loss for the Group of euro (5195).

The other Comprehensive income from discontinued operations relate to:

VALUATION OF SEASTAR SHARES DISCONTINUED OPERATIONS

| | |
|---|-------------------------|
| Balance 31/12/2009 | 1.775.544 |
| Purchase 01/01-30/09/2010 | 0 |
| Sale 01/01-30/09/2010 | 0 |
| Total | 1.775.544 |
| Revaluation 30/09/2010 | 591.848 |
| Loss on revaluation 01/01-30/09/2010 | <u>1.183.696</u> |

From the translation of the balance sheet of the discontinued operations as at 31.12.2010 a loss was charged to the other comprehensive income of the group for the amount of euro 4.548. It concerns the company Appletone Investments LTD incorporated in Gibraltar, having Great Britain Pounds as its currency.

5.3.2. Commitments

The bank loans of the Company and the Group are secured *εἰς* with an assignment agreement of euro 600.000,00.



5.3.3. Contingent assets - liabilities

➤ Information for contingent liabilities

Unaudited tax periods

The unaudited tax periods of the Group companies are as follows:

| Unaudited tax periods | | |
|--|--------------------------|-----------------------|
| Companies included in the consolidation | Country of incorporation | Unaudited tax periods |
| Companies included in the consolidation | | |
| AVENIR AE | GREECE | 2005-2010 |
| MEGABET LIMITED (GROUP) | CYPRUS | 2009- 2010 |
| POEROL LIMITED (GROUP) | CYPRUS | 2009- 2010 |
| EUROGOAL CYPRUS | CYPRUS | 2009- 2010 |
| EUROGOAL BETTIG | CYPRUS | 2009- 2010 |
| EUROGOAL RACING | CYPRUS | 2009- 2010 |
| SHIGIBET | CYPRUS | 2009- 2010 |
| KASTOR LEISURE | CYPRUS | 2009- 2010 |
| KASTOR BETTING | CYPRUS | 2009- 2010 |
| PRIMEBET LTD | CYPRUS | 2009- 2010 |

For the unaudited tax periods mentioned above, there is a possibility of additional tax charges and penalties for each financial year that will be assessed and finalised by the tax authorities. For this purpose, the Company has recognised provisions for these additional tax charges in the comprehensive income of the period that they relate.

The total provision for payment of taxes for the period ended 31.12.2010 amounts to €350.000 for the company and the Group.

During the current period ended 31.12.2010, letters of guarantee have been issued for the parent company for the total amount of €36.257,62 and for the Group for the total amount of €4.883.269,41 for the proper execution of works undertaken and for the betting licenses received.

5.4. Operating – Information

The operating segments are part of the Group and are regularly reviewed by the Board of Directors and are presented in the financial information on the same basis that is used for internal reporting information purposes. The financial results of the Company's operating segments are regularly reviewed by the person responsible for all operating policy decisions. The person with this responsibility is the Chief Executive Officer that takes decisions in cooperation with the Board of Directors, concerning the allocation of resources to each segment and the assessments of each segment's performance.



The financial results of the operating segments of the Group by line of business are analysed as follows:

| 01/01-31/12/2010 | | | | | | | |
|--------------------------------------|------------------------------------|------------------------------------|--|----------------|-------------------------|--------------------------------|--------------------|
| | Operations from collective betting | Operations from electronic betting | Casino's operations for electronic betting | Ships casino | Discontinued operations | Other non attributable results | Total |
| Total revenue per segment | 28.468.432 | 1.895.133 | 96.497.073 | 417.264 | 525.121 | 0 | 127.803.023 |
| Operating profit before depreciation | 684.888 | 157.228 | 262.805 | 125.188 | (778.044) | (2.939.233) | (2.487.168) |
| Depreciation | (613.911) | (302.127) | (4.104) | 0 | (146.084) | (129.180) | (1.195.406) |
| Financial results | (47.296) | (5.458) | (4.070) | 0 | (235.411) | (111.625) | (403.859) |
| Other financial results | 0 | 0 | 0 | 0 | 0 | 830.101 | 830.101 |
| Investment results | (51.258) | 0 | 0 | 0 | 20.000 | 9.338 | (21.920) |
| Profit before tax | (27.576) | (150.358) | 254.631 | 125.188 | (1.139.539) | (2.340.599) | (3.278.253) |
| (Expense) / Income tax | (19.495) | (10.707) | 0 | 0 | 146.788 | 40.558 | 157.144 |
| Net result after taxes | (47.071) | (161.065) | 254.631 | 125.188 | (992.751) | (2.300.041) | (3.121.109) |

| 01/01-31/12/2009 | | | | | |
|------------------------------|------------------------------------|------------------------------------|--------------------------|-------------------------|-------------------|
| | Operations from collective betting | Operations from electronic betting | Develop computer systems | Discontinued operations | Total |
| Total revenue per segment | 11.618.164 | 34.793.181 | 2.810 | 375.023 | 46.789.178 |
| Internal Sales | (107.319) | 0 | 0 | 0 | (107.319) |
| Net sales | 11.510.845 | 34.793.181 | 2.810 | 375.023 | 46.681.859 |
| Net sales | (789.940) | 1.578.692 | 304.828 | (330.965) | 762.614 |
| Financial results | 82.502 | 0 | (9) | (79.849) | 2.644 |
| Investing results | 0 | 0 | 0 | (50.824) | (50.824) |
| Results before tax | (707.438) | 1.578.692 | 304.819 | (461.638) | 714.435 |
| Tax (Expense)/Income | (47.298) | 0 | (30.000) | (17.839) | (95.137) |
| Net results after tax | (754.736) | 1.578.692 | 274.819 | (479.477) | 619.298 |

The results for the period 01.01-31.12.2009 relate to the accounting acquirer (Group MEGABET LTD) and 20.11 – 31.12.2009 for the other subsidiaries.

Sales by geographical area:

| | GROUP 31/12/2010 | COMPANY 31/12/2009 |
|--------------|---------------------|-----------------------|
| Greece | 942.385 | 377.833 |
| Cyprus | 124.965.505 | 46.262.546 |
| Malta | 1.895.133 | 41.480 |
| Total | 127.803.023 | 46.681.859 |



Assets – Liabilities by segment:

| | | 31/12/2010 | | | | | | |
|----------------------------|--|---|---|---|---------------------|---------------------------------------|-----------------|-------------------|
| | | Operations from collective betting | Operations from electronic betting | Casino's operations for electronic betting | Ships casino | Other non attributable results | Goodwill | Total |
| <i>Assets segment</i> | | 8.920.907 | 5.119.438 | 231.792 | 137.099 | 5.399.190 | 28.239.328 | 48.047.752 |
| <i>Liabilities segment</i> | | 752.410 | 271.674 | 169.976 | 55.966 | 5.304.785 | - | 6.554.810 |

| | | 31/12/2009 | | | | | |
|----------------------------|--|---|---|---------------------------------|--------------------------------|-----------------|-------------------|
| | | Operations from collective betting | Operations from electronic betting | Develop computer systems | Discontinued operations | Goodwill | Total |
| <i>Assets segment</i> | | 6.865.432 | 2.516.328 | 506.397 | 6.404.586 | 40.467.738 | 56.760.481 |
| <i>Liabilities segment</i> | | 1.787.665 | 578.823 | 2.658.115 | 5.933.583 | - | 10.958.186 |



5.5. Tangible and intangible fixed assets

The tangible assets are stated at cost less accumulated depreciation that resulted from the estimation of their useful lives.

| GROUP 31/12/2010 | | | | | | | | | | | | |
|--------------------------|--------------------|----------------|---------------|----------------------------|--------------------|----------------------------|--------------------------|--|---------------|----------------------------|----------------------------|---------------------------------|
| | COST 31/12/2009 | ADDITIONS | DISPOSALS | DISCONTINUED OPERATIONS | COST 31/12/2010 | DEPRECIATION 31/12/2009 | CHARGE FOR THE PERIOD | CHARGE FOR THE PERIOD DISCONTINUED ACTIVITIES | DISPOSALS | DISCONTINUED OPERATIONS | DEPRECIATION 31/12/2010 | NET BOOK VALUE 31/12/2010 |
| Buildings | 1.598.705 | 601.358 | 127.070 | 0 | 2.327.133 | 1.054.034 | 154.640 | 0 | 0 | 0 | 1.208.674 | 1.118.459 |
| Plant and machinery | 3.662.643 | 55.578 | (1.413.450) | 186.346 | 2.118.425 | 3.229.653 | 121.478 | 7.652 | (1.344.558) | 150.123 | 1.864.102 | 254.323 |
| Motor vehicles | 105.083 | 62.000 | 30.715 | 20.536 | 177.262 | 90.711 | 18.165 | 2.033 | 30.715 | 16.827 | 124.797 | 52.465 |
| Motor vehicles | | | | | | | | | | | | |
| Leasing | 165.296 | 0 | 0 | 165.296 | 0 | 50.787 | 0 | 14.231 | 0 | 65.018 | 0 | 0 |
| Furniture and fittings | 2.694.208 | 51.251 | 1.286.380 | 586.046 | 3.445.793 | 1.912.845 | 233.707 | 9.233 | 1.344.558 | 580.001 | 2.920.341 | 525.452 |
| Total PPE | 8.225.935 | 770.187 | 30.715 | 958.224 | 8.068.613 | 6.338.030 | 527.989 | 33.148 | 30.715 | 811.969 | 6.117.914 | 1.950.699 |
| Intangible assets | 1.740.752 | 11.032.353 | 0 | 752.903 | 12.020.202 | 1.170.590 | 521.334 | 112.935 | 0 | 425.880 | 1.378.978 | 10.641.224 |

| GROUP 31/12/2009 | | | | | | | | | | | |
|--------------------------|--------------------|----------------|----------------|-------------------------|--------------------|----------------------------|--------------------------|--------------|-------------------------|----------------------------|---------------------------------|
| | COST 31/12/2008 | ADDITIONS | DISPOSALS | REVERSED ACQUISITION | COST 31/12/2009 | DEPRECIATION 31/12/2008 | CHARGE FOR THE PERIOD | DISPOSALS | REVERSED ACQUISITION | DEPRECIATION 31/12/2009 | NET BOOK VALUE 31/12/2009 |
| Buildings | 1.201.566 | 379.096 | 0 | 18.043 | 1.598.705 | 924.352 | 119.052 | 0 | 10.627 | 1.054.031 | 544.674 |
| Plant and machinery | 2.670.259 | 155.367 | 0 | 837.017 | 3.662.643 | 2.320.116 | 178.537 | 0 | 731.000 | 3.229.653 | 432.990 |
| Motor vehicles | 66.622 | 4.200 | 0 | 34.261 | 105.083 | 60.444 | 3.928 | 0 | 26.339 | 90.711 | 14.372 |
| Motor vehicles | | | | | | | | | | | |
| Leasing | 0 | 0 | 0 | 165.296 | 165.296 | 0 | 2.717 | 0 | 48.071 | 50.788 | 114.508 |
| Furniture and fittings | 922.238 | 200.611 | 117.831 | 1.689.190 | 2.694.208 | 622.317 | 143.177 | 9.569 | 1.156.921 | 1.912.845 | 781.363 |
| Total PPE | 4.860.685 | 739.274 | 117.831 | 2.743.807 | 8.225.935 | 3.927.229 | 447.411 | 9.569 | 1.972.958 | 6.338.029 | 1.887.906 |
| Intangible assets | 984.994 | 0 | 0 | 755.758 | 1.740.752 | 759.086 | 115.007 | 0 | 296.495 | 1.170.589 | 570.163 |

| GROUP 31/12/2009 - CONTINUING OPERATIONS | | | | | | | | | | | |
|--|--------------------|----------------|----------------|-------------------------|--------------------|----------------------------|--------------------------|--------------|-------------------------|----------------------------|---------------------------------|
| | COST 31/12/2008 | ADDITIONS | DISPOSALS | REVERSED ACQUISITION | COST 31/12/2009 | DEPRECIATION 31/12/2008 | CHARGE FOR THE PERIOD | DISPOSALS | REVERSED ACQUISITION | DEPRECIATION 31/12/2009 | NET BOOK VALUE 31/12/2009 |
| Buildings | 1.201.566 | 379.096 | 0 | 18.043 | 1.598.705 | 924.352 | 119.052 | 0 | 10.627 | 1.054.031 | 544.674 |
| Plant and machinery | 2.670.259 | 155.367 | 0 | 88.739 | 2.914.365 | 2.320.116 | 178.537 | 0 | 26.595 | 2.525.248 | 389.117 |
| Motor vehicles | 66.622 | 4.200 | 0 | 7.724 | 78.546 | 60.444 | 3.928 | 0 | 485 | 64.857 | 13.689 |
| Motor vehicles | | | | | | | | | | | |
| Furniture and fittings | 922.238 | 200.611 | 117.831 | 1.139.229 | 2.379.909 | 622.317 | 159.733 | 9.569 | 827.266 | 1.618.885 | 761.024 |
| Total PPE | 4.860.685 | 739.274 | 117.831 | 2.743.807 | 6.971.525 | 3.927.229 | 461.250 | 9.569 | 1.972.958 | 6.338.029 | 1.708.504 |
| Intangible assets | 984.994 | 0 | 0 | 2.855 | 987.849 | 759.086 | 98.558 | 0 | 0 | 857.644 | 130.205 |



The intangible assets of the Group include, business name, professional licenses for gaming and betting, computer software licenses and websites (see note 5.6).

| THE COMPANY 31/12/2010 | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|------------------|---------------------|-----------------|
| | COST | ADDITIONS | DISPOSALS | COST | DEPRECIATION | CHARGE FOR | DISPOSALS | DEPRECIATION | NET BOOK |
| | 31/12/2009 | | | 31/12/2010 | 31/12/2009 | THE PERIOD | | 31/12/2010 | VALUE |
| Motor vehicles | 6.000 | 0 | 6.000 | 0 | 5.060 | 940 | 6.000 | 0 | 0 |
| Furniture and fittings | 37.953 | 4.791 | 0 | 42.744 | 36.238 | 1.405 | 0 | 37.643 | 5.101 |
| Total PPE | 43.953 | 4.791 | 6.000 | 42.744 | 41.298 | 2.345 | 6.000 | 37.643 | 5.101 |
| Intangible assets | 2.855 | 0 | 0 | 2.855 | 59 | 714 | 0 | 773 | 2.082 |

| THE COMPANY 31/12/2009 | | | | | | | | | |
|--------------------------|-------------------|------------------|------------------|-------------------|---------------------|-------------------|------------------|---------------------|-----------------|
| | COST | ADDITIONS | DISPOSALS | COST | DEPRECIATION | CHARGE FOR | DISPOSALS | DEPRECIATION | NET BOOK |
| | 31/12/2008 | | | 31/12/2009 | 31/12/2008 | THE PERIOD | | 31/12/2009 | VALUE |
| Motor vehicles | 6.000 | 0 | 0 | 6.000 | 4.160 | 900 | 0 | 5.060 | 940 |
| Furniture and fittings | 37.323 | 630 | 0 | 37.953 | 35.426 | 812 | 0 | 36.238 | 1.715 |
| Total PPE | 43.323 | 630 | 0 | 43.953 | 39.586 | 1.712 | 0 | 41.298 | 2.655 |
| Intangible assets | 0 | 2.855 | 0 | 2.855 | 0 | 59 | 0 | 59 | 2.796 |



5.6. Goodwill

On 20.11.2009 the Company acquired the following companies Megabet Limited, Poerol Limited, Eurogoal Cyprus Limited, Eurogoal Betting Limited, Eurogoal Racing Limited, Shigi Bet Limited, Kastor Leisure Limited, Kastor Betting Limited και Primebet Limited by increasing its share capital. According to IFRS 3 «Business Combinations», this combination is accounted as reverse acquisition, with the Company Megabet Ltd identified as the accounting acquirer. The consolidated financial statements are prepared on the basis of the legal acquirer company being Zenon and represent a continuation of the financial statements of the legal subsidiary (accounting acquirer) namely Megabet Ltd.

The goodwill amount of €36.080.202, included in the consolidated financial statements as at 31.12.2009, resulted as follows:

| No. | COMPANY | HOLDING % OF ISSUED SHARES | SHARES ISSUED BY THE ACQUIRER | FAIR VALUE PER SHARE OF THE ACQUIRER | FAIR VALUE OF SHARES | COMPANIES NET BOOK VALUE | GOODWILL 20.11.2009 (ACQUISITION DATE) |
|--------------|----------------------|-------------------------------------|--|--|-------------------------|--------------------------------|---|
| 1. | ZENON S.A. | 6,16% | 44.824 | 73,85 | 3.310.122 | 112.290 | 3.197.832 |
| 2. | Megabet Ltd | 27,47% | 200.000 | 73,85 | - | - | - |
| 3. | Poerol Ltd | 39,83% | 289.980 | 73,85 | 21.414.266 | 1.215.221 | 20.199.045 |
| 4. | Eurogoal Cyprus Ltd | 24,09% | 175.415 | 73,85 | 12.953.921 | 1.419.342 | 11.534.579 |
| 5. | Eurogoal Betting Ltd | 1,40% | 10.180 | 73,85 | 751.782 | 189.999 | 561.783 |
| 6. | Eurogoal Racing Ltd | 0,01% | 68 | 73,85 | 5.000 | 17.181 | -12.181 |
| 7. | Shigi Bet Ltd | 0,17% | 1.206 | 73,85 | 89.093 | 22.441 | 66.652 |
| 8. | Kastor Leisure Ltd | 0,28% | 2.024 | 73,85 | 149.490 | 42.215 | 107.275 |
| 9. | Kastor Betting Ltd | 0,20% | 1.474 | 73,85 | 108.857 | -111.611 | 220.468 |
| 10. | Primebet Ltd | 0,40% | 2.898 | 73,85 | 213.970 | 9.223 | 204.748 |
| TOTAL | | 1 | 728.069 | | 38.996.501 | 2.916.301 | 36.080.201 |



Goodwill was calculated using the fair values of assets and liabilities of the companies acquired as at 20.11.2009 (acquisition date).

Goodwill is the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized at the acquisition date. For this case, the accounting acquirer (i.e. Megabet LTD) calculates goodwill by comparing the cost of the business combination paid by ZENON AE for the acquisition of Poerol LTD, Eurogoal Cyprus LTD, Eurogoal Betting LTD, Eurogoal Racing LTD, Shigi Bet LTD, Kastor Leisure LTD, Kastor Betting LTD και Primebet LTD with the fair value of the net assets acquired and also the fair value of the shares of ZENON AE with the fair value of net assets of ZENON AE. The goodwill arising from the acquisition of new subsidiaries is presented separately in the consolidated statement of financial position. Goodwill is tested for impairment on an annual basis and is stated at cost less any accumulated impairment losses. The impairment losses of goodwill are not recoverable.

According to IFRS 3, Megabet LTD, the identified accounting acquirer, should determine the fair value of the assets, liabilities and contingent liabilities of the company ZENON S.A. and the other newly acquired companies and adjust their accounting values accordingly. This procedure under the provisions of IFRS 3 should be completed within 12 months from the acquisition date i.e. 20.11.2009. Part of the temporary goodwill arising will be allocated to tangible assets (Plant, equipment) and intangible assets (trade names, licenses, trademarks etc). An important element of the intangible assets will be the value of professional licenses for gaming and betting. The fair value of the professional licenses will be determined within 12 months from the acquisition date i.e. 20.11.2009 and will be part of the predetermined goodwill.

| | TOTAL | ZHNQN SA (GROUP) | POEROL | EUROGOAL CYPRUS | EUROGOAL BETTING | EUROGOAL RACING | SHIGIBET | KASTOR LEISURE | KASTOR BETTING | PRIMEBET LIMITED |
|--|-------------------|---------------------|-------------------|--------------------|---------------------|--------------------|---------------|-------------------|-------------------|---------------------|
| Tangible and intangible non-current assets | 1.231.690 | 615.695 | 113.837 | 344.462 | 68.544 | 32.670 | 11.338 | 34.850 | 6.311 | 3.983 |
| Other non-current assets | 47.379 | 46.959 | 420 | | | | | | | |
| Inventories | 226.215 | 226.215 | | | | | | | | |
| Trade receivables | 5.855.810 | 547.065 | 1.428.484 | 1.663.564 | 630.947 | 133.658 | 65.227 | 523.767 | 406.095 | 457.003 |
| Other current receivables | 5.529.263 | 5.529.263 | | | | | | | | |
| Cash and cash equivalents | 1.469.176 | 734.145 | 30.884 | 250.140 | 153.467 | 2.424 | 185.712 | 27.475 | 57.937 | 26.992 |
| Non-current assets held for sale | 892.620 | 892.620 | | | | | | | | |
| Provisions/Other non-current liabilities | -851.351 | -750.893 | -100.458 | | | | | | | |
| Short term loans | -4.324.333 | -4.170.223 | | | -154.110 | | | | | |
| Other current liabilities | -7.160.168 | -3.558.556 | -257.946 | -838.824 | -508.849 | -151.571 | -239.836 | -543.877 | -581.954 | -478.755 |
| NET BOOK AMOUNT ACQUIRED AS AT 20.11.2009 (a) | 2.916.301 | 112.290 | 1.215.221 | 1.419.342 | 189.999 | 17.181 | 22.441 | 42.215 | -111.611 | 9.223 |
| FAIR VALUE OF SHARES (b) | 38.996.503 | 3.310.122 | 21.414.266 | 12.953.921 | 751.782 | 5.000 | 89.093 | 149.490 | 108.857 | 213.971 |
| TEMPORARY GOODWILL (b)-(a) | 36.080.202 | 3.197.832 | 20.199.045 | 11.534.579 | 561.783 | -12.181 | 66.652 | 107.275 | 220.468 | 204.748 |

As at 31.12.2010 goodwill has been finalized (according to IFRS 3) and according to expert valuation, intangible assets have been recognised at an amount of euro 11.032.353. For the remaining amount impairment test was held based on expert study, based on IAS 36 and no impairment was needed to be recognised.



Goodwill 01/01/2008

Less impairment of goodwill

Goodwill 31/12/2008

Goodwill 20/11/2009

Less impairment of goodwill

Goodwill 31/12/2009

Less discontinuation loss from branches

Less recognition of intangible assets

Goodwill 31/12/2010

| THE GROUP | |
|-----------|-------------------|
| | 4.387.536 |
| | 0 |
| | 4.387.536 |
| | 36.080.202 |
| | 0 |
| | 40.467.738 |
| | 546.296 |
| | 11.032.353 |
| | 28.889.089 |

| DESCRIPTION | COST OF ACQUISITION | ACQUISITION DATE | RATE OF DEPRECIATION | DEPRECIATION FOR THE PERIOD | NET BOOK VALUE 31/12/2010 |
|---------------------------------|----------------------|------------------|----------------------|-----------------------------|---------------------------|
| LICENSE MEGABET INTERNATIONAL | 5.168.173,00 | 20/11/2009 | 5,00% | 279.942,70 | 4.888.230,30 |
| COMMERCIAL NAME EUROGOAL CYPRUS | 3.845.090,00 | 20/11/2009 | 0,00% | 0,00 | 3.845.090,00 |
| NETWORK AGENCY EUROGOAL | 1.182.325,00 | 20/11/2009 | 6,50% | 83.255,39 | 1.099.069,61 |
| EUROGOAL BETTING LICENSE | 371.960,00 | 20/11/2009 | 6,50% | 26.192,18 | 345.767,82 |
| KASTOR LEISURE LICENSE | 85.380,00 | 20/11/2009 | 6,50% | 6.012,18 | 79.367,83 |
| KASTOR BETTING LICENSE | 184.032,00 | 20/11/2009 | 6,50% | 12.958,92 | 171.073,08 |
| PRIMEBET LICENSE | 135.030,00 | 20/11/2009 | 6,50% | 9.508,36 | 125.521,64 |
| SHIGIBET LICENSE | 60.363,00 | 20/11/2009 | 6,50% | 4.250,56 | 56.112,44 |
| TOTAL | 11.032.353,00 | | | 422.120,29 | 10.610.232,71 |

5.7 Investments in subsidiaries

The investment in subsidiaries of the Company as at 31.12.2010 and 31.12.2009 are as follows:

| | THE COMPANY | | | | | | | | | |
|------------------------------------|-------------------|-------------------|---------------------|----------------------|---------------------|---------------|--------------------|--------------------|----------------|-------------------|
| | Megabet ltd | Poerol ltd | Eurogoal Cyprus ltd | Eurogoal Betting ltd | Eurogoal Racing ltd | Shigi Bet ltd | Kastor Leisure ltd | Kastor Betting ltd | Primebet ltd | TOTAL |
| ACQUISITION COST 31/12/2009 | 14.769.481 | 21.414.266 | 12.953.921 | 751.782 | 5.000 | 89.093 | 149.490 | 108.857 | 213.971 | 50.455.862 |
| Impairment | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ACQUISITION COST 31/12/2010 | 14.769.481 | 21.414.266 | 12.953.921 | 751.782 | 5.000 | 89.093 | 149.490 | 108.857 | 213.971 | 50.455.862 |

5.8 Available-for-sale financial statements

Balance 01/01/2009

Profit / (loss) Valuation of financial assets during the period

Goodwill 31/12/2009

Profit / (loss) Valuation of financial assets during the period

Goodwill 31/12/2010

| THE GROUP | |
|-----------|----------------|
| | 140.960 |
| | 0 |
| | 140.960 |
| | (51.285) |
| | 89.675 |

- The loss relates to the sale of the non-listed company KASIANOS BOOKMAKERS LTD with 6.666 shares and amount of euro 51.285.
- The amount of euro 89.675 relates to the non-listed company MEGA EQUITY SECURITY & FINANCIAL SERVICES PLC with 466.667 shares.



5.9 Other non-current receivables

On 16.3.2009 a contract was signed between Megabet Ltd and Sailwell S.A. for the amount of euro 849.000 in order to carry out the installation of gaming machines in certain areas. On 6.10.2009 a related contract was signed between MEGABET LTD and ANEK LINES S.A. for the installation of gaming machines in 4 ships. The amount of euro 679.200 will be reduced and will charge the results each year according to the time of validity of the relevant contract.

5.10 Non-current assets available-for-sale

Relate to the discontinued operations of the subsidiary companies ZENON TECHNOLOGIES AUTOMATION S.A. and Appleton Ltd. As at 31.12.2009 the assets and liabilities are analyzed as follows:

| DISCONTINUED OPERATIONS 31/12/2009 | |
|---|---------------------|
| | TOTAL |
| Non-current assets held for sale | |
| Tangible fixed assets | 179.401,17 |
| Intangible assets | 439.958,11 |
| Other non-current assets | 46.959,22 |
| Property on street Paramythia 4 Sweet water | 892.620,00 |
| | 1.558.938,50 |
| Requirements directly associated with assets classified as held for sale | |
| Inventories | 214.177,76 |
| Trade and other receivables | 524.489,91 |
| Other receivables | 2.140.118,42 |
| Financial assets available for sale | 1.775.543,13 |
| Cash and cash equivalents | 191.317,78 |
| | 4.845.647,00 |
| Liabilities directly associated with assets classified as held for sale | |
| Deferred tax liabilities | 142.401,52 |
| Liabilities for pension retirement | 24.456,84 |
| Other non current liabilities | 71.985,26 |
| Provisions | 199.882,97 |
| Trade and other payables | 889.766,08 |
| Current tax liabilities | 60.581,95 |
| Short term loans | 3.166.303,67 |
| Other current liabilities | 1.378.205,00 |
| | 5.933.583,29 |



5.11 Debtors and other trade receivables

| | THE GROUP | | THE COMPANY | |
|--|------------------|------------------|----------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Customers | 5.186.843 | 6.777.626 | 219.063 | 103.317 |
| Cheques | 251.026 | 0 | 0 | 0 |
| Prepayments | 48.330 | 52.482 | 48.330 | 52.482 |
| Less: Provision for impairment | (2.372.212) | (2.071.136) | (117.174) | (113.219) |
| Net trade receivables | 3.113.987 | 4.758.972 | 150.219 | 42.580 |
| <i>The fair value of receivables are as follows:</i> | | | | |
| Customers | 2.849.840 | 4.758.972 | 137.099 | 42.580 |
| Cheques | 251.026 | 0 | 0 | 0 |
| Prepayments | 13.120 | 0 | 13.120 | 0 |
| Total | 3.113.987 | 4.758.972 | 150.219 | 42.580 |

| | THE GROUP | | THE COMPANY | |
|---------------------------------|------------------|------------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Periods of debt recovery | | | | |
| 30 - 90 Dates | 613.244 | 0 | 95.244 | 0 |
| 91-180 Dates | 1.038.856 | 0 | 41.855 | 0 |
| 180-360 Dates | 799.017 | 4.758.972 | 13.120 | 36.235 |
| In arrears | 3.035.083 | 2.071.136 | 117.174 | 119.565 |
| Total | 5.486.199 | 6.830.108 | 267.393 | 155.799 |

5.12 Other Receivables

| | THE GROUP | | THE COMPANY | |
|---|------------------|----------------|------------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Receivables from Public Sector | 526.064 | 447.837 | 373.710 | 390.736 |
| Prepayments of staff | 2.577 | 0 | 2.577 | 0 |
| Blocked deposits | 998.359 | 0 | 9.080 | 0 |
| Receivables from Zinon Technological A.E./RAYMETRICS AE | 624.042 | 0 | 624.042 | 0 |
| Payments to agents | 282.424 | 0 | 0 | 0 |
| Prepayments | 109.244 | 0 | 0 | 0 |
| Loan to business | 683.036 | 0 | | |
| Other receivables | 91.932 | 277.408 | 140.900 | 139.888 |
| Require | (683.036) | 0 | 0 | 0 |
| Net receivables | 2.634.643 | 725.245 | 1.150.310 | 530.624 |

The fair values of receivables are as follows:

| | | | | |
|--|------------------|----------------|------------------|----------------|
| Receivables from Public Sector | 526.064 | 447.837 | 373.710 | 390.736 |
| Prepayments of staff | 2.577 | 0 | 2.577 | 0 |
| Blocked deposits | 998.359 | 0 | 9.080 | 0 |
| Receivables from Zinon Technological A.E./RAYMETRICS A | 624.042 | 0 | 624.042 | 0 |
| Payments to agents | 282.424 | 0 | 0 | 0 |
| Prepayments | 109.244 | 0 | 0 | 0 |
| Other receivables | 91.932 | 277.408 | 140.900 | 139.888 |
| Total | 2.634.643 | 725.245 | 1.150.310 | 530.624 |



5.13 Financial assets at fair value through profit or loss

The amount of euro 1.735 relates to the 99% stake in the limited partnership ΕΥΛΑΔΕΣ ΕΝΕΡΓΕΙΑΚΗ ΕΤΕΡΟΠΡΥΘΜΗ ΕΤΑΙΡΕΙΑ which has as principal activity the manufacturing, installation and operation of electricity generation units from renewable alternative energy sources.

5.14 Cash and cash equivalents

| | THE GROUP | | THE COMPANY | |
|-----------------------|---------------|------------------|--------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Cash in hand | 11.480 | 45.108 | 9.485 | 1.495 |
| Current bank deposits | 36.021 | 1.615.062 | 0 | 65.478 |
| Total | 47.501 | 1.660.170 | 9.485 | 66.973 |

5.15 Share Capital

The company's shares are traded in the Athens Stock Exchange.

The share capital of the company amounts to €53.765.984 and is divided into 105.423.498 ordinary shares, of nominal value €0,51 each.

5.16 Other Reserves

The Group

- *Fair value reserve*

Balance at 1 January 2010

Transfer of shares of fair value reserve (Sea Star plc) discontinued subsidiary to the retained earnings

Balance at 31 December 2010

| THE GROUP |
|--|
| Fair value reserve associate company (655.395) |
| 745.097 |
| 89.702 |

- *Other reserve*

The Group

The company Megabet Ltd incorporated by its sole shareholder Sea Star Capital PLC, a company registered in Cyprus, which on 31 December 2007 transferred all its assets and liabilities of its betting segment (including those of its subsidiaries) to the Company.



At the date of transfer of the betting operations the Company recognised an operations transfer reserve of €8.011.838.

| | THE COMPANY | | | |
|------------------------------------|--------------------|-------------------|----------------|------------------|
| | Statutory reserves | Tax free reserves | Other reserves | Total |
| Balance at 1 January 2009 | 289.799 | 6.869.661 | 4.002 | 7.163.462 |
| Changes during the period | - | - | - | 0 |
| Balance at 31 December 2009 | 289.799 | 6.869.661 | 4.002 | 7.163.462 |
| Changes during the period | - | - | - | 0 |
| Balance at 31 December 2010 | 289.799 | 6.869.661 | 4.002 | 7.163.462 |

5.17 Liabilities for pension plans retirements

| | THE GROUP | | THE COMPANY | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Balance sheet liabilities for: | | | | |
| Pension benefits | 53.796 | 36.269 | 53.796 | 36.269 |
| Medical care benefits after retirement | - | - | - | - |
| Total | 53.796 | 36.269 | 53.796 | 36.269 |
| In the income statement: | | | | |
| Pension benefits (provisions and payments) expense (income) | 17.527 | 7.530 | 17.527 | 7.530 |
| Medical care benefits after retirement | - | - | - | - |
| Total | 17.527 | 7.530 | 17.527 | 7.530 |

ASSUMPTIONS:

| | 31/12/2010 |
|---|------------|
| Discount rate | 4,4% |
| Annual average GDP growth | 3,0% |
| Average annual rate of inflation increase | 2,0% |

5.18 Other non-current liabilities

| | THE GROUP | | THE COMPANY | |
|--|----------------|------------|----------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Balance sheet liabilities for: | | | | |
| Obligations under finance leases | 48.249 | 0 | 0 | 0 |
| Tax liability of raising capital and statutory reserve 3220/94 | 358.541 | 0 | 358.541 | 0 |
| Total | 406.790 | 0 | 358.541 | 0 |



5.19 Provisions

| | THE GROUP | | THE COMPANY | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Provision for litigation liabilities | 0 | 136.688 | 0 | 0 |
| Provision for tax audit | 350.000 | 350.000 | 350.000 | 350.000 |
| Total | 350.000 | 486.688 | 350.000 | 350.000 |

5.20 Trade Payables

| | THE GROUP | | THE COMPANY | |
|---|----------------|------------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Suppliers | 887.337 | 1.132.949 | 358.308 | 272.135 |
| Prepayments from clients | 21.738 | 21.738 | 21.738 | 21.738 |
| Cheques payable | 65.847 | 0 | 65.847 | 0 |
| Net trade liabilities | 974.921 | 1.154.687 | 445.892 | 293.873 |
| <i>The fair values of liabilities are as follows:</i> | | | | |
| Suppliers | 887.337 | 1.132.949 | 358.308 | 272.135 |
| Prepayments from clients | 21.738 | 21.738 | 21.738 | 21.738 |
| Cheques payable | 65.847 | 0 | 65.847 | 0 |
| Total | 974.921 | 1.154.687 | 445.892 | 293.873 |

| | THE GROUP | | THE COMPANY | |
|--|----------------|------------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Ageing analysis of liabilities: | | | | |
| Up to 30 Days | 215.612 | 10.985 | 51.175 | 10.985 |
| 30 - 90 Days | 531.691 | 83.091 | 167.098 | 83.091 |
| 91-180 Days | 196.004 | 929.948 | 196.004 | 69.134 |
| 180-360 Days | 31.615 | 130.663 | 31.615 | 130.663 |
| Total | 974.921 | 1.154.687 | 445.892 | 293.873 |

5.21 Current tax liabilities

| | THE GROUP | | THE COMPANY | |
|--|----------------|----------------|----------------|----------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Tax expense attributable to the period | 48.295 | 35.906 | 0 | 0 |
| Tax liability of raising capital and statutory reserve 3220/94 | 129.474 | 0 | 129.474 | 0 |
| Provision for tax defense of Cyprus | 0 | 0 | 0 | 0 |
| Obligations from taxes -dues | 652.002 | 527.490 | 60.142 | 163.444 |
| Total | 829.771 | 563.396 | 189.616 | 163.444 |



5.22 Current Borrowings

| | THE GROUP | | THE COMPANY | |
|---|------------------|------------------|------------------|------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Non-current borrowings | | | | |
| Bank loans | 0 | 0 | 0 | 0 |
| Total non-current borrowings | 0 | 0 | 0 | 0 |
| Non-current liabilities payable in the next period | 0 | 0 | 0 | 0 |
| Short-term Loans | | | | |
| Bank loans | 3.530.467 | 1.182.738 | 3.338.329 | 0 |
| Obligations under finance lease | 0 | 0 | 0 | 0 |
| Total current borrowings | 3.530.467 | 1.182.738 | 3.338.329 | 0 |
| Total borrowings | 3.530.467 | 1.182.738 | 3.338.329 | 0 |

| | THE COMPANY | | | |
|-------------------------|-------------------|-----------------------|-------------------|------------------|
| | less than 2 years | Between 2 and 5 years | More than 5 years | Total |
| 31 December 2009 | | | | |
| Total borrowings | 0 | 0 | 0 | 0 |
| 31 December 2010 | | | | |
| Total borrowings | 3.338.329 | 0 | 0 | 3.338.329 |

| | THE GROUP | | | |
|-------------------------|-------------------|-----------------------|-------------------|------------------|
| | less than 2 years | Between 2 and 5 years | More than 5 years | Total |
| 31 December 2009 | | | | |
| Total borrowings | 1.182.738 | 0 | 0 | 1.182.738 |
| 31 December 2010 | | | | |
| Total borrowings | 3.530.467 | 0 | 0 | 3.530.467 |

The Group's weighted average effective interest rate as at the reporting date is 9,24%.

The bank loans of the Group are secured with contracts for the amount of € 600.000,00.



5.23 Other current liabilities

| | THE GROUP | | THE COMPANY | |
|--|----------------|------------------|----------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Insurance liabilities | 51.696 | 14.100 | 35.037 | 14.100 |
| Expenses payable for the period | 179.923 | 80.172 | 35.000 | 6.434 |
| Expenses for the increase of share capital | 0 | 773.126 | 0 | 773.126 |
| Staff salaries payable | 67.467 | 307 | 67.467 | 307 |
| Deposits from players for subscription in internet betting | 0 | 28.285 | 0 | 0 |
| Payable to Eurogoal bookmakers | 0 | 223.152 | 0 | 0 |
| Other liabilities | 109.979 | 481.683 | 141.129 | 669.584 |
| Total | 409.065 | 1.600.825 | 278.634 | 1.463.552 |

The fair values of liabilities are as follows:

| | THE GROUP | | THE COMPANY | |
|--|----------------|------------------|----------------|------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| Insurance liabilities | 51.696 | 14.100 | 35.037 | 14.100 |
| Expenses payable for the period | 179.923 | 80.172 | 35.000 | 6.434 |
| Expenses for the increase of share capital | 0 | 773.126 | 0 | 773.126 |
| Staff salaries payable | 67.467 | 307 | 67.467 | 307 |
| Deposits from players for subscription in internet betting | 0 | 28.285 | 0 | 0 |
| Payable to Eurogoal bookmakers | 0 | 223.152 | 0 | 0 |
| Other liabilities | 109.979 | 481.683 | 141.129 | 669.584 |
| Total | 409.065 | 1.600.825 | 278.634 | 1.463.552 |

5.24 Expenses by nature

Cost of sales

| | THE GROUP | | | THE GROUP | | | THE COMPANY | THE COMPANY |
|---|----------------------|-------------------------|--------------------|----------------------|-------------------------|-------------------|----------------------|-------------------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | | 01/01-31/12/2010 | 01/01-31/12/2009 |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations |
| Distribution of winnings to betting players | 117.789.468 | 0 | 117.789.468 | 42.163.796 | 0 | 42.163.796 | 0 | 0 |
| Staff wages | 0 | 9.692 | 9.692 | 0 | 16.857 | 16.857 | 0 | 0 |
| Third party fees | 128.257 | 64.939 | 193.196 | 0 | 114.891 | 114.891 | 128.257 | 145.289 |
| Third party allowances | 0 | 1.719 | 1.719 | 0 | 3.184 | 3.184 | 0 | 0 |
| Tax expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| General expenses | 2.877 | 23.600 | 26.478 | 0 | 2.892 | 2.892 | 2.877 | 0 |
| Depreciation | 0 | 512 | 512 | 0 | 1.200 | 1.200 | 0 | 0 |
| | 117.920.602 | 100.462 | 118.021.064 | 42.163.796 | 139.023 | 42.302.819 | 131.134 | 145.289 |
| Cost of inventories | 10.941 | 387.639 | 398.580 | 0 | 151.282 | 151.282 | 10.941 | 15.596 |
| Cost of sales | 117.931.543 | 488.101 | 118.419.644 | 42.163.796 | 290.305 | 42.454.101 | 142.075 | 160.885 |



Selling expenses

| | THE GROUP | | | THE GROUP | | | THE COMPANY | THE COMPANY |
|------------------------------------|----------------------|-------------------------|------------------|----------------------|-------------------------|------------------|----------------------|-------------------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | | 01/01-31/12/2010 | 01/01-31/12/2009 |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations |
| Commissions to agents | 5.203.910 | 0 | 5.203.910 | 2.477.822 | 0 | 2.477.822 | 0 | 0 |
| Staff wages | 67.448 | 6.053 | 73.501 | 0 | 1.428 | 1.428 | 67.448 | 0 |
| Third party fees | 747.385 | 9.540 | 756.925 | 194.506 | 86.702 | 281.209 | 48.900 | 0 |
| Third party allowances | 0 | 7.759 | 7.759 | 0 | 2.096 | 2.096 | 0 | 0 |
| Tax expense | 602.614 | 0 | 602.614 | 312.309 | 0 | 312.309 | 0 | 0 |
| General expenses | 192.825 | 0 | 192.825 | 0 | 8.388 | 8.388 | 4.101 | 0 |
| Depreciation | 517.784 | 0 | 517.784 | 125.793 | 0 | 125.793 | 0 | 0 |
| Bad debts / impairment written off | 722.852 | 0 | 722.852 | 0 | 0 | 0 | 0 | 0 |
| | 8.054.817 | 23.352 | 8.078.170 | 3.110.430 | 98.615 | 3.209.045 | 120.449 | 0 |

Administration expenses

| | THE GROUP | | | THE GROUP | | | THE COMPANY | THE COMPANY |
|------------------------------------|----------------------|-------------------------|------------------|----------------------|-------------------------|------------------|----------------------|-------------------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | | 01/01-31/12/2010 | 01/01-31/12/2009 |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations |
| Staff wages | 1.726.436 | 168.726 | 1.895.162 | 636.876 | 57.540 | 694.416 | 670.785 | 269.302 |
| Third party fees | 990.688 | 97.958 | 1.088.647 | 1.009.466 | 237.810 | 1.247.276 | 290.857 | 215.328 |
| Third party allowances | 385.598 | 166.319 | 551.918 | 30.510 | 12.367 | 42.877 | 172.882 | 70.150 |
| Tax expense | 13.200 | 19.082 | 32.282 | 26.545 | 8.685 | 35.230 | 13.200 | 3.288 |
| General expenses | 324.454 | 28.274 | 352.728 | 404.431 | 14.817 | 419.248 | 135.257 | 69.998 |
| Depreciation | 530.597 | 27.631 | 558.228 | 395.079 | 1.410 | 396.489 | 2.118 | 1.772 |
| Bad debts / impairment written off | 0 | 0 | 0 | 137.000 | 0 | 137.000 | 0 | 0 |
| Provisions | 17.527 | 1.843 | 19.371 | 0 | 97 | 97 | 17.527 | 7.530 |
| | 3.988.501 | 509.834 | 4.498.335 | 2.639.907 | 332.726 | 2.972.633 | 1.302.626 | 637.367 |

Research & Development expenses

| | THE GROUP | | |
|------------------------|----------------------|-------------------------|----------------|
| | 01/01 - 31/12/2010 | | |
| | Continued operations | Discontinued operations | Total |
| Staff wages | 0 | 0 | 0 |
| Third party fees | 0 | 86.043 | 86.043 |
| Third party allowances | 0 | 9.546 | 9.546 |
| Tax expense | 0 | 0 | 0 |
| General expenses | 0 | 21.126 | 21.126 |
| Depreciation | 0 | 117.941 | 117.941 |
| Cost of inventories | 0 | 2.556 | 2.556 |
| Provisions | 0 | 0 | 0 |
| | 0 | 237.212 | 237.212 |



5.25 Other income – operating expenses

Income

| | THE GROUP | | | | | |
|---------------------------------------|----------------------|-------------------------|----------------|----------------------|-------------------------|------------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total |
| Commission income | 402.945 | 0 | 402.945 | 2.629.061 | 11.458 | 2.640.519 |
| Rental income | 0 | 15.000 | 15.000 | 13.246 | 0 | 13.246 |
| Income from proportional depreciation | 0 | 28.350 | 28.350 | 0 | 4.200 | 4.200 |
| Grants | 0 | 140.354 | 140.354 | 0 | 0 | 0 |
| Income from previous periods | 50.142 | 0 | 50.142 | 0 | 0 | 0 |
| Other | 51.921 | 102.714 | 154.634 | 201.509 | 0 | 201.509 |
| Total | 505.008 | 286.418 | 791.426 | 2.843.816 | 15.658 | 2.859.474 |

Expenses

| | THE GROUP | | | |
|------------------------------|----------------------|-------------------------|------------------|----------------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 |
| | Continued operations | Discontinued operations | Total | Continued operations |
| Impairment of receivables | 1.171.356 | 470.886 | 1.642.242 | 0 |
| Loss on sale of assets | 0 | 0 | 0 | 834 |
| Tax penalties and surcharges | 109.939 | 0 | 109.939 | 0 |
| Expenses of previous periods | 0 | 1.629 | 1.629 | 16.926 |
| Other | 8.051 | 4.653 | 12.704 | 125.180 |
| Total | 1.289.346 | 477.168 | 1.766.514 | 142.940 |

Income

| | THE COMPANY | |
|------------------------------|----------------------|-------------------------|
| | 01/01 - 31/12/2010 | 01/01 - 31/12/2009 |
| | Continued operations | Discontinued operations |
| Rental income | 0 | 500 |
| Administrative support | 0 | 195.000 |
| Return executed obligation | 0 | 350.000 |
| Income from previous periods | 50.142 | 0 |
| Other | 103.087 | 2.815 |
| Total | 153.229 | 548.315 |

Expenses

| | THE COMPANY | |
|------------------------------|----------------------|-------------------------|
| | 01/01 - 31/12/2010 | 01/01 - 31/12/2009 |
| | Continued operations | Discontinued operations |
| Impairment of inventories | 36.911 | 38.436 |
| Tax penalties and surcharges | 109.939 | 0 |
| Other | 7.911 | 0 |
| Total | 154.761 | 38.436 |



5.26 Finance Income - Expenses

Finance Income

| | THE GROUP | | | | | |
|-----------------|----------------------|-------------------------|---------------|----------------------|-------------------------|---------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total |
| Interest income | 50.743 | 248 | 50.991 | 35.104 | 8.567 | 43.671 |
| Other | 21.525 | 11.149 | 32.674 | 0 | 471 | 471 |
| Total | 72.268 | 11.397 | 83.665 | 35.104 | 9.038 | 44.142 |

Finance Expenses

| | THE GROUP | | | | | |
|--------------------------------------|----------------------|-------------------------|----------------|----------------------|-------------------------|----------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | |
| | Continued operations | Discontinued operations | Total | Continued operations | Discontinued operations | Total |
| Interest - charges | 174.867 | 240.865 | 415.732 | 11.119 | 88.886 | 100.005 |
| Commissions for letters of guarantee | 52.519 | 2.268 | 54.787 | 0 | 0 | 0 |
| Other | 13.304 | 3.675 | 16.978 | 0 | 0 | 0 |
| Total | 240.690 | 246.807 | 487.497 | 11.119 | 88.886 | 100.005 |

| Financial Expenses | THE COMPANY | |
|--------------------------------------|--------------------|--------------------|
| | 01/01 - 31/12/2010 | 01/01 - 31/12/2009 |
| | Interest - charges | 127.933 |
| Commissions for letters of guarantee | 843 | 0 |
| Other | 12.484 | 176 |
| Total | 141.260 | 176 |

5.27 Other financial results

| | THE GROUP | | THE COMPANY | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 01/01 - 31/12/2010 | 01/01 - 31/12/2009 | 01/1- 31/12/2010 | 01/1- 31/12/2009 |
| | Continued operations | Continued operations | Continued operations | Continued operations |
| Exchange differences | 0 | 58.508 | 0 | 0 |
| Income from derivative financial assets | 0 | 0 | 0 | 6.412 |
| Total | 0 | 58.508 | 0 | 6.412 |



5.28 Results from investing activities

| | THE GROUP | | | | | |
|---|----------------------|-------------------------|----------------|----------------------|-------------------------|-----------------|
| | 01/01 - 31/12/2010 | | | 01/01 - 31/12/2009 | | |
| | Continued Operations | Discontinued operations | Total | Continued Operations | Discontinued operations | Total |
| Results from disposal of shares (SEA STAR) | 0 | 0 | 0 | 0 | (50.824) | (50.824) |
| Impairment of Subsidiary Zenon Automation | 835.295 | 0 | 835.295 | 0 | 0 | 0 |
| Loss from the liquidation of subsidiary Appletone Ltd | (5.195) | 0 | (5.195) | 0 | 0 | 0 |
| Result from available for sale financial assets | (51.285) | 0 | (51.285) | 0 | 0 | 0 |
| Results from disposal of shares | 0 | 20.000 | 20.000 | 0 | 0 | 0 |
| Dividend income from involvement in company | 9.338 | 0 | 9.338 | 0 | 0 | 0 |
| Total | 788.153 | 20.000 | 808.153 | 0 | (50.824) | (50.824) |

The amount of euro 20.000 relates to profit on the sale of associate company VOICE IN A.E.. The dividends amount of euro 9.338 relates to the company Mega Equity Security & Financial Services Plc affiliate company of MEGABET LTD with 1.45% share holding.

| | THE COMPANY | |
|---|----------------------|----------------------|
| | 01/1 - 31/12/2010 | 01/1 - 31/12/2009 |
| | Continued Operations | Continued Operations |
| Impairment of Subsidiary Zenon Automation Technologies SA | (743.689) | (1.337.000) |
| Total | (743.689) | (1.337.000) |

5.29 Other comprehensive income

Group

- During the period 01.01-30.09.2010 (date of disposal of subsidiary) several valuations of available for sale financial assets have been made through the equity of the shares of Sea Star Capital Plc (listed in the Cyprus Stock Exchange).

VALUATION OF SEASTAR SHARES DISCONTINUED OPERATIONS

| | |
|---|------------------|
| Balance 31/12/2009 | 1.775.544 |
| Purchase 01/01-30/09/2010 | 0 |
| Sale 01/01-30/09/2010 | 0 |
| Total | 1.775.544 |
| Revaluation 30/09/2010 | 591.848 |
| Loss on revaluation 01/01-30/09/2010 | 1.183.696 |



- The amount of euro 4.548 (loss) relates to the company Appleton Investments Ltd which is incorporated in Gibraltar, subsidiary company of the group Megabet Ltd having Great Britain Pounds as its functional currency in its published financial statements which was liquidated on 31.12.2010.

5.30 Income Tax

| | THE GROUP | | | | | | THE COMPANY | |
|---|-----------------------|-------------------------|----------------|-----------------------|-------------------------|-----------------|-----------------------|-------------------------|
| | 01/01-31/12/2010 | | | 01/01-31/12/2009 | | | 31/12/2010 | 31/12/2009 |
| | Continuing Operations | Discontinued Operations | Total | Continuing Operations | Discontinued Operations | Total | Continuing Operations | Discontinued Operations |
| Income tax expense | (48.295) | 0 | (48.295) | (47.298) | (504) | (47.802) | 0 | 0 |
| Income tax revenue | 58.651 | 5.882 | 64.533 | | | | | |
| Deferred tax income / (expense) | 0 | 140.906 | 140.906 | 0 | (17.335) | (17.335) | 0 | 0 |
| Provision for tax for unaudited tax years | 0 | 0 | 0 | (30.000) | 0 | (30.000) | 0 | 110.000 |
| Total | 10.356 | 146.788 | 157.144 | (77.298) | (17.839) | (95.137) | 0 | 110.000 |

5.31 Earnings per share

| | THE GROUP | | THE COMPANY | |
|--|--------------------|----------------|--------------------|--------------------|
| | 31/12/2010 | 31/12/2009 | 31/12/2010 | 31/12/2009 |
| <i>Number of shares</i> | 105.423.498 | 105.423.498 | 105.423.498 | 105.423.498 |
| Profits/(losses) attributable to the equity holders of the parent | (3.120.284) | 618.610 | (2.034.366) | (1.393.904) |
| <i>Weighted average number of shares</i> | 105.423.498 | 37.548.843 | 105.423.498 | 17.603.465 |
| Basic earnings per share (Euro per share) | (0,0296) | 0,0165 | (0,0193) | (0,0792) |

5.32 Number of staff employed

The number of staff employed on 31st December 2010 was 52 and 15 employees for the Group and the Company respectively. On 31st December 2009 the number of staff employed was 35 and 8 employees for the Group and the Company respectively.



5.33 Related parties transactions

INTERCOMPANY RECEIVABLES-LIABILITIES 1/1-31/12/2010
LIABILITIES

| | Avenir A.E. | | ZENON TECHN. | PREMIER | | | | | | | | | | SPORTSMAN | | | | CONSTANTINOU | | | | MEGABET GAMING | | EUROGOAL | | | | TOTAL |
|--------------------------------------|---------------|---------------|----------------|------------------|--------------------|----------------|-------------------------|-----------------|-----------------------|--------------------------|--------------------------|---------------------------|---------------------------|----------------------------|------------------------|--------------------|-------------------------------|---------------|-------------------------------|-------------------------------|---------------------|----------------------|---------------------|----------------|--------------------|--------------------|----------------|-------------------|
| | A.E. | PEIMETPIE | 561.912 | MEGABET LTD | V.C BOOKMAKERS LTD | BOOKMAKERS LTD | SPORTSMAN WORLDWIDE LTD | BETTING LIMITED | UNIBET BOOKMAKERS LTD | SPORTSMAN BOOKMAKERS LTD | STRIKE GOLD SHOP LIMITED | CONSTANTINOU SHOP LIMITED | SPORTSMAN LEISURE LIMITED | G.P.UNIBET COMPANY LIMITED | UNIBET COMPANY LIMITED | SOUTHCOAST LIMITED | APPLETONE INVESTMENTS LIMITED | POEROL LTD | MEGABET INTERNATIONAL LIMITED | MEGABET INTERNATIONAL LIMITED | EUROGOAL CYPRUS LTD | EUROGOAL BETTING LTD | EUROGOAL RACING LTD | SHIGI BET LTD | KASTOR LEISURE LTD | KASTOR BETTING LTD | PRIMEBET LTD | |
| Avenir A.E. | | 62.131 | | 40.000 | | | | | | | | | | | | | | 70.103 | | | | | | | | | | 734.146 |
| ZENON TECHN. PEIMETPIE | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 |
| MEGABET LTD | 35.013 | | | | 785.525 | 410.724 | 776.126 | 442.360 | 191.035 | 4.333.527 | | 369.632 | 1.648 | | 43.250 | | 3.950 | | | | | | | 4.548 | | | | 7.397.338 |
| V.C BOOKMAKERS LTD | | | | | | 1.500 | | | | | | 3.172.861 | | | | | | | | | | | | | | | | 3.174.361 |
| PREMIER BOOKMAKERS LTD | | | | | | | | | | | | | 1.705.883 | | | | 7.000 | | | | | | | | | | | 1.712.883 |
| SPORTSMAN WORLDWIDE BOOKMAKERS LTD | | | | | | | | | | | | 3.998 | | 1.365.187 | | | | | | | | | | | | | | 1.369.185 |
| UNIBET BETTING LIMITED | | | | | | 4.800 | | | | | | | | 1.666.690 | | | | | | | | | | | | | | 1.671.490 |
| BOOKMAKERS LIMITED | | | | | | | | | | | | 3.998 | | | | | 303.694 | | | | | | | | | | | 307.692 |
| SPORTSMAN BOOKMAKERS LIMITED | | | | | | 88 | | 298 | | | | 11.147 | | | | | | | | | | | | | | | | 11.533 |
| STRIKE GOLD BET SHOP LIMITED | | | | 608.882 | | 20.345 | 6.862 | 45.810 | | | | | 15 | 4.859 | 10 | 70.898 | | | | | | | | | | | | 757.681 |
| CONSTANTINOU BOOKMAKERS LIMITED | | | | | | 1.151 | | 11.044 | 13.295 | 2.456 | 490 | 13.183 | | 14.448 | | 18.185 | 1.725 | | | 199.993 | | | | | | | | 275.970 |
| SPORTSMAN LEISURE LIMITED | | | | | 47.976 | | | | | | | 3.998 | 164.591 | 45 | | 187.202 | 99.354 | | | | | | | | | | | 503.166 |
| G.P.UNIBET LIMITED | | | | 172.709 | | 10 | 8.470 | 837 | | | | 61.182 | | | 3.100 | 11.716 | | | 38.508 | 2.714 | | | | | | | | 299.246 |
| UNIBET COMPANY LIMITED | | | | | | | | 2.500 | | | | 429.812 | | | | | | | | | | | | | | | | 432.312 |
| SOUTHCOAST LIMITED | | | | 2.038.158 | | | | | | | | 10.500 | | | | | | | | 219.744 | | | | | | | | 2.268.402 |
| APPLETONE INVESTMENTS LIMITED | | | | | | | | | | | | 10.785 | | | | | | | | | | | | | | | | 10.785 |
| POEROL LTD | | | | 690.939 | | | | | | | | | | 53.000 | | 8.000 | | | | 3.317 | 12.333 | | | | | | | 767.589 |
| MEGABET INTERNATIONAL LIMITED | | | | 824.689 | | 42 | | | | | | 60.532 | | | | | | | | | | | | | | | | 885.263 |
| MEGABET GAMING INTERNATIONAL LIMITED | | | | | | | | | | | | | | | | | | | | | | | | | | | | 0 |
| EUROGOAL CYPRUS LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 2.388.655 |
| EUROGOAL BETTING LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 1.208.814 |
| EUROGOAL RACING LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 249.082 |
| SHIGI BET LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 278.886 |
| KASTOR LEISURE LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 471.182 |
| KASTOR BETTING LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 534.178 |
| PRIMEBET LTD | | | | | | | | | | | | | | | | | | | | | | | | | | | | 606.596 |
| TOTAL | 35.013 | 62.131 | 561.912 | 4.423.353 | 786.816 | 445.839 | 794.869 | 504.263 | 193.491 | 4.847.505 | 3.433.099 | 2.128.560 | 1.366.850 | 1.881.199 | 350.054 | 207.153 | 5.675 | 70.103 | 461.562 | 19.595 | 1.208.814 | 1.878.690 | 240.325 | 442.254 | 733.643 | 687.233 | 546.434 | 28.316.435 |



INTERCOMPANY SALES - PURCHASES 1/1-31/12/2010
BUYER

| SELLER | STRIKE GOLD BET | | CONSTANTINOU | | TOTAL |
|------------------------|-----------------|----------------|---------------------|--------------------|------------------|
| | Avenir A.E. | SHOP LIMITED | BOOKMAKERS LI9MITED | G.P.UNIBET LIMITED | |
| ZENON TECHN. | 6.261 | | | | 6.261 |
| V.C BOOKMAKERS LTD | | 645.446 | | | 645.446 |
| PREMIER BOOKMAKERS LTD | | | 379.912 | | 379.912 |
| UNIBET BETTING LIMITED | | | | 224.794 | 224.794 |
| TOTAL | 6.261 | 645.446 | 379.912 | 224.794 | 1.256.413 |

INTERCOMPANY RECEIVABLES-LIABILITIES 1/1-31/12/2009
LIABILITIES

| RECEIVABLES | ZENON | PEIMETPIE | ZENON TECHN. | MEGABET LTD | POEROL LTD | EUROGOAL CYPRUS LTD | EUROGOAL BETTING LTD | EUROGOAL RACING LTD | SHIGI BET LTD | KASTOR LEISURE LTD | KASTOR BETTING LTD | PRIMEBET LTD | TOTAL | GEOMATION | TESEIK | GRAND TOTAL |
|----------------------|----------------|----------------|--------------|------------------|----------------|---------------------|----------------------|---------------------|----------------|--------------------|--------------------|----------------|------------------|---------------|---------------|------------------|
| | ZENON SA | 139.230 | | | | | | | | | | | | 139.230 | | |
| ZENON TECHN. | 630.293 | 79.009 | | | | | | | | | | | 709.302 | 50.519 | 13.405 | 773.226 |
| PEIMETPIE | 7.000 | | | | | | | | | | | | 7.000 | | | 7.000 |
| MEGABET LTD | 15.000 | | | | | | | | | | | | 15.000 | | | 15.000 |
| POEROL LTD | | | | 1.558.971 | 208.009 | | | | | | | | 1.766.980 | | | 1.766.980 |
| EUROGOAL CYPRUS LTD | | | | | | | | | 105.467 | 157.463 | 314.806 | 522.790 | 402.539 | | | 1.503.065 |
| EUROGOAL BETTING LTD | | | | | | 401.064 | | | | | | | 401.064 | | | 401.064 |
| EUROGOAL RACING LTD | | | | | | | | | | | | | | | | |
| SHIGI BET LTD | | | | | | | 77.952 | | | | 5.770 | | 83.722 | | | 83.722 |
| KASTOR LEISURE LTD | | | | | | | 162.434 | | | | | | 162.434 | | | 162.434 |
| KASTOR BETTING LTD | | | | | | | 200.928 | | 13.010 | | | | 213.938 | | | 213.938 |
| PRIMEBET LTD | | | | | | | 204.241 | | 33.950 | 70.363 | | | 308.554 | | | 308.554 |
| TOTAL | 652.293 | 218.239 | 0 | 1.558.971 | 208.009 | 401.064 | 905.613 | 110.034 | 209.756 | 507.100 | 542.569 | 402.539 | 5.716.187 | 50.519 | 13.405 | 5.780.111 |

INTERCOMPANY SALES-PURCHASES 1/1-31/12/2009
BUYER

| SELLER | ZENON | PEIMETPIE | ZENON TECHN. | MEGABET LTD | POEROL LTD | EUROGOAL CYPRUS LTD | EUROGOAL BETTING LTD | EUROGOAL RACING LTD | SHIGI BET LTD | KASTOR LEISURE LTD | KASTOR BETTING LTD | PRIMEBET LTD | TOTAL | GEOMATION | TESEIK | GRAND TOTAL |
|----------------------|---------------|----------------|---------------|---------------|----------------|---------------------|----------------------|---------------------|---------------|--------------------|--------------------|--------------|------------------|--------------|----------|------------------|
| | ZENON SA | | 117.000 | 78.000 | | | | | | | | | | 195.000 | | |
| ZENON TECHN. | 12.000 | 6.432 | | | | | | | | | | | 18.432 | 2.196 | | 20.628 |
| PEIMETPIE | | | | | | | | | | | | | 0 | | | 0 |
| MEGABET LTD | | | | | | | | | | | | | 190.290 | | | 190.290 |
| POEROL LTD | | | | 35.719 | 190.290 | | | | | | | | 35.719 | | | 35.719 |
| EUROGOAL CYPRUS LTD | | | | | | | | | | | | | 0 | | | 0 |
| EUROGOAL BETTING LTD | | | | | | 376.736 | | | | | | | 376.736 | | | 376.736 |
| EUROGOAL RACING LTD | | | | | | 136.074 | | | | | | | 136.074 | | | 136.074 |
| SHIGI BET LTD | | | | | | 187.539 | | | | | | | 187.539 | | | 187.539 |
| KASTOR LEISURE LTD | | | | | | 275.052 | | | | | | | 275.052 | | | 275.052 |
| KASTOR BETTING LTD | | | | | | 204.152 | | | | | | | 204.152 | | | 204.152 |
| PRIMEBET LTD | | | | | | 262.322 | | | | | | | 262.322 | | | 262.322 |
| TOTAL | 12.000 | 123.432 | 78.000 | 35.719 | 190.290 | 1.441.875 | 0 | 0 | 0 | 0 | 0 | 0 | 1.881.316 | 2.196 | 0 | 1.883.512 |

The above transactions and balances that relate to the companies that have been included in consolidation using the acquisition method have been eliminated in the Group's Consolidated Financial Statements.



Transactions with members of the Boards of Directors and the Management for 2010 amounted for the Group to euro 580.874 and for the Company to euro 372.819.

Transactions with members of the Boards of Directors and the Management for 2009 mounted for the Group to euro 723.983 and for the Company to euro 328.137.

5.34 Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements of the Group and the Company.

Athens, 29.03.2011

Chairman of the Board

Vice Chairman &
Managing Director

Thomas Achimastos
A.Δ.Τ. AA003045

Ioannis Kipriotakis
A.Δ.Τ. Σ011135

Georgios Mitrainas
Chief Accountant

A.Δ.Τ. AI660060
Αρ. Αδείας ΟΕΕ 0008973