INTRALOT Group

CONSOLIDATED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2007
IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS IFRS

intralot

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INTRALOT S.A.

Report of the Board of Directors - INTRALOT Group
To the Annual General Assembly of the Shareholders for the fiscal year
01/01/2007 – 31/12/2007

Dear Shareholders,

Fiscal year 2007 was a particularly successful year for the INTRALOT Group, which further established its leading position worldwide in the gaming sector, by adding important projects to its assets. On the other hand, the INTRALOT Group managed to increase its earnings, despite the increased costs arising from the implementation of new projects and the unequal comparison with year 2006 featuring the important contribution of the Football World Cup games.

In particular, during 2007, the Company managed, inter alia: to undertake new significant operation licenses in countries such as South Africa, South Korea, Victoria (Australia), by winning international contests; to obtain two more lottery licenses in the US (S. Carolina and New Mexico); to sign a new contract for organizing the All-Russia State Lottery, and to acquire an important share of the betting market in Italy, since the deregulation of the market there.

Concerning financial results of 2007, Parent company turnover reached €176,0 mil., posting a decrease of 23,8%, as an effect of local sales of the Company; yet the growing international expansion of the Group offset this result, since consolidated revenues increased by 5,6% reaching €835,5 mil.

Parent company earnings after tax amounted to €62,7 mil., posting a slight decrease of 0,8% compared to 2006, while consolidated earnings after tax and after minorities increased by 7,4% totaling €112,3 mil. It should be noted that Parent company results, and subsequently, consolidated results were burdened with €9,3 mil. due to the stock options offer to company executives.

The Group return on equity in 2007 was shaped at 40,7%.

Capital Structure

On December 21, 2007 the Company signed a syndicated revolving credit facility agreement for €500 mil. with a 5 year duration. The credit shall be used for general corporate purposes, including the refinancing of existing indebtedness, acquisitions, investments and capital expenditure and is anticipated to significantly improve both the Group's capital structure and overall financial expenses.

The consolidated cash balance at the end of 2007 reached €284,8 mil., while total debt reached €354,6 mil. (including a €200 mil. convertible bond and €149,4 mil. bank debt), shaping the net debt position at €69,8 mil.

Performance in major countries

In Italy, INTRALOT, within the context of deregulation of the country's betting market, acquired via international contest the largest number of licenses for the exclusive sports betting points of sale (POS). A large part of the network is already operational, with efficient results, and the POS integration process is expected to be completed shortly, while the first sales reports are satisfactory for INTRALOT in this very important market.

In Turkey, the fixed odds betting game that is organized by the Group's subsidiary INTELTEK, continued its positive performance in 2007, despite the discontinuation of the game for about 3 weeks in the beginning of March 2007 due to legal disputes and despite the comparison with 2006, when the Football World Cup took place.

In South Africa, the operation of the national lottery games continues since late September 2007, following a temporary discontinuation due to complications in the procedure of awarding the new license. INTRALOT, which has been awarded the License to operate the National Lottery of South Africa through a joint venture, is aiming to increase the Lottery sales through rapid expansion of the sales network and through technology updates ensuring high quality.

In Bulgaria, the Group's subsidiary Eurofootball, that owns the license for the operation of the fixed odds betting game in the country, reported strong growth rates for fifth consecutive year.

Contributors to the increased turnover in 2007 were the ongoing expansion of the sales network, as well as the wide popularity of the game in Bulgaria, resulting from continuous upgrading of the game's features.

In Romania, the net drop per machine per day of video-lottery terminals, that are managed by INTRALOT's subsidiary Lotrom, continued to experience strong growth rates. The above development is indicative of the success of the game in the market, while there is still significant growth potential. The fixed odds betting game that Lotrom offers in the country as well as the IT infrastructure project of CNLR's lottery system are progressing successfully.

In Poland, the betting subsidiary Totolotek achieved in 2007 significant growth as the sales network kept expanding and offering a more attractive game to the players. The growth potential of the betting games in the country for the coming years remains high since the overall game penetration is still low. An important contribution to TOTOLOTEK's growth should also result from the license it has been awarded by the Polish Government to operate, in the Polish market.

In the US, the subsidiary INTRALOT INC continued to run the lotteries of Nebraska, Montana and Idaho; the latter successfully commenced operations on February 2007. In late July 2007, Intralot INC added to its portfolio the operation of the New Mexico Lottery, whereas, fresh in 2008, the company signed a contract for the South Carolina Education Lottery (SCEL), thus marking Intralot's introduction among the big North America lotteries of more than $1 billion turnover. Both lotteries would cut over in November 2008. The high penetration rate of INTRALOT INC in the most demanding gaming market worldwide is yet another proof of its top technology and its high administrating ability.

In Malta, following the privatization of the national lottery, the subsidiary Maltco, exclusive licensee for the operation of all lottery games in Malta, achieved high rates of penetration in the country's lottery market. During 2007 games sales maintained high levels, while at the same time there are efforts to perform an overall quality and quantity upgrade of the provided games, in the expectation to further boost profitability growth of the company.

New Contracts

In January 2007, INTRALOT, following an international tender for the expansion of the Italian betting market, acquired the largest number of licenses for the exclusive sports betting POS and became the second largest international sports betting house in Italy.

Also, in January INTRALOT acquired a controlling stake in the argentinean company Techno Accion, the second largest company offering integrated gaming systems and solutions in the country, with 7,500 installed terminals in 12 out of the 23 states of Argentina.

In February 2007, the transition to a new gaming system was successfully completed in the Idaho lottery.

In March 2007, Inteltek, INTRALOT's subsidiary in Turkey, signed a one-year contract with the Turkish organization Spor Toto for the management of the betting game in the country. Moreover, in February 2008 Inteltek signed the prolongation of the agreement for up to one year. According to the new law approved by the Turkish Parliament, a call for tenders is expected during 2008 on the operation of sports betting in Turkey for the next 10-year period.

Also in March, INTRALOT's subsidiary, INTRALOT NZ commissioned more than 20.000 Video Lottery machines onto the new Electronic Monitoring System (EMS) in New Zealand.

In April 2007, INTRALOT Australia Pty Ltd., signed a contract for the provision of the new on-line gaming system and related support services to the Lotteries Commission of Western Australia (Lotterywest).

Also, in April the new central system that INTRALOT provided to Magnum Corporation in Malaysia became operational.

In July 2007, INTRALOT, as part of a consortium, won an international tender process for the exclusive license of operating and managing the games of the South Korean Lottery.

Also, in late July, Intralot further expanded its presence in the US Lottery market: following an international tender, the Company was announced as the apparent successful vendor for the contract with the New Mexico Lottery, New Mexico being the 4^{th} state choosing Intralot to supply the New Mexico Lottery with its new On-Line Gaming System.

In August 2007 INTRALOT proceeded to a 3-year agreement with OPAP S.A. which relates to offering support services and the infrastructure (including maintenance) in relation to betting games.

Also, in August INTRALOT signed a contract with Orglot OOO, the official organizer of the All-Russian State Lottery, in order to organize lottery games in the whole of Russia.

In September 2007, Gidani, where Intralot's subsidiary INTRALOT South Africa is an equity member, has been awarded the license to exclusively operate the National Lottery of South Africa.

In October 2007 the Company expanded its operations in Australia. Following an international tender, INTRALOT was granted its second license to operate in the territory of Victoria a variety of lottery and instant games, after the Victorian Government's decision to break the monopoly of the public lottery license.

In January 2008 INTRALOT won its fifth contract in the US, which relates to the supply of the central system and terminals to the South Carolina State Lottery.

In February 2008, INTRALOT's subsidiary in Poland, Totolotek, obtained from the Polish Government a license to offer the Pan-European horse race betting, which is organized by the Swedish horse race organization ATG, in Poland.

Research and Development

The Company invests in Research and Development of new innovative solutions that are based both on existing product upgrades as well as new product design and development, in order to offer leading edge technology to its customers. The company's R&D Division adopts standard advanced procedures and best practices as to design and implementation, aiming at the constant evolution of the LOTOS platform:(central system, terminals and telecommunications) and the development of solutions in new sectors, such as interactive gaming, alternative channels (internet, mobiles, interactive TV) and value added services (trade transactions, news services).

Human Resources

Aiming to ensure the best possible work conditions in a pleasant and functional environment, supportive of the staff’s training and further evolution in their career, fully compliant with health and safety regulations, Intralot has invested significantly in time and resources to strengthen its organizational structure. As a result, the company has been distinguished between large multinationals as one of the Best Workplaces in Greece for 2007, by the “Great Place to Work” International Institute in Greece. Furthermore, in 2008, INTRALOT's HR department received the Human Resources award by KPMG in the field of "Use of Information Technology in People Management" for their commitment to excellence in HR management through new technologies.

Share

For fiscal year 2007 the Board of Directors will propose to the shareholders’ Annual General Meeting on May 6th, 2008, the distribution of a total dividend per share of 0,33 euros (of which 0,15 euros have already been distributed as an interim dividend and 0,18 euros per share will be distributed as a remaining dividend). Heeding the dividend yield of 2,5%, the total yield to the shareholders amounts to 4,7% in 2007. Finally, on October 24th, 2007, at the Repeated Extraordinary Meeting of Shareholders, the Company distributed free shares with a ratio of one new share for every existing share, in order to improve its marketability.

Prospects – The international gaming sector and INTRALOT

INTRALOT is organically the most rapidly developing company in the sector, with a 60% success rate in tenders where its major competitors took part during the last 2 years, and never lost any client up to date.

Additionally, Intralot is the leading company in the sector for games operations, in both monopolies and liberalized gaming markets, as well as in the commercial and technical operation of games on behalf of national lottery organizations in 19 countries.

The following three factors gave major impulse in the sector's development:

- Lottery privatization projects that are in progress especially in the US, where a significant number of state lotteries have expressed their intention to grant operation licenses to private companies, aiming to fund large state deficits and optimize lottery operations.

- The deregulation of European markets, which already took place in Italy and continues in Spain. Regions of Spain where the procedure already started, are: Madrid, Barcelona and the Basque country, with the rest of Spanish regions soon to follow. The example set by Italy and Spain should soon be followed by other European countries, based upon their expressed intentions and the pressure exercised by the European Commission on several member states for free circulation of betting services.

- The legalization of illegal gaming in Asia, in countries such as China or Vietnam, is expected to play a major role in expanding the gaming sector since estimates for the turnover of such games are very high.

Given Intralot's leading position in the gaming sector, its broad portfolio of products and services, its leading edge technology, innovative products and solutions, as well as its unparalleled experience on games operation in both monopolies and liberalized environments, the company is ready to face challenges and play a leading part in the sector's developments, increasing at the same time the value to its shareholders.

Athens,Maroussi, 18/03/2008

Sincerely,

Constantinos G. Antonopoulos
CEO and BoD Vice President

It is certified that the, as above, Report of the Board of Directors of the Intralot Group, which is consisted by 8 pages, is the one referred to in the independent Auditor's Report provided at March 18th, 2008.

The Certified Public Accountant Auditor
George A. Karamichalis
SOEL Reg. No15931
SOL SA

Associated
Certified Public Accountants

SOL s.a.
CERTIFIED PUBLIC ACCOUNTANTS - AUDITORS
Institute of CPA Reg. No 125
A Horwath Business Alliance Associate

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
"INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES"

Report on the Financial Statements

We have audited the accompanying individual and consolidated financial statements of ***"INTRALOT S.A. INTEGRATED LOTTERY SYSTEMS AND SERVICES"***, which comprise the individual and consolidated balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union (EU). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of 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 financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying individual and consolidated financial statements present fairly, in all material respects, the financial position of the Company and of the Group as of 31 December 2007, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Report on Other Legal and Regulatory Requirements

The Report of the Board of Directors includes the information that is provided by the articles 43a paragraph 3, 107 paragraph 3 and 16 paragraph 9 of C.L. 2190/20 as well as the article 11a of L. 3371/2005 and its content is consistent with the accompanying financial statements.

Athens, 18 March 2008

Georgios A. Karamichalis
Certified Public Accountant Auditor
SOEL Reg. No 15931
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3, Fok. Negri Street – Athens, Greece
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INCOME STATEMENT FOR THE YEAR 1/1/2007 – 31/12/2007

	Notes	GROUP 1/1-31/12/07	GROUP 1/1-31/12/06	COMPANY 1/1-31/12/07	COMPANY 1/1-31/12/06
Turnover		835.493	791.448	176.036	231.115
Less: Cost of Sales		-531.570	-473.467	-100.908	-97.019
Gross Profit		**303.923**	**317.981**	**75.128**	**134.096**
Other Income		26.267	2.987	155	107
Selling expenses		-33.769	-37.824	-7.763	-8.433
Administrative costs		-65.507	-50.449	-23.022	-21.876
Research and Development costs	**7**	-9.687	-9.192	-9.560	-9.208
Other operating expenses		-1.364	-1.375	0	0
Operating Profit		**219.863**	**222.128**	**34.938**	**94.686**
Interest and similar charges	**33**	-30.645	-9.703	-16.348	-6.174
Interest and related income	**29,33**	29.106	19.976	59.148	11.211
Exchange differences	**29**	-9.924	-5.031	1.158	-2.052
Profit or loss from participations accounted for using the equity method		105	-3.732	0	0
Operating Profit before Tax		**208.505**	**223.638**	**78.896**	**97.671**
Current Income Tax	**8**	-45.903	-55.714	-18.077	-33.721
Deferred Income Tax	**8**	2.083	-7.793	1.864	-783
Net Profit		**164.685**	**160.131**	**62.683**	**63.167**
Attributable to:					
Equity holders of the parent		112.301	104.573	62.683	63.167
Minority interest		52.384	55.558	0	0
		164.685	**160.131**	**62.683**	**63.167**
Earnings per Share (in Euros)					
- basic & diluted	**9**	**0,71**	**0,67**	**0,40**	**0,40**
Weighted average number of shares	**9**	**157.636.823**	**157.448.484**[1]	**157.636.823**	**157.448.484**

[1] The difference in the shares number for year 2006 in Group and Company is related to the split that took place during 2007

BALANCE SHEET AS AT 31 December 2007

		GROUP		COMPANY	
	Notes	**31/12/07**	**31/12/06**	**31/12/07**	**31/12/06**
ASSETS					
Non Current Assets					
Tangible fixed assets	**11**	85.385	81.594	26.220	29.146
Intangibles	**12**	158.230	88.273	20.123	18.213
Investment in subsidiaries and associates	**13**	10.985	5.411	140.611	117.265
Other financial assets	**15**	6.981	6.073	676	924
Deferred Tax asset	**8**	12.243	10.861	4.106	2.242
Other long term receivables	**16**	110.684	17.411	41.286	301
		384.508	**209.623**	**233.022**	**168.091**
Current Assets					
Inventories	**17**	48.739	25.034	43.675	20.573
Trade and other short term receivables	**18**	139.394	90.558	165.566	116.985
Cash and cash equivalents	**19**	284.753	467.902	57.618	242.016
		472.886	**583.494**	**266.859**	**379.574**
TOTAL ASSETS		**857.394**	**793.117**	**499.881**	**547.665**
EQUITY AND LIABILITIES					
Share Capital	**20**	47.683	29.154	47.683	29.154
Share premium	**20**	12.184	23.957	12.182	23.955
Treasury shares	**20**	856	856	856	856
Other reserves	**20**	69.089	45.099	53.408	42.863
Foreign currency translation		523	-3.889	0	0
Retained earnings	**20**	145.461	108.699	69.247	63.585
Equity before minorities		**275.796**	**203.876**	**183.376**	**160.413**
Minority interest	**20**	93.235	86.176	**0**	0
Total equity		**369.031**	**290.052**	**183.376**	**160.413**
Non Current Liabilities					
Long term loans	**21**	317.111	292.621	259.914	259.349
Staff retirement indemnities	**22**	1.719	1.368	1.077	735
Other long term provisions	**30**	6.441	5.911	5.634	5.911
Deferred Tax liabilities	**8**	2.206	3.313	0	0
Other long term liabilities	**24**	6.134	6.062	2	2
Finance lease obligation	**27**	1.549	729	0	0
		335.160	**310.004**	**266.627**	**265.997**
Current Liabilities					
Trade and other short term liabilities	**25**	89.877	113.338	47.511	70.665
Short term debt and current portion of long term debt	**26**	37.501	44.796	0	32.000
Current income taxes payable		15.004	25.559	2.367	18.590
Short-term provision	**30**	10.821	9.368	0	0
Total Current Liabilities		**153.203**	**193.061**	**49.878**	**121.255**
TOTAL LIABILITIES		**488.363**	**503.065**	**316.505**	**387.252**
TOTAL EQUITY AND LIABILITIES		**857.394**	**793.117**	**499.881**	**547.665**

STATEMENTS OF CHANGES IN EQUITY For the Year Ended 31 December 2007.

Group	Share Capital	Shareholders Deposits	Share Premium	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Balances as at 1/1/2007	**29.154**	**0**	**23.957**	**856**	**9.122**	**35.977**	**104.810**	**203.876**	**86.176**	**290.052**
Adjustments on the opening balances										
Equity method Consol. entity										
New Consolidated Entities									2.800	**2.800**
Subsidiary Share Capital Increase									2.679	**2.679**
Period's Results							112.301	**112.301**	52.384	**164.685**
Valuation of assets available for sale										
Valuation of Derivatives						(2.467)		**(2.467)**		**(2.467)**
Stock Options Reserves										
Compound Financial Instrument Reserves										
Share Capital Increase from Share premium and Share holders deposits of 2006	18.123		(18.123)					**0**		**0**
Stock Options	406		6.350			9.340		**16.096**		**16.096**
Dividends							(53.399)	**(53.399)**	(59.041)	**(112.440)**
Net Amounts Effected Directly Equity										
Transfer to reserves					17.358	(183)	(17.175)	**0**		**0**
Translation differences						(58)	(553)	**(611)**	8.237	**7.626**
Balances as at 31/12/07	**47.683**	**0**	**12.184**	**856**	**26.480**	**42.609**	**145.984**	**275.796**	**93.235**	**369.031**

Group	Share Capital	Shareholders Deposits	Share Premium	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total	Minority Interest	Grand Total
Balances as at 1/1/2006	**28.767**	**207**	**14.518**	**856**	**7.463**	**9.356**	**93.199**	**154.366**	**46.873**	**201.239**
Adjustments on the opening balances										
Equity method Consol. entity										
New Consolidated Entities					20		(4)	**16**		**16**
Subsidiary Share Capital Increase										
Period's Results							104.573	**104.573**	55.558	**160.131**
Valuation of assets available for sale						188	(133)	**55**		**55**
Valuation of Derivatives					(515)	2.130		**1.615**		**1.615**
Stock Options Reserves						11.504		**11.504**		**11.504**
Compound Financial Instrument Reserves						12.134		**12.134**		**12.134**
Share Capital Increase from Share premium and Share holders deposits of 2006	387	(207)	9.439					**9.619**		**9.619**
Share holders deposits of 2006										
Dividends					6		(58.000)	**(57.994)**	(12.034)	**(70.028)**
Net Amounts Effected Directly Equity							(25.482)	**(25.482)**	237	**(25.245)**
Transfer to reserves					2.177	172	(2.297)	**53**		**53**
Sale of own shares										
Translation differences					(29)	494	(7.046)	**(6.582)**	(4.458)	**(11.040)**
Balances as at 31/12/06	**29.154**	**0**	**23.957**	**856**	**9.122**	**35.978**	**104.810**	**203.876**	**86.176**	**290.052**

Company	Share Capital	Shareholders Deposits	Share Premium	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Balances as at 1/1/2007	**29.154**	**0**	**23.955**	**856**	**9.718**	**33.145**	**63.585**	**160.413**
Adjustments on the opening balances								**0**
Period's Results							62.683	**62.683**
Valuation of assets available for sale								**0**
Valuation of Derivatives						(2.462)	45	**(2.417)**
Stock Options Reserves						9.340		**9.340**
Compound Financial Instrument Reserves								**0**
Share Capital Increase from Share premium and other reserves	18.123		(18.123)		(267)	0	267	**0**
Share holders Deposits								
Cost of Share-Bared Payment	406		6.350					**6.756**
Dividends							(53.399)	**(53.399)**
Transfer to reserves					3.933	1	(3.934)	**0**
Sale of own shares								**0**
Translation differences								**0**
Balances as at 31/12/07	**47.683**	**0**	**12.182**	**856**	**13.384**	**40.024**	**69.247**	**183.376**

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Company	Share Capital	Shareholders Deposits	Share Premium	Treasury Shares	Legal Reserve	Other Reserves	Retained Earnings	Total
Balances as at 1/1/2006	**28.767**	**207**	**14.516**	**856**	**7.444**	**6.984**	**60.848**	**119.622**
Adjustments on the opening balances								**0**
Period's Results							63.167	**63.167**
Valuation of assets available for sale						96	(133)	**(37)**
Valuation of Derivatives						2.130		**2.130**
Stock Options Reserves						11.504		**11.504**
Compound Financial Instrument Reserves						12.134		**12.134**
Share Capital Increase from Share premium and other reserves	387	(207)	9.439					**9.619**
Share holders Deposits								**0**
Cost of Share-Bared Payment								**0**
Dividends							(58.000)	**(58.000)**
Transfer to reserves					2.274	23	(2.297)	**0**
Sale of own shares								**0**
Translation differences						275		**275**
Balances as at 31/12/06	**29.154**	**0**	**23.955**	**856**	**9.718**	**33.145**	**63.585**	**160.413**

STATEMENT OF CASH FLOWS		GROUP		COMPANY	
For the year ended 31 December 2007	**Notes**	**31/12/07**	**31/12/06**	**31/12/07**	**31/12/06**
Cash flows from operating activities					
Operating profit before tax		**208.505**	**223.638**	**78.895**	**97.671**
Adjustment for items not involving cash inflows/outflows:					
(Income from utilization of)/ expenses for creation of provisions		889	-8.397	64	6.073
Depreciation and amortization	**6**	33.715	21.002	9.362	7.492
Unrealized exchange losses		10.361	-12.147	0	0
Net result from investing activities		-4.828	8.242	-53.383	-10.435
Stock Option		9.340	11.504	9.340	11.504
Interest income		-29.106	-19.465	-7.933	-790
Interest expense		30.645	9.624	16.348	6.174
Cash flows from operating activities before changes in Working Capital		**259.521**	**234.001**	**52.693**	**117.689**
Increase in inventories		-23.280	-14.769	-23.103	-12.712
Increase in trade and other short term receivables		-78.402	8.341	-48.580	-25.909
Increase in trade and other short term liabilities		-32.732	9.102	-23.155	2.360
Interest paid		-19.667	-8.880	-10.783	-6.174
Income taxes paid		-55.163	-55.651	-34.299	-23.953
Cash inflows from operating activities		**50.277**	**172.144**	**-87.227**	**51.301**
Cash flows from investing activities					
Purchases of intangibles	**12**	-70.063	-605	-5.268	-1.215
Purchases of tangible assets	**11**	-28.815	-21.231	-3.077	-5.373
Purchases of investments	**14**	-12.865	-76.168	-23.346	-78.273
Proceeds from sales of assets		1.442	-319	0	0
Long-Term receivable		-64.246	-2.735	-40.985	0
Dividends received		8	0	51.215	10.421
Interest received		28.843	19.270	7.933	790
Cash outflows from investing activities		**-145.696**	**-81.788**	**-13.528**	**-73.650**
Cash flows from financing activities					
Repayment of leasing obligations		-845	671	0	0
Proceeds from Share Capital Increase and Share Premium Deposits		7.566	9.619	6.756	9.619
Sale of own share		0	0	0	0
Cash Inflows from loans		74.427	294.262	0	291.348
Loan repayments		-56.438	-14.331	-37.000	0
Dividends paid to parent company shareholders		-53.399	-57.994	-53.399	-58.000
Dividends paid to minority interest shareholders		-59.041	-12.034	0	0
Cash outflows from financing activities		**-87.730**	**220.193**	**-83.643**	**242.967**
Net decrease/(increase) in Cash and Cash equivalents		**-183.149**	**310.549**	**-184.398**	**220.618**
Cash and Cash equivalents at beginning of year		**467.902**	**157.353**	**242.016**	**21.398**
Cash and Cash equivalents at end of year	**19**	**284.753**	**467.902**	**57.618**	**242.016**

1. General information

INTRALOT S.A. – 'Integrated Lottery Systems and Gaming Services', with the distinct title «INTRALOT» is a business entity that was established based on the Laws of Hellenic Republic and whose shares are traded in the Athens Stock Exchange. Reference to «INTRALOT» or the «Company» includes INTRALOT S.A. whereas reference to the «Group» includes INTRALOT S.A. and its fully consolidated subsidiaries, unless otherwise stated. The Company was established in 1992 and has its registered office in Marousi of Attica.
INTRALOT, is the 2nd biggest supplier of integrated gaming and transaction processing systems, innovative game content and value added services to state-licensed gaming organizations and providers of financial services worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting & Video Lottery operations, its experience in sports games and its leading-edge technology, give INTRALOT a competitive advantage, which contributes directly to customers' efficiency, profitability and growth. With 40 Companies, 7 business offices, more than 4,000 people and revenues of €835,5m. in 2007, INTRALOT dominates the European market, holds a significant position in South America and is present in N. America, Asia, Africa and Oceania.
The main activities of the Group are described in Note 4.

2. Basis of preparation of the Financial Statements

Basis of preparation of the Financial Statements

The attached financial statements have been prepared on the historical cost basis, except for the available-for-sale financial assets that are measured at fair value, or at cost in case of a non significant amount, and under the assumption that the Company and the Group would continue as a going concern. The attached financial statements are presented in euros and all values are rounded to the nearest thousand (€000) except when otherwise indicated.

Statement of compliance

The attached financial statements of INTRALOT and of the Group have been prepared in accordance with the International Financial Reporting Standards (IFRS), as these are adopted by the EU European Parliament d.no. 1606/2002 and the European Union Council of July 19th 2002.

Financial Statements

INTRALOT keeps its accounting books and records and prepares its financial statements in accordance with the Greek Corporate Law 2190/1920, the Greek Unified Chart of Accounts and Tax regulations and drafts its financial statements in accordance with the International Financial Reporting Standards (IFRS).

INTRALOT's Greek subsidiaries keep their accounting books and records and prepare their financial statements in accordance with Greek Corporate Law 2190/1920 and the International Financial Reporting Standards (IFRS), the Greek Unified Chart of Accounts and tax regulations.

INTRALOT's foreign subsidiaries keep their accounting books and records and prepare their financial statements in accordance with the applicable laws and regulations in their respective countries.

For the purposes of the consolidated financial statements, group entities' financial statements are adjusted and prepared in relation to the requirements of the International Financial Reporting Standards (IFRS).

Changes in 2007

Standards and interpreterships compulsory by the 1 January 2008 that either the Group has adopted early or they do not affect its activities.

IFRS 8 Operating Segments

IFRS 8 becomes effective after 1 January 2009 and replaces IAS 14 Segment Reporting under which Segments are reported on the basis of return and risk analysis. According to IFRS 8, Segments ,represent segments of one economic entity that are frequently reviewed by the CEO / Board of Directors of the economic entity and are presented in the financial statements on the basis of this internal classification. Intralot Group is in the process of assessing the effect of this new standard in its financial statements. IFRS 8 has not yet been adopted by the European Union.

IAS23 Amendment – Borrowing Costs

IAS23 which is effective after 01.01.2009 requires from a company to capitalize the cost of debt which lay's directly with the acquisition, construction or production of an asset that meets the requirements (An asset that meets the requirements is an asset that by default requires a considerable time period of construction for the financial year that is allocated or for its sale) as part of its cost. The right of directly posting of the cost of debt in the results will be suspended.

IFRIC 11 IFRS 2 – Group and Treasury Share Transactions.

This interpretership which is affective foe fiscal years after 01.03.2007, clarifies the conduct when employees of a subsidiary receive shares of the parent company. Also it clarifies if some particular types of transactions should be accounted as transactions with participative securities or transactions with cash settlements. The interpretership will not significantly affect the financial statements of the Group and has not been adopted yet by the European Union.

IFRIC 12 – Concession Agreements.

IFRIC 12 will be effective from 1 January 2008 and refers to conventional agreements where a private company participates in the growth, financing, operation and retention of services of the public sector. This IFRIC does not apply to any subsidiary of the Group as no entity of the Group provides services to the public sector.

IFRIC 13 Customer Loyalty Programmes

IFRIC 13 which is effective after 01.01.2008, clarifies that when goods or services are sold in combination with loyalty schemes (for example, bonus points or free goods) the transaction includes many duals and the claim by the client should be allocated in the duals of the transaction based on their fair value. IFRIC 13 has no effect on the operations of the Group since no subsidiary offers a Customer Loyalty Program.

IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14, which is effective after 01.01.2008, offers guidance for the calculation of the limit, in IFRS 19, of the amount of goodwill which can be identified as an asset. Also it clarifies that the assets or liabilities can be affected by a predetermined or a conventional minimum condition of financing. The above arrangements do not affect the financial statements of the Group.

3. Significant Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of INTRALOT S.A. and its subsidiaries as at 31 December of each year. The financial statements of the subsidiaries are prepared for the same reporting year as the parent company, using consistent accounting policies.
Adjustments are made to bring in line any dissimilar accounting policies that may have existed.
All intercompany balances and transactions, including unrealized profits arising from intra-group transactions, have been eliminated in full. Unrealized losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is a loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting year during which INTRALOT SA has control.

Foreign Currency Translation

The functional and presentation currency of INTRALOT S.A. and its subsidiaries which are located in Greece is the euro (€). Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All resulting differences are taken to the consolidated income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognized in the consolidated income statement. Tax charges and credits attributable to exchange differences on those borrowings are also dealt with in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of initial transaction. Non-monetary items measured at fair value in a foreign currency shall be translated using the exchange rates at the date when the fair value was determined.

The functional currency of the overseas subsidiaries is the currency of the country in which these subsidiaries are located and operate. As at the reporting date, the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of INTRALOT SA at the rate of exchange ruling at the balance sheet date and, their income statements are translated at the weighted average exchange rates for the year. The resulting exchange differences arising on the retranslation are taken directly to a separate component of equity. On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation shall be recognized in the income statement.

Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an after-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is de-recognized.

In regards of hardware and software lease as operating lease these assets, in the group balance sheet are disclosed in acquisition cost values and been depreciated using the straight line method and according to the lower period between the useful life and the contract life. In cases of the respective contracts renewal the assets' remaining net book value is depreciated according to the renewed contract life.

Borrowing Costs

Borrowing costs are recognized as an expense when incurred.

Goodwill

Goodwill on acquisition is initially measured at cost being the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Any goodwill arising on the acquisition of a foreign subsidiary and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate accordingly.

The Group made use of the exception provided by IFRS 1 'First Time Adoption of IFRS' relating to business combinations that occurred before the transition date (1 January 2004). For those business combinations IFRS 3 'Business Combinations' is not applied. Instead, in accordance with IFRS 1 the Group kept the same classification as in its previous GAS financial statements. For business combinations prior to the transition date, the Group had recognized the resulting goodwill as a deduction from equity in its previous GAS financial statements. Therefore the Group did not recognize that goodwill in its opening IFRS balance sheet. Any adjustments to the assets and liabilities of the subsidiaries for IFRS purposes are taken to retained earnings.

The Group, based on previous GAS, had not consolidated certain subsidiaries that had been acquired in past business combinations. On first adoption of IFRS and in accordance with the exceptions of IFRS 1, the Group adjusted the carrying amounts of the subsidiary's assets and liabilities to the amounts that IFRS would require in the subsidiary's balance sheet. The deemed cost of goodwill equals the difference at the date of transition to IFRS between the parent's interest in those adjusted carrying amounts; and the cost in the parent's separate financial statements of its investment in the subsidiary. The resulting goodwill is recorded in the transition balance sheet (1 January 2004) and is tested for impairment.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Based on IFRS 3 'Business combinations', Goodwill is not amortized. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash generating unit and part of the operation within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Intangibles

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

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

Amortization of finite life intangibles are recognized as an expense in the Income Statement apportioned to the related cost centers.

Intangibles, except Development costs internally generated, are not capitalized and the costs are included in the Income Statement in the year they are incurred.
Intangible assets are tested for impairment annually, either individually or at the cash generating unit level. Useful lives are also assessed annually and any revisions are made on a prospective basis.

Research and Development Costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Following the initial recognition of the development expenditure the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Any expenditure carried forward is amortized over the period of expected future sales from the related project.
The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are stated in the individual and consolidated financial statements at their cost less any impairment in value.

Financial assets

All investments are initially recognized at cost, being the fair value of the consideration given, including any acquisition related costs.

After initial recognition, investments (except investments in subsidiaries, associates and joint ventures) which are classified as *'valued at fair values through income statement'*, or as *'available for sale'* are measured at fair values. Gains or losses on investments classified as *'valued at fair values through Income Statement'* are recognized in the income statement. Gains or losses on *'available for sale'* investments are recognized in a separate component within Equity until the investment is either disposed or the investment is considered to have been impaired at which time any accumulated gains or losses are transferred to the Income Statement.

Other financial assets, except derivatives, with fixed or determinable payments and fixed maturity, are classified as «held to maturity», when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this category. The «held to maturity» monetary items, such as bonds, are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated taking into consideration any premium or discount on acquisition, over the period to maturity. For investments carried at amortized cost, gains or losses are recognized in the Income Statement when the investments are disposed or impaired and also through amortization.

For investments that are actively traded in organized markets, fair values are determined in relation to the closing traded values at the balance sheet. For investments where these is no quoted market price, fair values are determined by reference to the current market value of another item substantially similar, or is estimated based on the expected cash flows of the underlying net asset base of the investment otherwise in the acquisition cost.

Inventories

Inventories are valued at the lower of cost and net realizable value.
Costs incurred in bringing each product to its present location and condition are accounted for using the average price method.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to completion and the estimated costs necessary to make the sale.

Trade and other short term receivables

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

Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.
For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, without the netting of outstanding bank overdrafts.

Interest bearing loans and Borrowings

All loans and borrowings are initially recognized at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement.
Gains and losses are recognized in net profit or loss when the liabilities are derecognized or impaired, as well as through the amortization process.

Long Term Liabilities

All long term liabilities are initially recognized at cost. Following initial recognition, liabilities that are denominated in foreign currency are valued at the closing exchange rate at the reporting date. Any interest cost is recognized on an accruals basis.

Provisions and Contingent Liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability of a potential outflow of funds is remote. Contingent assets are not recognized but are disclosed when the probability of a cash inflow is possible.
Provisions are recognized on each financial statements date (annual and interim) based on the best and reliable estimate for potential excess of cost (payments to winners) in games with predetermined odds as this is provided by the contracts between the company and the clients. The provision amount arising from this calculation for each reporting period is recognized and booked in the reporting period profit and loss account as an expense.

Leases

Group Entity as lessee:

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.
Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

Group Entity as Lessor:

In cases of hardware and software leasing through operating lease, these assets are included in the company's tangible and intangible assets and the income that occurs is recognized on a straight line through the contract period. The present value of the minimum future lease collection of the non cancelable contracts is given in the note 27 (c).

Treasury Shares

Treasury shares represent shares of the parent company held by the Group. Treasury shares are stated at cost and disclosed as a separate component in Equity. Upon acquisition, disposal, issuance or cancellation of treasury shares no gain or loss is recognized in the Income Statement. The consideration given or received and the related gains or losses from the settlement are recognized directly in Equity.

Share Based Payments

IFRS 2 'Share-based Payment' requires an expense to be recognized where the Group buys goods or services in exchange for shares or rights over shares ('equity-settled transactions'), or in exchange for other assets equivalent in value to a given number of shares or rights over shares ('cash-settled transactions'). The main impact of IFRS 2 on the Group is the expensing of employees' and directors' share options and other share based incentives by using an option-pricing model. Further details of the relevant schemes offered by the Company to employees and directors are given in note 23.

IFRS 2 is mandatory for accounting periods beginning on or after 1 January 2005. The Group has taken advantage of the exceptions of IFRS 1 and the transitional provisions of IFRS 2 in respect of equity-settled awards and has applied IFRS 2 only to equity settled awards granted after 7 November 2002 that had not vested on or before 1 January 2005.

All share options of the Group had been vested before 1 January 2005 and therefore IFRS 2 has not been applied in respect with the valuation of such benefits in the attached financial statements (note 23). For any new options starting from the January 2005 and therefore IFRS 2 is applied.

Staff Retirement Indemnities

Staff retirement indemnities are measured at the present value of the Company's defined benefit obligations at the balance sheet date, through the recognition of the employees' right to benefits based on years of service over their expected working life. The above liabilities are calculated using financial and actuarial assumptions and are determined based on an actuarial valuation method (Projected Unit Credit Method). The net expense for the period is included within staff costs in the accompanying Income Statement and consists of the present value of the benefits earned during the year, interest cost on the benefit liability, past service cost, actuarial gains or losses recognized and any other additional pension costs. The past service costs are recognized as an expense on a straight line basis over the average period until the benefits become vested. The unrecognized actuarial gains or losses are recognized over the remaining working life of active employees, and are included as part of the net annual pension cost of each year, if at the beginning of the period they exceed 10% of the future estimated liability for benefits. The Company's pension benefit schemes are not funded.

State Insurance Programs

The Company employees are covered by the main State Insurance Organization for the private sector (IKA) that provides pension and medical benefits. Each employee is obliged to contribute a percentage of the monthly salary to IKA while part of the total contribution is covered by the Company. On retirement, IKA is responsible for the payment of pensions to employees. Consequently, the Company does not have any legal or constructive obligation for the payment of future benefits based on this scheme.

Revenue recognition

Revenue is recognized in the period they are realized and the related amounts can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Hardware and Software: This category includes the supply of hardware, software and technical support services (gaming machines, central computer systems, gaming software, communication systems, installation services etc.) to Lotteries so that they can operate their on-line games. Revenue is recognized by the Company either as a direct sale of hardware and software or as operating lease for a predetermined time period according to the contract with the customer.
In the first case the income from the sales of hardware and software (in a determined value) is recognized when the significant benefits and risks arising from the ownership are transferred to the buyer.
In the second case it consists income from operating lease, it is defined as a percentage on the Lottery Organization's gross turnover received by the player-customer. Income recognition occurs the moment that the player-customer places the related consideration in order to participate in a game.

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

***Game operation*:** In this category, the Group has the full game operating license in a country. In the case of operating the game the Company undertakes the overall organization of the games provided (installation of information systems, advertising and promotion, establishment of sales network, collections and payment of winnings to players, etc). Revenue recognition in this category occurs the moment that the player-customer pays the related consideration in order to participate in a game and equals to the total amount received from the player-customer.

Income taxes

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

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred income tax liabilities are recognized for all taxable temporary differences**:**

•Except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

• in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

• Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

Deferred income tax is not measured by the Group in regards with the undistributed profits of subsidiaries, branches, associates and joint ventures due to intercompany profits, from relevant transactions, eliminations in the consolidation process.

Income tax relating to items recognized directly in equity are recognized in equity and not in the income statement.

Revenues, expenses and assets are recognized net of the amount of sales tax except**:**

- Where the sales tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Earnings per Share

The basic earnings per share (EPS) are calculated by dividing net profit attributed to the equity holders of the parent by the weighted average number of ordinary shares outstanding during each year, excluding the average number of ordinary shares of the parent held by the Group as treasury shares.

The diluted earnings per share are calculated by dividing the net profits attributable to the equity holders of the parent company by the weighted average number of ordinary shares outstanding (adjusted for the effect of the average number of share option rights outstanding during the year).

Financial Instruments

The financial assets and financial liabilities of the balance sheet include cash and cash equivalents, receivables, other short term liabilities and Derivative Financial Instruments. The accounting policies for recognition and measurement of financial assets and financial liabilities are detailed in the corresponding paragraphs of this Note.

Cash and cash equivalents, receivables, other short term liabilities:

The financial instruments are presented as assets, liabilities or Equity items based on their substance and content of the related contracts from which they derive. Interest, dividends, gains and losses arising from financial instruments characterized as assets or liabilities, are recognized as expense or income in the income statement. The payment of dividends to equity holders is deducted directly from equity. The financial instruments are offset when the Company, has a legally enforceable right to set off the recognized amounts and intends to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative Financial Instruments and Hedging:

The Group uses derivative financial instruments such as forward currency contracts and Interest Rate Swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to net profit or loss for the year.

The fair value of forward currency contracts is calculated by reference of the market value and is verified by the financial institutions. For the purpose of hedge accounting, hedges are classified as: fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability; cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction; or hedges of a net investment in a foreign operation.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges :

Fair value hedges are hedges of the Group's exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss. For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged, the derivative is remeasured at fair value and gains and losses from both are taken to profit and loss. For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit and loss over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit and loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss. The changes in the fair value of the hedging instrument are also Recognised in profit and loss. The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to profit and loss. Amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

Cash flow hedges

Cash flow hedges are a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit and loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit and loss. Amounts taken to equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale or purchase occurs. Where the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to profit and loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to profit and loss.

Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statements of income.

1. Market risk

i) Interest Rate

The Group's exposure to market risk for changes in interest rates relates to the long and short term borrowings. The Group partially hedged against its interest rate risk in the year ended 31 December 2007 since management assessed that any change in historically low interest rates in conjunction with the low borrowing levels would give the chance to keep funding costs at a low level.

ii) Foreign exchange risk

The Group sells goods and provides services in various currencies including the Euro. Therefore, it is exposed to movements in foreign currency exchange rates against its reporting currency, the Euro. The Group in assessing the related risk used derivative financial instruments in the year ended 31 December 2007 in order to reduce its exposure to foreign currency change risk. At 31 December 2007 there were open positions in derivative financial instruments.

The management has decided to hedge foreign exchange risk for changes in forward rates and not in spot rates. The hedging designation was decided at the inception of the hedging instrument and is followed till the maturity. The effect of the forward points goes to equity reserves.

2. Credit risk

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

3. Fair Value

The carrying amounts of cash and cash equivalents, short term receivables and short term liabilities in the balance sheet approximate their fair values due to their short term nature. The fair value of short term loans is not significantly different from their carrying values due to the use of variable interest rates.

4. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through and adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury aims to maintain flexibility in funding by keeping committed credit lines available.

De-recognition of Financial Instruments

A financial instrument is derecognized when the Group no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party.

4. Segment Reporting

The Group's reporting format is by geographical areas (based on the operating location of the Group). The Group has strong international presence in 40 countries and the entities in the various countries are organized and managed separately. The Greek parent company provides support mainly in technical infrastructure (systems and software). The four segments of the Group based on geographical areas and according the criteria of Sales and Gross Margin are as follows:

- European Union
- Rest of Europe
- Americas
- Rest of the world

In the following table financial information is provided per geographical area, for the year ended 31 December 2007:

December 31, 2007	European Union	Other Europe	America	World (rest of)	Total	Adjustments	Consolidated
Net turnover 2007	**731.525**	**5.264**	**46.080**	**108.875**	**891.744**	**(56.251)**	**835.493**
Net turnover 2006	**792.939**	**4.610**	**42.834**	**152.572**	**992.954**	**(201.507)**	**791.448**
%	**(7,75%)**	**(14,19%)**	**7,58%**	**(28,64%)**	**(10,19%)**	**0**	**(5,57%)**
Gross Profit 2007	215.443	698	14.996	97.845	328.982	(25.058)	303.924
Gross Profit 2006	224.299	593	11.540	102.474	338.906	(20.925)	317.981
%	(3,95%)	17,66%	29,94%	(4,52%)	(2,93%)	0	(4,42%)

December 31, 2006	European Union	Other Europe	America	World (rest of)	Total	Adjustments	Consolidated
Net turnover 2006	**792.939**	**4.610**	**42.834**	**152.572**	**992.955**	**(201.507)**	**791.448**
Net turnover 2005	**472.619**	**9.325**	**42.205**	**105.479**	**629.628**	**(106.664)**	**522.964**
%	**67,78%**	**(50,56)%**	**1,49%**	**44,65%**	**57,71%**	**0**	**51,34%**
Gross Profit 2006	224.299	593	11.540	102.474	338.906	(20.925)	317.981
Gross Profit 2005	127.043	798	13.237	80.015	221.093	(8.697)	212.396
%	76,55%	(25,69%)	(12,82%)	28,07%	53,29%	0	49,71%

The comparative figures for the year ended 2005 and 2006 have been adjusted to include the countries that have been included in the European Union at 31/12/2007 so as the figures to be comparatives.

5. Staff costs

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Salaries	48.756	42.157	14.794	15.232
Social security contributions	6.715	5.334	2.599	2.652
Staff retirement indemnities (Note 22)	679	305	341	237
Other staff costs	2.006	1.025	162	386
Total	**58.156**	**48.821**	**17.896**	**18.507**

Salaries & Social security contributions per cost center December 31, 2007

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Other operating expenses	Total
Salaries	19.381	6.607	18.541	4.225	2	**48.756**
Social security contributions	2.496	881	2.595	742	1	**6.715**
Staff retir. & other	1.187	184	1.169	144	1	**2.685**
	23.064	**7.672**	**22.305**	**5.111**	**4**	**58.156**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Other operating expenses	Total
Salaries	3.614	2.122	4.833	4.225	0	**14.794**
Social security contributions	635	373	849	742	0	**2.599**
Staff retir. & other	123	72	164	144	0	**503**
	4.372	**2.567**	**5.846**	**5.111**	**0**	**17.896**

Salaries & Social security contributions per cost center December 31, 2006

Group	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Other operating expenses	Total
Salaries	18.596	6.094	14.040	3.390	37	**42.157**
Social security contributions	2.242	758	1.655	667	13	**5.335**
Staff retir. & other	586	192	443	107	1	**1.329**
	21.424	**7.044**	**16.138**	**4.164**	**51**	**48.821**

Company	Cost of Sales	Selling expenses	Administrative costs	R&D costs	Other operating expenses	Total
Salaries	5.320	1.962	4.560	3.390	0	**15.232**
Social security contributions	1.067	320	597	667	0	**2.651**
Staff retir. & other	218	80	187	139	0	**624**
	6.605	**2.362**	**5.344**	**4.196**	**0**	**18.507**

The number of employees of the Company and of the Group for the year ended 31 December 2007 was 482 and 4.056 respectively (31 December 2006 was 419 and 3.453 respectively).

6. Depreciation and amortization

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

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Depreciation of tangible fixed assets (Note 11)	26.845	14.441	6.003	4.304
Eliminations	-1.558	-582	0	0
Amortization of intangibles (Note 12)	9.320	7.471	3.359	3.188
Eliminations	-892	-328	**0**	**0**
Total	**33.715**	**21.002**	**9.362**	**7.492**

Depreciation and amortization per cost center

December 31, 2007	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Other operating expenses**	**Total**	**Eliminations**	**Grand Total**
Group	25.357	2.902	7.240	666	0	36.165	-2.450	33.715
Company	6.940	727	1.029	666	0	9.362		9.362

December 31, 2006	**Cost of Sales**	**Selling expenses**	**Administrative costs**	**R&D costs**	**Other operating expenses**	**Total**	**Eliminations**	**Grand Total**
Group	12.960	2.913	5.215	824	0	21.912	-910	21.002
Company	4.496	899	1.273	824	0	7.492	0	7.492

7. Research and Development Costs

Research and development costs recognized in the consolidated income statement amount to € 9.687. thousand and in the income statement of the parent company they amount to € 9.560 thousand. (2006: € 9,192 thous. & € 9.208 thous.)

8. Income Taxes

Based on tax regulations, the tax rate applicable to Greek entities was 35% until 31 December 2004.
In December 2004 a new tax law was enacted according to which, the corporate tax rate will be gradually reduced from 35% to 25%. In particular, in 2005 the tax rate decreased to 32%, in 2006 the tax rate reduced to 29% and in 2007 it reached 25%.

The components of income taxes reported in the financial statements are analyzed as follows:

	GROUP		COMPANY	
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
Income Statement:				
Current income taxes	45.903	55.714	18.077	33.721
Deferred income taxes	-2.083	7.793	-1.864	783
Total tax expense reported in income statement	**43.820**	**63.507**	**16.213**	**34.504**

The reconciliation of the income tax expense applicable to accounting profit before income tax at the Greek statutory tax rate to income tax expense at the Groups' s/ Company's effective income tax rate is as follows:

	GROUP		COMPANY	
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
Accounting Profit before income taxes	**208.505**	**223.638**	**78.895**	**97.671**
Income taxes based on Greek statutory tax rate 25% (2006: 29%)	52.126	64.835	19.724	28.325
Adjustments in prior year amounts	29	-20		
Tax effect of disallowable for tax purposes expenses	7.906	14.926	5.905	8.956
Tax effect of losses of subsidiaries, for which deferred tax asset was not recognized	4.024	-1.596	0	0
Tax effect of tax free reserves	0	0	0	0
Tax effect of non taxable profits	-29.191	-6.652	-9.417	-2.777
Tax effect of foreign subsidiaries' profits that are taxable at different tax rates	8.926	-9.697	0	0
Deferred tax effect due to tax rate change	0	1.691	0	0
Income taxes at effective tax rate as reported in income statement	**43.820**	**63.507**	**16.212**	**34.504**

Tax returns are submitted annually, but the declared taxable profits or tax allowable losses remain provisional until the tax authorities subject the tax returns and books and records of a Company to an audit, at which time the tax liabilities will become final. The tax losses to the extent recognized by the tax authorities can be utilized through offsetting against taxable profits of the following five years.

Deferred income taxes arise on the temporary differences between the carrying amounts and tax bases of the assets and liabilities, at the currently applicable tax rate.

	GROUP		COMPANY	
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
Net deferred tax asset at beginning of the year	**7.548**	**15.182**	**2.242**	**3.025**
Adjustments on prior year amount	0	0	0	0
Charge in the income statement	2.083	(7.792)	1.864	(783)
Effect of a subsidiary first time consolidated	764	40	0	0
Exchange difference	-358	118	0	0
Net deferred tax asset at end of the year	**10.037**	**7.548**	**4.106**	**2.242**

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

December 31, 2007	**GROUP**		**COMPANY**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
-Subsidiaries' tax losses carried forward	2.227	0	0	0
-Inventories– Intercompany profit	234	-13	-523	0
-Financial assets		-23	0	0
Long term receivables	5.928	-110	0	0
-Provisions	1.290	-99	0	-99
-Tangible fixed assets	523	-5.827	0	-4.204
-Intangibles	198	-3.330	0	-1.584
-Receivables	12.014	-113	8.915	0
Prepayments	0	0	0	0
Long term liabilities	51	571	0	571
-Current Liabilities	320	-4.291	0	761
- ST Loans	29	-1	0	0
- Fin. Lease Liabilities	0	1	0	0
-Staff retirement indemnities	399	0	269	0
-Other	67	-8	0	0
	23.280	**-13.243**	**8.661**	**-4.555**

01/01-31/12/2007

	Income Statement	
Deferred income tax	**GROUP**	**COMPANY**
Prior years' tax losses utilized	-674	0
Subsidiaries' tax losses carried forward	0	0
Provisions	-344	-348
Reversal of provisions	0	0
Tangible assets	-1.821	-701
Intangible Assets	512	-59
Other Financial assets	24	0
Short term receivables	307	555
Long Term Receivables	79	0
Inventories– impairment	2.007	961
Prepayments	0	0
Staff retirement indemnities	-112	-85
Short term Provisions	-29	0
Current Liabilities	-491	-796
LT Liabilities	-1.379	-1.391
Other	-162	0
Deferred Tax (income)	**-2.083**	**-1.864**

December 31, 2006	GROUP		COMPANY	
	Assets	Liabilities	Assets	Liabilities
-Subsidiaries' tax losses carried forward	1.427	0	0	0
-Inventories– Intercompany profit	2.261		438	0
-Financial assets	0	0	0	0
Long term receivables	6.343	-1.191	0	0
-Provisions	0	-447	0	-447
-Tangible fixed assets	43	-7.146	0	-4.905
-Intangibles	58	-2.710	0	-1.642
-Receivables	10.242	-138	9.470	0
Prepayments	2.279	-479	0	0
Long term liabilities	1.840	-821	0	-821
-Current Liabilities	101	-5.545	0	-35
- ST Loans	0	0	0	0
- Fin. Lease Liabilities	9	1	0	0
-Staff retirement indemnities	282	0	184	0
-Other	1.293	-154	0	0
	26.178	**-18.630**	**10.092**	**-7.850**

01/01-31/12/2006

	Income Statement	
Deferred income tax	**GROUP**	**COMPANY**
-Prior years' tax losses utilized	-230	0
-Subsidiaries' tax losses carried forward	0	0
-Provisions	4.345	-288
-Reversal of provisions	0	0
-Intangible assets	-1.171	-61
-Tangible Assets	1.069	185
-Other Financial assets	-80	-80
Long term receivables	1.506	821
-Receivables	1.885	450
-Inventories– impairment	-434	-438
Prepayments	351	0
-Staff retirement indemnities	-69	-40
-ST Loans	0	0
-Current Liabilities	1.520	-44
-LT Liabilities	-1.193	0
-Other	294	278
Deferred Tax (income) / expense	**7.793**	**783**

In case that the parent company's tax free reserves are distributed to equity holders, they will be taxed at the applicable tax rate, at the time the distribution is made, whereas in the case of distribution of retained earnings no additional tax will be imposed.

9. Earnings per share

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

	GROUP		COMPANY	COMPANY
	31/12/07	**31/12/06**	**31/12/07**	**31/12/06**
Net profit attributable to equity holders of the parent company	**112.301**	**104.573**	**62.683**	**63.167**
Weighted average number of shares	157.636.823	157.448.484	157.636.823	157.448.484
Less: Weighted average number of treasury shares	0	0	0	0
Weighted average number of shares outstanding	**157.636.823**	**157.448.484**	**157.636.823**	**157.448.484**
Basic earnings per share (EPS) (in Euro)	**€ 0,71**	**€ 0,67**	**€ 0,40**	**€ 0,40**
Weighted average number of shares outstanding (for basic EPS)	157.636.823	157.448.484	157.636.823	157.448.484
Effect of potential exercise of share options (weighted average number outstanding in the year)	37.279	87.310	37.279	87.310
Weighted average number of shares outstanding (for diluted EPS)	**157.674.102**	**157.535.794**	**157.674.102**	**157.535.794**
Diluted earnings per share (EPS) (in Euro)	**€ 0,71**	**€ 0,67**	**€ 0,40**	**€ 0,40**

The difference between the weighted average number of shares outstanding and the shares taking into account those that would arise from the potential exercise of share options, is not significant.

10. Dividends

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Declared dividends of ordinary shares in the year:				
Final 2005 dividend	13.319	0	0	0
Final 2006 dividend	64.293	35.562	29.271	35.268
Interim dividend of 2007	34.828	35.078	24.128	23.346
	112.440	**70.640**	**53.399**	**58.613**
Less interim dividend of 2007 that has not been paid or approved by the Annual General Meeting of shareholders at the balance sheet date	0	-613	0	-613
Dividend per the Statement of changes in equity	**112.440**	**70.028**	**53.399**	**58.000**
Final 2007 dividend: € 0,33 (Company € 0,33)	**52.451**	**52.826**	**52.451**	**52.004**
Less: dividend paid as of year end	-24.128	-34.832	-24.128	-22.733
Dividend not recognized as a liability as of 31 December	**28.323**	**17.994**	**28.323**	**29.271**

The interim dividend of 2007 which had been paid as of the balance sheet date (€ 24.128 thousand) is presented together with the final 2007 dividend in the statement of changes in equity for the year.

11. Tangible fixed assets

Tangible fixed assets are analyzed as follows:

GROUP	Land	Buildings and installations	Machinery and equipment	Transport equipment	Furniture and fixtures	Assets under construction	Total
1/1/2007							
Cost	0	3.489	32.268	1.725	95.526	7.613	140.621
Accumulated amortization	0	-1.278	-17.543	-803	-36.456	-2.948	-59.028
Net Book value	**0**	**2.211**	**14.725**	**922**	**59.070**	**4.665**	**81.593**
Opening balance							
PLUS							
Additions	6.517	963	14.117	261	6.728	229	28.815
Transfer	0	-590	32.517	-173	-24.111	-7.659	-16
Write-off	0	-34	-4	-1	-73	0	-112
New Consolidated Subsidiary (Cost)	0	0	2.962	47	4.188	0	7.197
MINUS							
Depreciation	0	-359	-16.332	-230	-8.366	0	-25.287
Elimination entries	0	0	0	0	0	0	0
Impairment	0		-87	0	0	0	-87
Disposal(Net Book Value)	0	-571	-691	-15	-20	0	-1.297
Write off	0	34	0	0	0	0	34
New Consolidated Subsidiary (Accum. amortization 01/01/07)	0	0	-2.070	-6	-4.143	0	-6.219
Net exchange differences on foreign currency translation	0	-89	1.545	-68	-552	-72	764
Transfer	0	107	-12.392	245	9.091	2.949	0
Net book value-31/12/2007	**6.517**	**1.672**	**34.290**	**982**	**41.812**	**112**	**85.385**
31/12/2007							
Cost	6.517	3.828	81.860	1.859	82.258	183	176.505
Minus							
Accumulated Depreciation and impairment	0	-2.156	-47.570	-877	-40.446	-71	-91.120
Net book value-31/12/2007	**6.517**	**1.672**	**34.290**	**982**	**41.812**	**112**	**85.385**

GROUP	Buildings and installations €'000	Machinery and equipment €'000	Transport equipment €'000	Furniture and fixtures €'000	Assets under construction €'000	Total €'000
1/1/2006						
Cost	2.128	36.807	1.383	65.138	996	106.452
Accumulated amortization	-888	-11.188	-603	-22.625	-22	-35.326
Opening balance 1/1/2006	**1.240**	**25.619**	**780**	**42.513**	**974**	**71.126**
Opening balance adjustments cost	-88	2.792	0	-2.560	0	144
Opening balance adjustments depreciation/amortization	88	-177	0	162	0	73
Adjustments 01/01/06	0	2.615	0	-2.398	0	217
PLUS						
Additions	499	8.072	467	15.489	2.921	27.448
Transfer	16	265	0	2.782	-78	2.985
New Consolidated Subsidiary (Cost)	934	-15.668	-125	14.677	3.774	3.592
MINUS						0
Depreciation	-281	-2.581	-177	-10.130	-1.272	-14.441
Elimination entries	0	-5.153	0	0	0	-5.153
Impairment	-33	-6	0	-59	-16	-114
Disposal (Net Book Value)	37	0	-32	7	14	26
Write off	1	148	66	90	0	305
New Consolidated Subsidiary (Acumm. Amortization 01.01.06)	-139	2.130	141	-534	-1.657	-59
Net exchange differences on foreign currency translation	-63	-716	-198	-3.367	5	-4.339
Net book value-31/12/2006	**2.211**	**14.725**	**922**	**59.070**	**4.665**	**81.593**
31/12/2006						
Cost	3.489	32.268	1.725	95.526	7.613	140.621
Minus						
Accumulated Depreciation and impairment	-1.278	-17.543	-803	-36.456	-2.948	-59.028
Net book value-31/12/2006	**2.211**	**14.725**	**922**	**59.070**	**4.665**	**81.593**

COMPANY	**Buildings and installations**	**Machinery and equipment**	**Transport equipment**	**Furniture and fixtures**	**Total**
1/1/2007					
Cost	545	1	115	40.234	40.895
Accumulated amortization and impairment	-366	-1	-7	-11.376	-11.750
Opening balance 01/01/2007	**179**	**0**	**108**	**28.858**	**29.145**
PLUS					
Additions	392	0	0	2.685	3.077
Transfer	0	0	0	0	0
Acquisition of subsidiary	0	0	0	0	0
MINUS					
Depreciation	-109	0	-17	-5.877	-6.003
Impairment	0	0	0	0	0
Disposal (Net Book Value)	0	0	0	0	0
Write off	0	0	0	0	0
Net exchange differences on foreign currency translation	0	0	1	0	1
Net book value-31/12/2007	**462**	**0**	**91**	**25.666**	**26.219**
31/12/2007					
Cost	937	1	115	42.919	43.972
Minus					
Accumulated Depreciation and impairment	-475	-1	-24	-17.252	-17.752
Net book value-31/12/2007	**462**	**0**	**91**	**25.667**	**26.220**

COMPANY	**Buildings and installations**	**Machinery and equipment**	**Transport equipment**	**Furniture and fixtures**	**Total**
1/1/2006					
Cost	428	1	9	32.175	32.613
Accumulated amortization and impairment	-321	-1	-1	-7.275	-7.598
Opening balance 01/0/2006	**107**	**0**	**8**	**24.900**	**25.015**
PLUS					
Additions	117	0	106	5.150	5.373
Transfer	0	0	0	3.041	3.041
Acquisition of subsidiary	0	0	0	0	0
MINUS					
Depreciation	-45	0	-6	-4.253	-4.304
Impairment	0	0	0	0	0
Disposal (Net Book Value)	0	0	0	21	21
Write off	0	0	0	0	0
Net exchange differences on foreign currency translation	0	0	0	0	0
Net book value-31/12/2006	**179**	**0**	**108**	**28.858**	**29.146**
31/12/2006					
Cost	545	1	115	40.366	41.027
Minus					
Accumulated Depreciation and impairment	-366	-1	-7	-11.507	-11.881
Net book value-31/12/2006	**179**	**0**	**108**	**28.858**	**29.146**

There are no restrictions in the ownership, transfer or other liens on the Group's property. Also none of the assets has been pledged as security against liabilities

At 31 December 2007 the Group had no commitments for the purchase of tangible fixed assets.

12. Intangibles

GROUP	GOODWILL	SOFTWARE	RESEARCH & DEVELOPMENT	OTHER	LICENCES	TOTAL
1/1/2007						
Cost	47.963	30.454		4.926	30.797	114.140
Accumulated amortization	-285	-7.039		-4.718	-13.824	-25.866
Opening balance 01/01/2007	**47.678**	**23.415**		**208**	**16.973**	**88.274**
PLUS						
Internally generated intangibles	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Additions		2.452	5.739	2.292	59.580	70.063
New Consolidated Subsidiary (Cost)	6.170	222	5.946	1.800	21	14.159
Transfer	2.252	-1.932		705	-1.009	16
MINUS						
Amortisation	0	-3.018	-497	-102	-4.811	-8.428
Disposal(Net Book Value)	0	-11	0	0	0	-11
Impairment	0	-9	0	0	0	-9
New Consolidated Subsidiary (Acumm. amortization)	0	-25	-4.976	0	0	-5.001
Net exchange differences on foreign currency translation	-1	-653	-194	-42	57	-833
Transfer	-3	-2.088		-160	2.251	0
Net book value-31/12/2007	**56.096**	**18.353**	**6.018**	**4.701**	**73.062**	**158.230**
31/12/2007						
Cost	56.385	31.197	11.685	9.723	89.389	198.378
Minus						
Accumulated Depreciation and impairment	-289	-12.844	-5.667	-5.022	-16.327	-40.148
Net book value-31/12/2007	**56.096**	**18.353**	**6.018**	**4.701**	**73.062**	**158.230**

GROUP	GOODWILL	SOFTWARE	OTHER	LICENCES	TOTAL
1/1/2006					
Cost	2.624	25.412	6.993	29.940	64.969
Accumulated amortization and impairment	-287	-3.568	-3.928	-10.210	-17.993
Opening balance 01/01/2006	**2.337**	**21.844**	**3.065**	**19.730**	**46.976**
Opening balance adjustments cost	0	25	156	0	181
Opening balance adjustments depreciation/amortization	0	-26	-156	0	-182
Adjustments 01/01/06	0	-1	0	0	-1
PLUS					
Internally generated intangibles	0	219	0	0	219
Revaluation	0	1.246	-1.277	0	-31
Additions	288	5.185	20	1.114	6.607
New Consolidated Subsidiary (Cost)	0	-1.544	-976	0	-2.520
Elimination entry	45.051	0	0	0	45.051
MINUS					
Amortisation	0	-3.831	-26	-3.614	-7.471
Disposal (Net Book Value)	0	6	-500	0	-494
Impairment	0	65	6	0	71
New Consolidated Subsidiary (Acumm. amortization)	2	315	-114	0	203
Net exchange differences on foreign currency translation	0	-89	10	-257	-336
Other					
Net book value 31/12/2006	**47.678**	**23.415**	**208**	**16.973**	**88.274**
31/12/2006					
Cost	47.963	30.454	4.926	30.797	114.140
Minus					
Accumulated Depreciation and impairment	-285	-7.039	-4.718	-13.824	-25.866
Net book value 31/12/2006	**47.678**	**23.415**	**208**	**16.973**	**88.274**

COMPANY	SOFTWARE	RESEARCH & DEVELOPMENT	LICENCES	TOTAL
1/1/2007				
Cost	20.192	0	8.259	28.451
Accumulated amortization and impairment	-5.924	0	-4.314	-10.239
Opening balance 01/01/2007	**14.268**	**0**	**3.945**	**18.212**
PLUS				
Internally generated intangibles	0	0	0	0
Additions	987	4.005	276	5.268
Acquisition of subsidiary	0	0	0	0
MINUS	0	0	0	0
Amortisation	-2.185	0	-1.174	-3.359
Disposal (Net Book Value)	0	0	0	0
Impairment	0	0	0	0
Net exchange differences on foreign currency translation	0	0	2	2
Net book value-31/12/2007	**13.070**	**4.005**	**3.049**	**20.123**
31/12/2007				
Cost	21.179	4.005	8.535	33.719
Minus				
Accumulated Depreciation and impairment	-8.109	0	-5.486	-13.596
Net book value-31/12/2007	**13.070**	**4.005**	**3.049**	**20.123**

COMPANY	SOFTWARE	LICENCES	TOTAL
1/1/2006			
Cost	19.477	7.759	27.236
Accumulated amortization and impairment	-3.197	-3.854	-7.051
Opening balance 01/01/2006	**16.280**	**3.905**	**20.185**
PLUS			
Internally generated intangibles	0	0	0
Additions	715	500	1.215
Acquisition of subsidiary	0	0	0
MINUS			
Amortisation	-2.727	-461	-3.188
Disposal (Net Book Value)	0	0	0
Impairment	0	0	0
Net exchange differences on foreign currency translation	0	0	0
Net book value-31/12/2006	**14.269**	**3.944**	**18.212**
31/12/2006			
Cost	20.192	8.259	28.451
Minus			
Accumulated Depreciation and impairment	-5.924	-4.315	-10.239
Net book value-31/12/2006	**14.269**	**3.944**	**18.212**

13. Investments in subsidiaries and associates

GROUP	% Participation	Country	31/12/2007	31/12/2006
Bilyoner Interactif Hizmelter As	25,00%	Turkey	291	56
Lotrich Information Co	40,00%	Taiwan	4.171	4.569
Nanum Lotto	15%	Korea	5.970	
Bulln's	5%	Bulgaria	486	409
Other			67	377
			10.985	**5.411**

INTRALOT SA Investments in Associates	% Participation	Country	Cost	Adj	Adjusted Cost	Adjusted Cost
			31/12/07		31/12/07	31/12/06
Bilyoner Interactif Hizmelter As	25%	Turkey	499	0	499	300
Innovative Solutions Consultancy Group Inc	37,38%	Philippines	82	0	82	82
Lotrich Information Co	40,00%	Taiwan	5.131	0	5.131	5.131
Nanum Lotto	15%	Korea	5.970	0	5.970	-
Other			1	0	1	0
			11.683	**0**	**11.683**	**5.513**

INTRALOT SA Investments in Subsidiaries	% Participation	Country	Cost	Adj	Adjusted Cost	Adjusted Cost
			31/12/07		31/12/07	31/12/06
Intralot De Chile	99,99%	Chile	9.361	0	9.361	9.361
Intralot Inc	85%	USA	4.423	0	4.423	4.423
Intralot De Peru SAC	99,98%	Peru	14.259	0	14.259	5.329
Pollot Ltd	100%	Poland	2.249	0	2.249	1.721
Intralot Holdings International Ltd	100%	Cyprus	8.464	0	8.464	8.464
Intralot Australia pty Ltd	100%	Australia	114	0	114	54
Betting Company S.A.	95%	Greece	139	0	139	139
Maltco Lotteries Ltd	73%	Malta	6.993	0	6.993	6.993
Intralot Betting Operations Ltd	54,95%	Cyprus	2.000	0	2.000	2.000
Royal Highgate Ltd	3,82%	Cyprus	182	0	182	182
Inteltek Internet AS	20%	Turkey	67.326	0	67.326	71.717
Loteria Moldovei SA	47,90%	Moldovei	656	0	656	656
Intralot Asia Pacific Ltd	100,00%	Hong Kong	300	0	300	74
Intralot Luxembourg SA	100,00%	Luxembourg	31	0	31	31
Intralot New Zealand Ltd	100%	New Zealand	568	0	568	568
Intralot South Africa Ltd	72,95%	S.Africa	2.300	0	2.300	-
Intralot Iberia SAU	100%	Spain	635	0	635	-
Intralot Iberia Holdings SA	100%	Spain	60	0	60	-
Tecnoaccion SA	50,01%	Argentina	8.225	0	8.225	-

Intralot Beijing Co Ltd	100%	China	110	0	110	-
Intralot Argentina S.A.	99%	Argentina	74	0	74	-
Gaming Solutions International Ltd	99%	Colombia	316	0	316	-
Other			143	0	143	40
			128.928	**0**	**128.928**	**111.752**
TOTAL			**140.611**	**0**	**140.611**	**117.265**

Group Structure

The consolidated financial statements include the financial statements of INTRALOT SA and of the subsidiaries listed below.

I. Full consolidation

	Company	Country	Direct Part'n %	Indirect Part'n %	Total Part'n %
	Intralot SA	Marousi, Attika	Parent	Parent	-
5.	BETTING COMPANY SA	N. Hiraklion,Attica	95%	5%	100,00%
10.	BETTING CYPRUS LTD	Nicosia, Cyprus	-	100%	100,00%
	INTRALOT DE CHILE SA	Santiago, Chile	99,99%	-	99,99%
	INTRALOT DE PERU SAC	Lima, Peru	99,98%	-	99,98%
	INTRALOT INC.	Atlanta, USA	85%	-	85,00%
	INTRALOT BETTING OPERATIONS (CYPRUS) LTD	Nicosia, Cyprus	54,95%	-	54,95%
1.	ROYAL HIGHGATE LTD	Paralimni, Cyprus	3,82%	29,39%	33,21%
	POLLOT Sp.zo.o	Warsaw, Poland	100%	-	100,00%
	MALTCO LOTTERIES LTD	Valetta, Malta	73%	-	73,00%
	INTRALOT HOLDINGS INTERNATIONAL LTD	Nicosia, Cyprus	100%	-	100,00%
2.	LOTROM SA	Bucurest, Romania	-	60%	60,00%
2.	YUGOLOT LTD	Belgrade, Serbia& Montenegro	-	100%	100,00%
2.	YUGOBET LTD	Belgrade, Serbia& Montenegro	-	100%	100,00%
2.	BILOT EOOD	Sofia, Bulgaria	-	100%	100,00%
3.	EUROFOOTBALL LTD	Sofia, Bulgaria	-	49%	49,00%
4.	EUROFOOTBALL PRINT LTD	Sofia, Bulgaria	-	49%	49,00%
2.	INTRALOT INTERNATIONAL LTD	Nicosia, Cyprus	-	100%	100,00%
5.	INTRALOT OPERATIONS LTD	Nicosia, Cyprus	-	100%	100,00%
2.	INTRALOT BUSINESS DEVELOPMENT LTD	Nicosia, Cyprus	-	100%	100,00%
2.	INTRALOT TECHNOLOGIES LTD	Nicosia, Cyprus	-	100%	100,00%
15.	INTELTEK INTERNET AS	Istanbul, Turkey	20%	25%	45,00%
	LOTERIA MOLDOVEI SA	Chisinau, Moldova	47,90%	-	47,90%
6,7,8	TOTOLOTEK SA	Warsaw, Poland	-	57,94%	57,94%
2.	WHITE EAGLE INVESTMENTS LTD	Hertfordshire, United Kingdom	-	100%	100,00%
2.	BETA RIAL Sp.Zoo	Warsaw, Poland	-	100%	100,00%
9.	YUVENGA CJSC	Moscow, Russia	-	24,50%	24,50%
2.	UNICLIC LTD	Nicosia, Cyprus	-	50%	50,00%
9.	DOWA LTD	Nicosia, Cyprus	-	30%	30,00%

	INTRALOT NEW ZEALAND LTD	Wellington, New Zealand	100%	-	100,00%
2.	INTRALOT EGYPT LTD	Nicosia, Cyprus	-	88,24%	88,24%
11, 2	E.C.E.S. SAE	Cairo, Egypt	-	75,01%	75,01%
2.	INTRALOT OOO	Moscow, Russia	-	100%	100,00%
	POLDIN LTD	Warsaw, Poland	100%	-	100,00%
	INTRALOT ASIA PACIFIC LTD	Hong Kong, China	100%	-	100,00%
	INTRALOT AUSTRALIA PTY LTD	Melbourne, Australia	100%	-	100,00%
	INTRALOT SOUTH AFRICA LTD	Johannesburg, South Africa	72,95%	-	72,95%
	INTRALOT LUXEMBOURG SA	Luxemburg	100%	-	100,00%
2.	INTRALOT ITALIA SRL	Rome, Italia	-	85%	85,00%
14.	SERVICIOS TRANSDATA SA	Lima, Peru	-	100%	100,00%
	INTRALOT IBERIA SAU	Madrid, Spain	100%	-	100%
	INTRALOT IBERIA HOLDINGS SA	Madrid, Spain	100%	-	100%
	TECNO ACCION S.A.	Buenos Aires, Argentina	50,01%	-	50,01%
16.	GAMING SOLUTIONS INTERNATIONAL SAC	Lima, Peru	-	99%	99%
2.	GAMING SOLUTIONS INTERNATIONAL LTD	Bogota, Colombia	99%	1%	100%
	INTRALOT BEIJING Co LTD	Beijing , China	100%	-	100%
2.	NAFIROL S.A.	Montevideo, Uruguay	-	100%	100%
17.	INTRALOT ARGENTINA S.A	Buenos Aires, Argentina	99%	1%	100%
2.	LEBANESE GAMES S.A.L	Lebanon	-	99,99%	99,99%
19.	VENETA SERVIZI S.R.L.	Mogliano Veneto,Italia	-	85%	85%
	II. Equity method				
	BILYONER INTERAKTIF HIZMELTER AS (former LIBERO INTERAKTIF AS)	Instanbul, Turkey	25%	-	25,00%
	LOTRICH INFORMATION Co. LTD	Taipei, Taiwan	40%	-	40,00%
	INNOVATIVE SOL. CONS. GROUP INC	Manila, Philippines	37,38%	-	37,38%
12.	TOTAL GAMING TECHNOLOGIES INC	Manila, Philippines	-	29,90%	29,90%
13.	GIDANI LTD	Johannesburg, South Africa	-	16,41%	16,41%
	NANUM LOTTO	Korea	15%	-	15%

Subsidiary of the company:

1: Intralot Betting Operations(Cyprus)Ltd
2: Intralot Holdings International Ltd
3: Bilot EOOD
4: Eurofootball Ltd
5: Intralot International Ltd
6: Pollot Sp.Zoo
7: White Eagle Investments Ltd
8: Beta Rial Sp.Zoo.
9: Uniclic Ltd
10: Betting Company SA
11: Intralot Egypt LTD
12: Innovative Sol. Cons. Group Inc
13: Intralot South Africa Ltd
14: Intralot Operations Ltd
15: Intralot Iberia Holdings SA
16: Nafirol SA
17: Intralot de Chile SA
18: Intralot Italia SRL

Basic Financial Figures of the group entities consolidated through the equity method *(first level of consolidation)*

Basic Financial Figures	Total Assets	Liabilities	Revenue	(Profits) / Losses after Taxation
BILYONER INTERAKTIF HIZMELTER AS (former LIBERO INTERAKTIF AS)	4.571	(2.749)	(7.324)	(792)
LOTRICH INFORMATION Co. LTD	28.259	(17.741)	(11.329)	(263)

The Group has also a number of shares of a non significant value in subsidiaries and associates for which, in respect to INTRALOT SA, there is no ultimate parent, company relationship in the form of a legal entity.

14. Business Combination

A. Investment in Tecno Accion SA

In January 2007, the Group acquired the 50,01% share of Tecno Accion SA, a company in Argentina with significant presence in the local gaming market, through 7.500 terminals in 12 states of Argentina.

The carrying and fair value of assets and liabilities of the subsidiary Tecno Accion SA at 05/01/2007, date when the Group acquired control were**:**

	Fair value €000	Carrying value €000
Intangibles Assets	993	993
Tangible fixed assets	827	827
Deferred Tax asset	876	876
Long term receivables	184	184
Inventories	614	614
Short term receivables	1.874	1.874
Cash and cash equivalents	2.348	2.348
Total Assets	**7.716**	**7.716**
Non current liabilities	(824)	(824)
Current liabilities	(1.339)	(1.339)
Value of Net Assets	**(5.553)**	**(5.553)**
Group 50,01% participation	**(2.776)**	
Consideration	**8.225**	
Goodwill on acquisition	**5.449**	
The net cash outflow is analyzed as follows:		
Cash and cash equivalents acquired	2.348	
Cash consideration given	(8.225)	

Group cash outflow	**(5.877)**

From the acquisition date, Tecno Accion SA participated in the net profit of the Group (after minority interest) for the year ended December 31 2007 with € 892 thousand.

B. Investment Veneta Servizi Srl

In October 2007, the Group acquired the 100% share of Veneta Servizi Srl, a company in Italy, through its subsidiary Intralot Italia (Intralot SA share in Intralot Italia is 85%). Veneta Servizi Srl is a football betting retailer.

The carrying and fair value of assets and liabilities of the subsidiary Veneta Servizi Srl at 31/10/2007, the date when the Group acquired control were**:**

	Fair value €000	**Carrying value €000**
Intangibles assets	196	196
Tangible fixed assets	151	151
Short term receivables	194	194
Cash and cash equivalents	106	106
Total Assets	**647**	**647**
Current liabilities	(496)	(496)
Value of Net Assets	**(151)**	**(151)**
Group 85% participation	**(128)**	**(128)**
Consideration	**850**	**850**
Goodwill on acquisition	**722**	**722**

The net cash outflow is analyzed as follows:	
Cash and cash equivalents acquired	106
Cash consideration given	(850)
Group cash outflow	**(744)**

During the same time the Group

1. Participated in establishing Nanum Lotto in Korea, paying €5.970 thousand, thus acquiring 15% of the company. Nanum Lotto has the exclusive operation license of the Lotto games in South Korea.
2. Acquired an additional 12,95% of Intralot South Africa. This way the Group now possesses 72,95% of that company.
3. Participated in the capital increase of LIBERO INTERAKTIF HIZMETLER AS (in Turkey) by paying the corresponding amount (25%), namely €199 thousand, and with €75 thousand in various other holdings.

Acquisitions in 2006

Investment in Transdata SA

In the second semester of 2006, the Group acquired the 100% share of Transdata SA, a company in Peru, which keeps a distribution agents' network.

The carrying and fair value of assets and liabilities of the subsidiary Transdata SA at the date the Group acquired control were**:**

	Fair value €000	Carrying value €000
Tangible fixed assets	5	5
Cash and cash equivalents	4	4
Receivables	147	147
Total Assets	**156**	**156**
Long term liabilities	(16)	(16)
Short term liabilities	(322)	(322)
Value of Net Assets	**182**	**182**
Group 100% participation	**182**	
Negative Goodwill on acquisition	483	
Consideration	**301**	
The net cash outflow is analyzed as follows:		
Cash and cash equivalents acquired	4	
Cash consideration given	(301)	
Group cash inflow	**(297)**	

In the consolidated financial statements, from the negative Goodwill of € 483 thousand, an amount of € 288 thousand was recognized as intangible asset, while the rest of the amount, i.e € 195 thousand was recognized in the equity.

From the acquisition date, Transdata SA participated in the net profit of the Group for the year ended December 31, 2006 with a loss of € 525 thousand.

It should be noted that, the purchase agreement, apart from the above price, provides for the sellers, an extra bonus in case of an extraordinary company performance in the four years following the acquisition date. Based on the information available to date, such a consideration could not be reliably measured. Nevertheless, in any case of future extra bonus, it is assumed that it will not be significant in relation to the financial position of the Group.

15. Other financial assets

Other financial assets which have been classified by the Group as «Available for sale» are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Bank of Cyprus capital investments	5.126	2.594	-	-
Foreign Government Notes	1.179	1.298	-	-
F.W. Woolworth & Co – Cyprus bonds	-	346	-	-
INTRAROM SA	398	398	398	398
LT time deposit	-	397	-	-
Other	278	1.040	278	526
	6.981	**6.073**	**676**	**924**

The above data concern:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Listed securities	278	1.040	278	526
Un-listed securities	6.703	5.033	398	398
Total	**6.981**	**6.073**	**676**	**924**

During the year ended 31 December 2007 a profit for the group of € (125) thousand for the Group (2006: € 55 thousand) and of €(125) thousand loss for the company (2006: (37) thousand) arising from the measurement of the above financial assets at fair values, was debited to a special reserve in equity.

Bank of Cyprus capital investments and F.W. Woolworth & Co Cyprus bonds: The Group acquired these investments through the acquisition of a subsidiary in January 2004, they yield income at interest rates of 5,25% (2006: 5,25%) and 6% (2006:7%) respectively;they are stated at acquisition cost and the difference between carrying values and fair values at 31 December 2007 is not significant.

Intrarom SA.: The Company has a 4,14% (2006: 4,14%) participation in the share capital of INTRAROM SA a non listed company which is registered in Romania. The participation amount is stated at acquisition cost.

Other: "Other items" consist of shares of various listed entities and are fair valued based on their stock exchange prices. At the balance sheet date the value of these shares is € 278 thous (2006: € 421 thous) and regarding the derivatives the values is null (2006 : € 619 thous).

16. Other long term receivables

Other long term receivables at 31 December 2007 are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Receivables	38.222	9.523	-	145
Due from related parties (Note 28)	58.473	5.768	41.000	-
Rent guarantees	802	587	-	134
Other receivables	13.187	1.533	286	22
	110.684	**17.411**	**41.286**	**301**

17. Inventories

Inventories are analyzed as follows:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Merchandise – Equipment	48.078	25.417	45.410	22.369
Other	2.396	1.414		-
	50.474	**26.831**	**45.410**	**22.369**
Impairment	(1.735)	(1.797)	(1.735)	(1.796)
	48.739	**25.034**	**43.675**	**20.573**

For the period ended December 31, 2007 the amount transferred to the Cost of Goods Sold is 30.640 (2006: 24.286 thous) for the Group while the respective amount for the Company is 41.474 (2006: 21.776 thous)

18. Trade and other short term receivables

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Trade receivables	83.039	33.218	36.685	6.115
Receivables from related parties (Note 28)	25.425	41.383	112.626	106.042
Other receivables	17.118	17.358	6.304	8.951
Less: Provisions	(6.207)	(6.253)	(4.358)	(4.358)
Prepaid expenses and other receivables	20.019	4.852	14.309	235
	139.394	**90.558**	**165.566**	**116.985**

The above receivables are non interest bearing.

19. Cash and cash equivalents

Bank current accounts are either non interest bearing or interest bearing and yield income at the daily bank rates.
The short term time deposits are made for periods between one (1) day and one month depending on the Group's cash requirements and yield income at the applicable prevailing interest rates.

For the purposes of the Statement of Cash Flows, cash and cash equivalents at 31 December 2006 consist of**:**

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Cash and bank current accounts	204.266	165.557	9.497	12.333
Short term time deposits	80.487	302.345	48.121	229.683
	284.753	**467.902**	**57.618**	**242.016**

The time deposits denominated in foreign currency relate mainly to currency exchange contracts (which have the nature of a time deposit and not a derivative).

20. Share Capital and Reserves

	GROUP	COMPANY
158.942.093 Ordinary shares of nominal value € 0,30 each *(including titles of stock option paid and confirmed in 2007 but issued in 2008)*	**47.683**	**47.683**

After the exercise of share option rights on INTRALOT SA shares by the employees, the Company issued in February 2004 272.010 ordinary shares for a total value of € 100.644.

Following the share option, during 2005, the share capital was increased by € 26.125,7 with the issue of 70.610 shares at a nominal value of €0.37 each. Payment of this amount was confirmed by the Board of Directors on 19.12.05 while the share capital increase and confirmation of this amount were approved by decisions K2-16475/2-1-2006 and K2-16476/2-1-2006 of the Ministry of Development. According to the decision of the General Assembly of Shareholders on May 4th, 2005, the share capital (Ministry of Development Decision K2-5852/17-5-2005) was increased

by € 14.383.411,45 through the capitalization of reserves with the issuance of 38.874.085 new ordinary shares of € 0,37 nominal value each, which were distributed freely to old shareholders, at a ratio of one new share for each existing one respectively.
Following partial exercise of the share option, during 2006, the share capital was increased by A) 6,969,32€ with the issue of 18.836 nominal shares at a nominal value of € 0,37 each. Payment of this amount was confirmed by the Board of Directors on 18/12/2006 while the share capital increase and confirmation of this amount were approved by decisions K2-18150/22-12-2006 and K2-18151/22-12-2006 of the Ministry of Development; and B) 353.847,65€ with the issue of 956.345 nominal shares with a nominal value of € 0.37 each. Payment of this amount was confirmed by the Board of Directors on 18/12/2006 while the share capital increase and confirmation of this amount were approved by decisions K2-18152/22-12-2006 and K2-18153/22-12-2006 of the Ministry of Development.

According to the decision of the General Assembly of Shareholders on October 24th, 2007, the share capital (Ministry of Development Decision K2-15700/31-10-2007) was increased by € 18.122.611,03 through the capitalization of reserves and the increase of the nominal value of the share of the company by € 0,23 and by the same aforementioned resolution , it was resolved to decrease the nominal value of each share from € 0,60 to € 0,30 and to issue 78.793.961 new shares with a nominal value of € 0,30 each ,which were distributed freely to the old shareholders, at a ratio of one new share for each existing one respectively.

Following the partial exercise of the share option, during 2007, the share capital was increased by A) 1242€ with the issue of 4.140 nominal shares ata nominal value of € 0,30 each. Payment of this amount was confirmed by the Board of Directors on 19/12/2007 while the share capital increase and confirmation of this amount were approved by decisions K2- 18339/11-1-2008 and K2-18338/11-1-2008 of the Ministry of Development and B) 405.009,30€ with the issue of 1.350.031 nominal shares with a nominal value of € 0.30 each. Payment of this amount was confirmed by the Board of Directors on 19/12/2007 while the share capital increase and confirmation of this amount were approved by decisions K2- 18340/11-1-2008 and K2-18337/11-1-2008 of the Ministry of Development.

For comparison purposes, earnings per share (EPS) calculation as at December 31, 2007, have been adjusted respectively. (Note 9)

Reserves

Statutory reserve
In accordance with Greek Commercial Law, companies are required to set aside to this reserve at least 5% of their annual accounting profits as shown in their books at Legal Reserve until the cumulative balance reaches 1/3 of their paid up share capital. This reserve is not distributable during a company's operating life.

Cumulative translation differences
This component of equity includes the exchange differences arising from the translation of foreign subsidiaries' financial statements into the Group's presentation currency. The credit balance of this component at 31 December 2007 was € 7.626 thousand (2006: € 3.889 thous. debit balance)

Tax free reserves and reserves specially taxed
The tax free reserves and reserves taxed in a special way, represent interest income which are either tax free or have been taxed at 15% at source. This particular income is not taxable provided that there will be sufficient profits from which the related tax free reserves can be created. Based on Greek tax law, this reserve is exempt from tax provided that it will not be distributed to shareholders. The Company does not intend to distribute this reserve and has thus not provided for deferred tax liability that would have been necessary if the reserve were to be distributed. The balance of these reserves at 31 December 2007 was € 9.821 thousand for the

Group and € 7.282 thousand for the Company (31 December 2006 was € 9.728 thousand for the Group and € 7.280 thousand for the Company).

Compound Financial Instruments reserve
This reserve refers to the exchangeable bond (note 21: Loan A) and amounts € 12.134 thous.

Stock option reserve
This reserve concerns the stock option rights granted and amounts for the year ended 2007 to € 20.844 thous. (2006: € 11.504 thous.).

21. Long Term Loans

Long term loans at 31 December 2007 are analyzed as follows:

	Currency	Interest rate	GROUP €'000	COMPANY €'000
Loan A	EUR	2,25%	200.000	200.000
Loan B	EUR	3M Euribor +0.85%	70.000	70.000
Loan C	EUR	3M Euribor + 0.80%	10.321	
Loan D	EUR	3M Euribor +0.67%	23.711	
Loan E	ZAR	Prime Rate - 2.442%	24.565	
others			29.694	
			358.291	270.000
Current portion of long term loans (Note 26)			(31.094)	-
Equity Component and other IFRS Adjustments			(10.086)	(10.086)
Long Term Loans			**317.111**	**259.914**

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
MATURITY INFORMATION				
0-12 months	31.094	33.866	0	25.000
2-5 years	117.431	38.272	70.000	75.000
More than 5 years	209.766	270.000	200.000	200.000
Total	**358.291**	**342.138**	**270.000**	**300.000**

Sensitivity Analysis in interest rate risk

Year 2007		Change in interest rate	Effect on profit before tax
	Euribor	+/- 1%	1.040
	Prime rate	+/- 1%	246
Year 2006			
	Euribor	+/- 1%	700

Sensitivity Analysis on exchange rate risk

Year 2007	Foreign Currency	Change in exchange rate	Effect on profit before tax	Effect on equity
	TRY	+5%	4.551	2.982
		-5%	(4.118)	(2.698)
	ZAR	+5%	1.386	1.425
		-5%	(1.084)	(1.118)
Year 2006				
	TRY	+5%	5.072	2.945
		-5%	(4.590)	(2.665)

- Loan A: On December 20 2006, Intralot Luxembourg ("Issuer") issued an exchangeable bond with a face value of € 200 million maturing on December 20, 2013, at which point the holder, in case the right to convert was not exercised in 2013, may opt for repayment of € 230.076.637,6 (nominal value increased by 15,04%) or conversion into 13.114.754,10 common shares of Intralot SA. Interest is payable semi-annually in arrears at a nominal interest rate of 2,25% per annum. The exchangeable loan is listed at the Luxembourg Stock Exchange.

- Loan B: On July 2006 the parent company decided to borrow through a bond issue of 70 million EURO. The financing bears floating interest 3M Euribor plus 0,85% spread. The bonds mature in July 2011. The company holds the right repay the face value of the bond under certain conditions. The terms of the bond issue contain events of default including, among others, failure to make payments, inability to meet general and economic guarantees, certain events of insolvency, the suspension of business, ownership structure and materially adverse changes clause affecting the financials

- *Loan C*: On November 2006, a foreign subsidiary entered into an agreement for a loan for a total amount of million € 20,6 of which 20,585 was utilized. The loan bears interest at 3M Euribor plus 0,80% spread. The loan principal is payable in equal semiannual installments from May 2007 until November 2010. The loan has been guaranteed by the parent company.

- *Loan D*: On February 2007 a foreign subsidiary entered into an agreement for a loan for a total amount of EUR 25 million, of which EUR 23,7 million was utilized. The loan bears interest at the 3M Euribor plus 0,67% spread. The loan principal is payable in equal semi-annual installments from February 2008 until February 2013. The loan has been guaranteed by the parent company.

- *Loan E*: In February 2007, a foreign subsidiary entered into an agreement for a loan for a total amount of ZAR 246,39 million. The loan bears interest at Prime Rate minus 2,442%. The loan principal is payable in equal semi-annual installments from April 2008 until January 2012. The loan has been guaranteed by the parent company.

The weighted average long term loans interest rate is 5,48% in Euro and from 4% up to 12% in other currencies.

In regards of the maturity loans are categorized as follows:
Intralot signed on December 21, 2007 the syndicated revolving credit facility agreement for 500 million EUR for 5 years. The 5-year transaction is for general corporate purposes, including the refinancing of existing indebtedness, acquisitions, investments and capital expenditure and is anticipated to improve both the Group's capital structure and overall financial expenses.

22. Staff retirement indemnities

(a) ***State Insurance Programs:*** The Group's contributions to the State insurance funds for the year ended 31 December 2007 have been reported in the income statement and amount to € 5.334 as stated in note 5 to the financial statements.

(b) ***Staff Retirement Indemnities:*** According to Greek Labor Law, employees are entitled to indemnity on dismissal and retirement, the amount of which varies depending on the years of service, salary level and the way the employee leaves employment (dismissal – retirement). Employees that resign or are dismissed for legally valid reasons are not indemnified. The indemnity payable on retirement is 40% of the amount that would have been payable to the same employee on dismissal on the same day (retirement date). In Greece, based on customary practice these programs are not funded. The Group charges to the income statement the expense attributable to the service provided by employees in the year, with a corresponding increase in the provision for staff retirement indemnities. Any payments made to retiring employees, are set against the related provision.

Independent actuaries calculated the Company's and the Group's liability for retirement indemnities. The movement of the net liability as presented in the balance sheet and the basic assumptions used in the actuarial study as at 31 December 2007 are as follows:

	GROUP		**COMPANY**	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Present Value of unfunded liability	2.309	1.917	1.579	1.228
Unrecognized actuarial losses	(590)	(549)	(502)	(493)
Net liability on the balance sheet	**1.719**	**1.368**	**1.077**	**735**
Components of the net retirement cost in the year:				
Current service cost	537	228	268	176
Interest	117	52	53	40
Amortization of unrecognised actuarial (gain) or loss	25	25	20	21
Benefit expense charged to income statement (Note 5)	679	305	341	237
Additional service cost	0	0	0	0
Total charge to income statement	**679**	**305**	**341**	**237**
Movement of benefit liability:				
Net liability at beginning of year	1.368	1.148	735	574
Service cost	341	228	268	176
Interest	117	52	53	40
Amortization of unrecognised actuarial (gain) or loss	25	28	21	21
Benefits paid	-142	-88	0	-76
Subsidiary not consolidated	0	0	0	0
Foreign exchange difference	10	0	0	0
Present Value of the liability at end of year	**1.719**	**1.368**	**1.077**	**735**

Basic assumptions:

Discount rate	4,35%
Percentage of annual salary increases	4%
Increase in Consumer Price Index	2%

23. Share based benefits

Plans for employee participation in the share capital

The Group has in place incentive plans to executives and employees with the provision of non transferable rights to acquire shares. At the date of preparation of these financial statements two (2) plans had been approved:

The first plan was approved by the Shareholders' General Assembly of 28 February 2001 and 27 September 2001 and has a five (5) year duration. Under this program 3,708,200 rights to acquire shares were granted to Board of Directors' members and to employees, at an exercise price of € 2,935. The beneficiaries have an exercise period until 30 November of each year of the duration of the program, to exercise their rights. In 2002 the first rights were exercised. At 31 December 2003, 2004, 2005, 2006 and 2007, 931,850, 387,830, 124,030, 35,220 and 32.768 such rights for shares, were outstanding respectively under this program. In 2007 the number of rights exercised was for 4.140 shares at an exercise price of € 1,468*. The outstanding rights at 31 December 2007 can be exercised until 31/12/2008, date when the program expires.

The second plan was approved by the Shareholders' General Assembly of 4 May 2005 and has a three (3) year duration. Under this program 2,400,000 rights to acquire shares were granted to Board of Directors' members, the General Directors and the Managerial Officers of INTRALOT SA and its subsidiaries, at an exercise price of € 10,00. After the approve by the Shareholders' General Assembly of 22 September 2006, decided that for each year that the plan will be in operation, the Shareholders' General Assembly shall be entitled with a specific resolution, to determine the exact number of rights to be granted to the beneficiaries. In this case, the issuance rights for the first year (2006) they amount to up a 1,000,000 shares, from these exercised 956,345 shares. By the Shareholders' General Assembly of 24 October 2007 the issuance rights for the second year (2007) they amount up to 2.000.000 shares, from these exercised 1.350.031 shares(included the rest rights of the first year) at an exercise price of € 5,00*. The outstanding rights at 31 December 2007 can be exercised until 31/12/2008, date when the program expires.

*****The number of shares and the exercise prices are adjusted for the stock bonus issue (issuance of one new bonus share for each existing one), according to the decision of the Repeat Shareholder's General Assemblies on May 4th, 2005 and on 24 October 2007.

Share Base Payment

During the period ended 31 December 2007, the Company had two share-based payment arrangements, IFRS 2 is applied for the second which is described for the first year below.

Type of arrangement	Directors and Managerial Officers
Date of grant	September 22, 2006
Number granted	1.000.000*
Contractual life	1 year
Vesting conditions	1 year service as at November 2007.

*956.345 shares were exercised from the total of 1.000.000 for the first year of the program II. The rest 43.655 shares (which by the Shareholders' General Assembly of 24 October 2007 were adjusted to 87.310- issuance of one new bonus share for each existing one) exercised in 2007.

The estimated fair value of each value of each share option granted in the general employee share option plan is € 10,7518. This was calculated by applying the option pricing model Black & Scholes.

Share Base Payment

IFRS 2 is applied for the second which is described for the second year below.

Type of arrangement	Directors and Managerial Officers
Date of grant	Nov 27, 2007
Number granted	1.300.000
Contractual life	1 year
Vesting conditions	1 year service as at November 2007.

The estimated fair value of each value of each share option granted in the general employee share option plan is € 12,844. This was calculated by applying the option pricing model Black & Scholes.

24. Explanatory Report on Article 11a of Law 3371/2005

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

1. *Share capital structure*.

The share capital of the Company amounts today to forty seven million six hundred eighty two thousand six hundred twenty seven euro and ninety cents (47,682,627.90 €) divided by

158.942.093 nominal shares at thirty seven cents (0.30 €) each. All Company shares are introduced to the Athens Stock Exchange for negotiation, in the Large Capitalisation category, under "Gaming Sector". Company shares are common registered shares with a voting right.

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

Transfer of Company shares is made in accordance with the law, and the Company Statute contains no restrictions on transfer. As per Law 3310/05 («Measures to ensure transparency and avoid violations during public procurement procedure» - about the Reference Shareholder) potential abroad companies (as per Law 3310/2005) that became Reference Shareholders, are bound to transfer as appropriate the total / exceeding number of shares which conveyed them a Reference Shareholder status and in any case provided is needed shareholders are bound to comply with the terms of legislation concerning transparency in public contracts.

3. *Major direct or indirect participation pursuant to the provisions of Presidential Decree 51/1992*.
Sokratis Kokkalis owned 20.12% of the corporate share capital as of 31/12/2007.
Konstantinos Dimitriadis owned 10.30% of the corporate share capital as of 31/12/2007.
Bank of America owned 5,15% of the corporate share capital as of 31/12/2007
All other natural or legal person / entity own no more than 5% of the corporate share capital.

4. *Shareholders with special control rights (all types of shares)*.
Corporate shares, which confer special control rights to their holders, have not been issued.

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

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

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

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

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

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

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

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

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

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

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

b. In the cases referred to in article 13 § 13 of the Codified Law 2190/1920 (stock options right). In particular, in 2007, by the (a & b) decisions of the corporate BoD on 18.12.2007, made pursuant to the provisions of the above article, and by the resolutions of the General Assemblies of Shareholders of the Company on 4.5.06, 22.9.06 and 24.10.07 the corporate share capital, following cash payment from the beneficiaries, increased within 2007,

- by € 1242 from the issue of 4140 new Company shares with a nominal value of 0.30 € each (18.12.07, decision a), and
- by € 405,009.30 from the issue of 1.350.031 new Company shares with a nominal value of 0.30 € each (18.12.07, decision b).

c. In the context of a loan in the form of convertible bonds, pursuant to article 3a of the Codified Law 2190/1920. In particular, under the resolution on 22.09.2006 by the Third Ordinary Meeting of the Extraordinary General Assembly of INTRALOT shareholders on 24.08.2006, it was decided according to the effective provisions of Codified Law 2190/1920 and those of Law 3156/2003, that INTRALOT issues a loan in the form of convertible bonds up to two hundred million (200,000,000) euros and a 7–year term, and revokes the stock option right of shareholders issued within December 2006. If bonds are converted into equities, then, until closure of the month following the day where the conversion right was exercised, the BoD is bound to measure the increase and to revise accordingly the article of the Statute referring to capital.

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

By resolution of the General Assembly of Shareholders of the Company on 18.4.2007 was approved the possibility of purchase of own shares between 18.4.2007 and 18.4.2008, pursuant to the provisions of the former article 16 of the L 2190/1920. Yet from 18.4.07 to date, the company did not buy own shares. It is noticed that article 16 was replaced by article 21 of the L. 3604/07, which amended old provisions.

9. *Key agreement by the Company, which becomes effective, is amended or terminated in case the Company control changes hands following a public offer, and the results of such agreement*.
There is no such agreement.

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

25. Other Long Term Liabilities

Other long term liabilities at 31 December 2007 include:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Other financial liabilities	42	545	0	0
Guaranties	5.709	5.283	0	0
Other	383	234	2	2
	6.134	**6.062**	**2**	**2**

26. Trade and Other Current Liabilities

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Trade Creditors	46.999	45.523	22.302	19.451
Amounts due to related companies(note 28)	21.657	43.385	21.784	45.772
Winnings	738	293	0	0
Other Payables	13.841	14.817	1.908	721
Taxes	5.839	8.742	987	4.194
Dividends payable	803	578	530	527
Total	**89.877**	**113.338**	**47.511**	**70.665**

The above amounts are non interest bearing.

27. Short term loans and current portion of long term loans

Short term loans represent draw-downs on various credit lines that the Group maintains with various banks. The utilized amounts of these credit lines are presented below:

December 31, 2007	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Available credit lines	475.831	466.831	467.100	458.100
Unutilized portion	(469.424)	(455.901)	(467.100)	(451.100)
Utilized portion	**6.407**	**10.930**		**7.000**
Current portion of long term loans (Note 21)	31.094	33.866	0	25.000
Other				
	37.501	**44.796**	**0**	**32.000**

Short term loans during the year were denominated in various foreign currencies. The utilized part at 31 December 2007 was denominated by (000) €526 in NZD.

MATURITY INFORMATION OF SHORT AND LONG-TERM RECEIVABLES AND PAYABLES

	GROUP		COMPANY	
	2007	**2006**	**2007**	**2006**
RECEIVABLE				
Trade receivables	83.039	33.218	36.685	6.115
Receivables from other related parties	83.898	47.151	153.626	106.042
Other receivable	89.348	33.853	20.899	9.487
Provision for doubtful debt	-6.207	-6.253	-4.358	-4.358
Total	250.078	107.969	206.852	117.286
MATURITY INFORMATION				
0-3 months	82.011	32.526	92.388	79.190
3-12 months	57.383	58.032	71.178	37.795
More than 1 year	110.684	17.411	41.286	301
Total	250.078	107.969	206.852	117.286
	GROUP		**COMPANY**	
	2007	**2006**	**2007**	**2006**
PAYABLE				
Trade payable	46.999	50.869	23.374	19.453
Payable to other related parties	21.657	43.385	21.722	45.772
Other payable	27.355	25.146	2.417	5.442
Total	96.011	119.400	47.513	70.667
MATURITY INFORMATION				
0-3 months	61.991	82.777	25.789	24.942
3-12 months	27.886	30.561	21.722	45.723
More than 1 year	6.134	6.062	2	2
Total	96.011	119.400	47.513	70.667

28. Contingent Liabilities and Commitments

(a) Legal cases:

LEGAL ISSUES PENDING

a. On 05.09.05 an action was served to the company, filed by the company "IPPOTOUR S.A.", against the company and the company "OPAP S.A.". The plaintiff "IPPOTOUR S.A." requested to be acknowledged that the contract signed between OPAP S.A. and the company should not grant to the latter the right to operate any kind of wagering game on Greek or foreign horse racing, that "OPAP S.A" should not have the right to operate any kind of wagering game on horse racing and that "OPAP S.A." and the company should be excluded from the operation and organization of betting games on horse racing. The hearing of the case had been set for 14 February 2008 when the hearing was postponed for 08 October 2009. By virtue of the above mentioned action the plaintiff withdrew of the action filed against the Company on 10 January 2003 with the same content, which was set to be heard on 18 May 2005, on which date the said hearing was cancelled.

b. On 4 January 2005 OPAP S.A. submitted a notice of proceedings to "Betting Company S.A." regarding a lawsuit that was filed against OPAP S.A. before the Multi Member First Instance Court of Athens, with which the plaintiff claims the payment of the amount of €3.668.378,60 plus accrued interests from OPAP S.A., pleading that OPAP S.A. should pay this amount to him as profit, in addition to the amount already paid to him. Since "Betting Company S.A." has a legitimate interest in OPAP S.A. winning the lawsuit, "Betting Company S.A.", the companies INTRALOT S.A., INTRALOT INTERNATIONAL LTD and the joint venture "INTRALOT S.A.-Intralot International Ltd" proceeded to an additional joint intervention in favor of OPAP S.A.; this was scheduled for hearing on 3 May 2005 but following a petition of the plaintiff the case was heard on 1 December 2005. By its decision No 2412/2006 the Multi Member First Instance Court of Athens ruled in favour of the lawsuit of the plaintiff and, following the restriction by the plaintiff of his petition to a lawsuit for acknowledgement of the debt, the Court acknowledged the obligation of OPAP S.A to pay to the plaintiff the amount of € 3.668.378,60. OPAP S.A and the aforementioned companies filed an appeal which had been rejected by the Athens Court of Appeals with its decision no. 6377/2007. The defendants filed an appeal before the Supreme Court but no hearing date has been scheduled until now. For the above case a provision has been made.

c. INTRALOT filed before Multi Member First Instance Court of Athens its civil lawsuit dated 12 May.2005 against Mr. K. Thomaidis, claiming the payment of sum of € 300.000 as pecuniary compensation for moral damage. The case was scheduled for hearing on 26 January 2006. On 18 January 2006 the company was served with an action filed by Mr. K. Thomaidis on 9 January 2006, before the Multi Member First Instance Court of Athens with which the plaintiff claims the payment of sum of € 300.000 as pecuniary compensation for moral damage. The case is scheduled for hearing on 14 December 2006. The suit of INTRALOT against Mr. K. Thomaidis was postponed to be heard on 14 December 2006. The two lawsuits have been heard together and the decision no 7936/2007 was issued declaring the lawsuit dated 9 January 2006 of Mr. Thomaidis as cancelled and accepting partially Intralot's lawsuit dated 12 May 2005.

d. INTRALOT filed applications for injunctions dated 21.8.2006, against OPAP S.A., before the Athens Single Member Court of First Instance requesting the suspension of the tender No Δ/14954/3.10.2005 of OPAP S.A. for reasons relating to the rejection by OPAP S.A. of INTRALOT's objections concerning deficiencies of the files of the technical proposals of (a) the Union of the Companies "G-TECH Corporation" and "G-TECH Global Corporation Ltd" and (b) the Union of the Companies "Scientific Games International Inc." and "Scientific Games Worldwide Ltd", respectively. The abovementioned Court dismissed INTRALOT's applications with its decision No 8288/2006. Intralot filed before the Multi Member First Instance Court of Athens its lawsuit against OPAP S.A. for the same above matter. The date of the hearing was 20 February 2008 when INTRALOT resigned of the lawsuit's judicial deed.

e.On 6 August, 2007 a recourse (Law 2522/2007) dated 6 August 2007 filed by the Union of the Companies "G-TECH Corporation" and "G-TECH Global Services Corporation Ltd" before the Board of Directors of OPAP SA against the resolution of the BoD of OPAP SA dated 31 July 2007 (which had resolved for the conclusion of an agreement with INTRALOT), was served to INTRALOT; with the said recourse it is requested that the above resolution of the BoD of OPAP SA as well as any other relevant act are eliminated. On 27 August 2007 an application for interim measures (injunctions) filed by the above mentioned Union of Companies against OPAP SA was served to INTRALOT; with this application it was requested that the execution of the above mentioned resolution of the BoD of OPAP SA and of the contract signed between OPAP SA and INTRALOT, to be suspended. The date of the hearing has been scheduled for 11 September 2007; INTRALOT intervened in this case in favor of OPAP SA. The Court by its decision no. 7597/2007 rejected the application of the Union of the Companies "G-TECH Corporation" and "G-TECH Global Services Corporation Ltd".

f. Against (a) publishing company "I. Sideris – Andreas Sideris Sons O.E.", (b) the Foundation of Economic and Industrial Researches (IOBE), (c) Mr. Theodosios Palaskas, Director of Research of IOBE, (d) the Kokkalis Foundation, and (e)INTRALOT a lawsuit of Mr. Charalambos Kolymbalis resident of Neos Skopos Serron, was filed on 8/3/2007 before the Multi Member Athens First Instance Court; date of the hearing was set the 20th February 2008 when it was postponed for 4 March 2009. With his lawsuit, the plaintiff requests to be recognized as the sole creator of the project entitled "The financial consequences of sports in Greece" and his intellectual property right on this, and that the amount of € 300.000 to be paid to him as monetary compensation for moral damages.

g. In Turkey, the company "Reklam Departmani" filed a lawsuit for the annulment of the Fixed Odds Betting tender ("FOB") that the organization Sport Toto (Genclik ve Spor

Genel Mudurlugu -GSGM) conducted in relation to the establishment and operation of the risk management center of the game and the activity of the awarded company as head agency. The tender was awarded in 2003 to the 45% subsidiary company «Inteltek Internet Teknoloji Yatırım ve Danışmanlık Ticaret A.Ş» (Inteltek). Since Inteltek's operations may be affected by the court's decision, Inteltek has participated to the case as intervener. On 21.2.2005, the Court rejected the case but "Reklam Departmani" filed an appeal which was accepted by the Council of State (Danistay) and the case was referred for new examination to the Ankara Administrative Court. At the same time, Reklam Departmanı petitioned for the suspension and cancellation of the fixed odds betting tender, pending the outcome of the proceedings in front of the Ankara Administrative Court. The Court rejected Reklam Departmanı's petition on August 18, 2006 and Reklam Departmani did not appeal this decision. The Ankara Administrative Court has issued a decision in favor of the plaintiff. Inteltek has filed an appeal against this decision. The issue of the decision on the appeal is pending. At the current stage the management of Inteltek and its legal council believe that it is not practicable to issue an opinion on the conclusion of the case. Apart from this case, no other lawsuit of the company "Reklam Departmani" has been served to Inteltek.

h. Moreover in Turkey, the company Gtech Avrasya Teknik Hizmet ve Musavirlik AS (Gtech) filed a lawsuit for the annulment of the above tender against GSGM and Public Tender Authority (PTA) which had decided that there is no ground to decide on the application regarding the annulment of the tender transactions. Since Inteltek's operations may be affected by the court's decision, Inteltek has participated to the case as intervener. The lawsuit was dismissed at the first degree but Gtech filed an appeal which was accepted by the Court of Appeals and the case was referred for new examination to the Ankara Administrative Court. On 9.2.2006 Inteltek filed an appeal against the Court of Appeals decision served on it on 26.1.2006, which was rejected by virtue of the Court of Appeals decision dated 9.7.2006. On 18.7.2006 the court issued a preliminary injunction which froze the effectiveness of PTA's decision (i.e. that there have been no ground to give a decision regarding the cancellation of the aforementioned tender and rejected the request concerning the injunction of the FOB tender).

PTA, GSGM and Inteltek as well as Gtech appealed the preliminary injunctions. The Court accepted GSGM, İnteltek and Public Tender Authority's objection and dismissed the request for a preliminary injunction. Gtech has re-filed its claim for the cancellation of the FOB tender. At the same time, GSGM submitted a petition to the court on 9 October, 2006 indicating that the case was not filed within the applicable legal period of 60 days. GSGM also requested that the court dismiss Gtech's case and its request for a hearing.

The case has been heard before the 4th Ankara Administrative Court on 7 November 2006. The 4th Ankara Administrative Court issued its decision No 2006/2496 ruling that the tender process should have been conducted under the provisions of the legislation governing the State Provisions and it cancelled the PTA's decision concerning that there is no ground to give a decision regarding the cancellation of the aforementioned tender and rejected the grounds relating to the tender process without examining them. All parties filed appeals and suspension of execution applications against this decision before the Council of State (Danistay). The decisions in relation to the appeals are pending.

In relation to the applications for the suspension of execution, Danistay issued its decision No 2006/6042 which suspended the execution of the administrative acts relating to the tender process.

In the meantime, the Turkish Parliament voted on 22 February 2007 a new law regarding the operation of GSGM which allows the concession of its business to third entities and which provides that until 1 March 2008 an award of the organization and the operation of the game can be done. The law was published in the Official Gazette on 28 February 2007.

According to the local legislation, following the above mentioned Danistay's decision No 2006/6042 in relation to the application for the suspension of execution, GSGM had to interrupt the operation of the game and the contract and sent, to this end, respective letters to Inteltek by virtue of which it interrupted the operation of the game on 1 March 2007. Inteltek filed for injunctions before the civil courts of Ankara claiming to suspend the execution of the above and to restitute to the previous situation. The Ankara civil courts rejected Inteltek's recourses against the letter suspending the operation of the game and the letter terminating the contract. Inteltek filed an appeal against the decision of the Ankara civil court which rejected Inteltek's recourse against the letter suspending the operation of the game which was rejected and the file case was sent back to the first instance court. Inteltek also filed an appeal against the decision which rejected its recourse against the letter terminating the contract which was rejected on 25 October 2007. Following the service of this decision Inteltek will file the appropriate legal means against it.

On 15 March 2007 GSGM held a new tender, at which Inteltek became the preferred bidder and reacquired the right to operate the game until 1 March 2008.

On 27 February 2008, a new law has been published in Turkey which enables GSGM to hold a new tender in 2008 in relation to the fixed odds betting games (Iddaa). According to this law, until the date that the new contractor who will be awarded with the project following the tender procedure actually starts its business, GSGM may sign a new agreement, under the provisions of the private law, for a time period not exceeding one year. In the frame of this provision, Inteltek signed on 28 February 2008 new contract for the game Iddaa with duration of up to one year.

GTech has also filed another lawsuit against GSGM for the above tender of 2003 which was rejected with a decision of the Ankara Administrative Court due to lack of jurisdiction. Gtech appealed this decision. Both cases are pending. At the current stage the management of Inteltek and its legal council believe that it is not practicable to issue an opinion on the conclusion of the cases.

i. In Turkey, GSGM filed on 23 January 2006 before the First Instance Court of Ankara a declaratory action against the 45% subsidiary company Inteltek requesting to be recognized that the calculation of the player's excess payout of the fixed odds betting games, as per their contract, is effected at the end of each separate semester (as opposed to on a cumulative basis for all semesters at the end of the contract). Next hearing following the appointment of experts had been set for November 16, 2006 when the hearing was postponed for January 30, 2007 when it has been heard. The decision issued by the First Instance Court of Ankara vindicated Inteltek. GSGM filed an appeal. On 18 October 2007, Inteltek was notified that the appeal was rejected and, consequently, the decision of the First Instance Court of Ankara is final. GSGM filed an appeal against this decision which was rejected and the case file was sent back to the First Instance Court. Inteltek had made a provision of 3,3 million TRY(€1.921.956,90) (plus 1.894 million TRY (€1.103.086,78) relating to interest) in its financial statements due to the probability of a negative outcome of the case which henceforth has been removed following the First Instance Court of Ankara decision. Moreover, Inteltek claimed the amount of TRY 2,344 million (€ 1.365.171,81) which was paid in the 1st and 3rd reconciliation periods. Inteltek has initiated a lawsuit on 21 February 2008 to collect this amount.

j. In Turkey, the court Sayistay inspecting the accounts of GSGM of 2005, ruled that there were exceeding payments to Inteltek for specific operational expenses of one thousand terminals of the system, under the terms of the contracts dated 30 July 2002 and 2 October 2003, of an amount of TRY 10.670.528,78(€149.163,48). For this reason it sent to GSGM a letter dated 19 January 2007 which was served to GSGM on 26 January 2007. Beginning 2007, GSGM started to withhold (and to keep in escrow) this amount from the amount Inteltek is entitled to under the contract dated 30 July 2002. Inteltek filed a declaratory action before the civil courts of Ankara requesting to be recognized that there is charge for same services under the two contracts and to return to itself the amounts withheld. The Court during the hearing of the case on 31.5.2007 requested to be submitted to it the investigation file of Sayistay and scheduled a new hearing for 17 July 2007, when the hearing was postponed for 25 October 2007 due to the non timely submission of Sayistay's investigation file to the Court. At that date, the 13th December 2007 was set as the new hearing date when it was postponed for 13 March 2008. Sayistay's investigation file has resulted in favor of Inteltek and whereon as of 31 December 2007 GSGM released to Inteltek the withheld in escrow amount of 2,494 million TRY (€1.453 mil) corresponding the period until 26.3.2007. During the hearing dated 13 March 2008, GSGM informed the court on the abovementioned payment and the hearing was again postponed. No new hearting date has been set yet.

k. - In Poland an ex-employee of the subsidiary "Totolotek Toto-Mix SA" has requested the payment of the amount of PLN 11.200.000 (€3.116.738,56) for creation of a software that the company utilizes. According to the opinion of the lawyers handling this case, the possibility that the lawsuit is accepted is not high.

- In Poland, there is a low possibility that "Totolotek Toto-Mix SA" is obliged to return to the consultant's company IDC the amount of a letter of guarantee of 1000K USD (€679,30 K) paid to the company following its drawn request - because in 1999 IDC didn't fulfill its obligations. The total amount of the dispute is PLN 2.998.700 (€834.478,92) and together with the interest is PLN 6.410.305 (€1.783.861,14). "Totolotek Toto-Mix SA" was defeated at the first instance court, however on 23 October 2007 filed an appeal; no hearing date has been scheduled yet. According to the opinion of the management of "Totolotek Toto-Mix SA" and of the lawyers handling this case, the company will be finally vindicated.

- Also in Poland, there is a claim for loss of profit of Telenor Software (TTCOMM) for the amount of PLN 85.526.710 (€23.800.392,38) and the amount of PLN 4.445.480,83 (€1.237.089,42) for issued invoices after their agreement since 26.4.2000 and a counter claim of the company "Totolotek Toto-Mix SA" against Telenor Software (TTCOMM) for restitution of damages (loss or profit) for the amount of PLN 93.552.601,74 (€26.033.839,36). According to the opinion of the lawyers handling the case the claim of the other party is excessive since there is frequent change of the evidencing documents and of the requested amount while, at the worst case scenario, the company will be obliged to pay the amount of PLN 4.445.480,83 (€1.237.089,42), for which a provision has been made.

l. In South Africa, the Court which reviewed the application of Uthingo has found that there were shortcomings in the information provided to the Minister by the National Lotteries Board in relation to the individual shareholders in both Uthingo and Gidani (in which INTRALOT through its subsidiary INTRALOT SOUTH AFRICA PTY participates in) and therefore the Minister had to reconsider the process in relation to the above. Following such reconsideration, the license for the operation of the National Lottery of South Africa was awarded again to Gidani and the operation of the National Lottery has already started.

m. In Cyprus, against indirectly subsidiary, thirteen plaintiffs have filed a lawsuit requesting the payment to them of the total amount of 283.000 CYP (€483.534) as profit of a bet relating to the non-classification of Formula 1 cars at the race of Indianapolis, USA held on 19.6.2005. Since for this race there was the information that some racing teams would not start the race because there were problems with their tyres (which actually happened) and since the plaintiffs knew this before placing their bets, the company refuses the payment of the above amount. Due to dispute on the matter of the arbitrator's appointment, the matter will be resolved by the Cypriot Courts. No hearing date has been scheduled yet. The Board of Directors of the company decided, following the relevant legal advise of the local lawyers, that no reason exists in order to proceed to a provision for the above lawsuit or for the remaining lawsuits which have been filed against companies belonging to the indirect subsidiary (which are of a total amount of 144.904 CYP (€247.583)).

n. In Argentina, the subsidiary company "Tecno Acción S.A." filed before the Tax Court recourses against penalties of a total amount (including interest) of 3.602.887 Argentinean Pesos (€778 tsd approximately) (on which further penalties -of an amount that cannot be currently determined- may be imposed) which the tax authority imposed because of alleged, by the tax authority, breach of the tax legislation. It is noted that the litigant parties have the right of recourse to the ordinary justice against any decision of the Tax Court. At this stage, the legal advisors of the subsidiary company in Argentina cannot issue a legal opinion for the outcome of the case. According to the terms of the Share Purchase Agreement relating to the shares of Techno Accion dated 30 December 2006, an amount of 3.250.000 US dollars (€2.207.730) (has been deposited to an escrow account and part of this amount will cover the abovementioned tax obligations.

Until 17 March 2008, apart from the above, any other legal issues do not have a material effect on the financial position of the Group.

(b) Unaudited Tax Years:

INTRALOT SA has not been audited by the tax authorities for the year 2007 while it is due the tax control for the year 01/01/06-31/12/06. With respect to INTRALOT SA subsidiaries, their books and records remain unaudited for the last 1 to 5 accounting periods.

(c) Commitments:

(i) Operating lease payment commitments:

At 31 December 2007 within the Group there had been various operating lease agreements relating to rental of buildings and motor vehicles. Rental costs have been included in the income statement for the year ended 31 December 2007 and amount to € 7.697 thousand. (31/12/ 2006 € 9.982 thous.)

Future minimum lease payments of non cancelable lease contracts as at 31 December 2007 are as follows:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Within 1 year	4.312	4.089	1.656	1.352
Between 2 and 5 years	11.152	10.329	6.433	5.242
Over 5 years	150	12	0	0
Total	**15.614**	**14.430**	**8.089**	**6.594**

(ii) Guarantees:

The Company and the Group at 31 December 2007 had the following contingent liabilities and guarantees for:

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
(a) Purchase of tangible assets	0	0	0	0
(b) Entrance to competition fees	750	0	750	32.301
(c) Financing guarantees	154.751	57.201	136.737	102.812
(d) Good performance	54.316	47.136	75.410	26.532
(e) Return of advance payments received	0	0	0	0
(f) Other	203	203	203	203
	210.020	**104.540**	**213.100**	**161.848**

(iii) Financial lease payment commitments:

FINANCE LEASES	Minimum of the lease payments	Present value of the minimum lease payments	Minimum of the lease payments	Present value of the minimum lease payments
	31/12/2007	31/12/2007	31/12/2006	31/12/2006
		GROUP		
Within one year	599	563	663	606
After one year but not more than five years	1.565	1.548	754	678
Minus: Interest	(53)	0	(133)	0
Total of the lease payments	**2.111**	**2.111**	**1.284**	**1.284**
		COMPANY		
Within one year	0	0	0	0
After one year but not more than five years	0	0	0	0
Minus: Interest	0	0	0	0
Total of the lease payments	**0**	**0**	**0**	**0**

29. Related Parties Disclosures

INTRALOT SA acquires goods and services from or sells goods and provides services to related parties in the course of ordinary business. These related parties consist of subsidiaries or companies that have common ownership and/or management with INTRALOT SA.

Related parties transactions

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
a) Sales of goods and services				
-Group	0	0	112.303	181.935
-Related parties	39.186	23.600	10.185	25.895
b) purchases of goods and services				
-Group	0	0	11.903	13.191
-Related parties	67.765	46.549	54.266	38.434
c) Receivables (1)				
-Group	0	0	133.755	62.336
-Related parties	83.899	47.151	19.871	43.706
d) Liabilities				
-Group	0	0	7.286	5.661
-Related Parties	21.657	43.385	14.498	40.111
e) Transactions and fees of key management personnel	3.740	16.781	6.775	13.011
f) Due from key management personnel	46	17	0	0
g) Due to key management personnel	308	206	0	0
The respective amounts concern:				
i) Total due from related entities	83.899	47.151	153.626	106.042
(less) long term portion (Note 16)	58.473	5.768	41.000	
Due from related entities (Note 18)	25.425	41.383	112.626	106.042

Sales of goods and services to related companies are at normal market prices. The outstanding balances at the year end are not secured and their settlement is made in cash. For the year ended 31 December 2007 he Company has not raised any provision that relates to the balances with related companies.

Related parties in addition to those mentioned in Note 13 and in addition to the subsidiaries (for the Company) are:

INTRAKOM SA (group companies)

30. DERIVATIVES

For the interest rate and exchange rate risk which may arise from the current and future funding needs, the Group has concluded entering in various contracts for the Parent company and the Subsidiaries.

Interest Rate Hedge

Position: Swap
Inception of contract: 11/10/2007
Contract date: 15/10/2007
Expiration: 15/10/2010
Amount: 5€ million

Position: Cap
Inception of contract: 18/09/2007
Contract date: 30/09/2007
Expiration: 30/09/2012
Amount: 30€ million

Position:Cap
Inception of contract: 26/09/2007
Contract date: 30/09/2007
Expiration: 31/12/2012
Amount: 20€ million

From the valuation of the above derivatives at fair values at December 31, 2007, a loss of € 182.7 thousand arose which was recognized in equity.

Forward Currency Contracts/ Currency Options

The company had one open position on forward contracts, which qualifies for hedge accounting, for the amount of € 6,6 million. From the measurement at fair values as at December 31, 2007, a gain of €111,12 thousand incurred which was included in financial income/expense of the year and a loss of € 94,60 thousand incurred, which was included in reserves.

Moreover the group sold derivatives products that had in its possession from 2006, and consequently a gain of € 3,161 incurred which was included in financial income/expenses of the year.

31. Other short and long term provisions

The balances of the other short and long term provisions represent mainly, among others, period's provisions for contingent cost excess concerning betting games at pre-determined yield.

32. Comparatives

Limited reclassifications have been performed to the comparative previous year financial data for comparison purposes.

33. Debit / Credit Interest -Contiguous Expense /Income

	GROUP		COMPANY	
	31/12/2007	**31/12/2006**	**31/12/2007**	**31/12/2006**
Interest on bank loans	21.530	6.967	16.348	6.057
Interest paid for leases	37	94	0	0
Derivatives/Investments				117
Other	1.467	996	0	0
Finance costs	2.084	1.646	0	0
Discounting	5.527	0	0	0
Finance Expense	**30.645**	**9.703**	**16.348**	**6.174**
Derivatives/Investments	(496)	(507)	-	-
Interest income on bank deposits	(26.785)	(17.899)	(7.933)	(790)
Other	(1.649)	(1.062)		
Dividends	(8)	-	(51.215)	(10.421)
Discounting	(168)	(508)	**0**	**0**
Finance Income	**(29.106)**	**(19.976)**	**(59.148)**	**(11.211)**
Net Finance income/expense	**1.539**	**(10.273)**	**(42.800)**	**(5.037)**

Of which: for financial instruments relating to categories in accordance with IAS39:

	GROUP	
	2007	**2006**
Loans and receivables	-26.785	-17.899
Held-to-maturity investments	-77	-
Available-for-sale financial assets	-216	-194
FV through P/L	-211	-313
Financial liabilities measured at amortized cost	21.567	7.061
Other	-182	-66
Discounting	5.359	-508
Finance costs	2.084	1.646
Total	1.539	-10.273

34. Subsequent events

1) Within the year 2007, Inteltek, the company's subsidiary in Turkey, has signed a one-year contract with the Turkish Organisation Spor Toto to continue the operation of the "Iddaa" sports betting game.
This contract has been signed following the recent vote in the Turkish parliament of a law regulating sports betting operation in Turkey. According to this law, a call for tenders shall be launched during 2008 to award sports betting operation in Turkey to a contractor for the next 10 years.

2) The Polish government granted to TOTOLOTEK, the subsidiary of INTRALOT in Poland, the license to operate in that country the European Pool of the Swedish Horse Racing Totalisator Board, ATG, which offers betting on Swedish horse races in a number of countries.

3) The subsidiary of INTRALOT in the US, INTRALOT INC, won the tender launched by the South Carolina Education Lottery (SCEL) for the provision of the central online gaming system and related support services. Transition to the new INTRALOT system is programmed for November 2008.
The contract will be signed for a 7-year term, with a 3-year extension option.

Maroussi, March 18th, 2008

THE CHAIRMAN OF THE BOARD OF DIRECTORS	**THE VICE-CHAIRMAN. OF THE BoD AND CEO**
S.P. KOKKALIS ID. No. Π 695792	**C.G. ANTONOPOULOS ID. No. M 102737**
THE GENERAL DIRECTOR OF FINANCE & BUSINESS DEVELOPMENT	**THE ACCOUNTING DIRECTOR**
I. O. PANTOLEON ID. No. Σ 637090	**E. N. LANARA ID.No. AB 606682 H.E.C. License No. 133/A' Class**