HELLENIC LOTTERIES S.A.

Member of OPAP Group of companies opap

FINANCIAL REPORT
For The Financial Year from 01.01.2015 to 31.12.2015
ACCORDING TO THE INTERNATIONAL
FINANCIAL REPORTING STANDARDS

March 2016

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A. Representation of the Members of the Board of Directors

The Members of the Board of Directors for Hellenic Lotteries S.A.:

- Ziegler Kamil, Chairman and CEO,
- Houst Michal, Member,
- Fokas Spiridon, Member,

Certify and declare, as far as we know, that:

a) The financial statements for Hellenic Lotteries S.A. for the financial year from 1st of January 2015 to 31st of December 2015 which were prepared in accordance with the IFRS, truthfully represent the Issuer's assets, liabilities, equity and income.

b) The Board of Directors' report reflects the Company's true evolution, performance and position as well as the undertakings included in the consolidation taken as a whole, including the description of the principal risks and uncertainties that arose.

Peristeri, 24 March 2016

Chairman of the BoD & CEO	Chief Financial Officer & Member of the BOD	A Member of the BoD
Kamil Ziegler	**Michal Houst**	**Spyridon Fokas**

B. *Board of Directors' Report*

Under the provisions of Law 2190/1920, Article 136 and the Company's Articles of Association, we submit for the financial year from 01.01.2015 until 31.12.2015 the Annual Report of the Board, which includes the audited corporate financial statements, notes pertaining to the financial statements and the statutory auditors' audit report. The present report includes information pertaining to the Company Hellenic Lotteries - S.A. for the production, operation, distribution, promotion and overall management of all state lotteries (under the name "Hellenic Lotteries S.A."), including financial information aimed at providing general information to shareholders and investors about the financial position and results, the overall progress and changes made during the financial year closing (01.01.2015 - 31.12.2015), significant events that occurred and their impact on the financial statements for that period. A description of principal risks and uncertainties that the Company is expected to face in the future as well as the most important transactions which occurred between the issuer and related parties are also mentioned.

1. GENERAL INFORMATION

Hellenic Lotteries S.A. (the "Company") was established on 15.06.2013 and is based in Peristeri Kifisou Avenue 62. Its purpose of business is the production, operation, distribution, promotion and overall management of all state lotteries (Popular – National – European - Instant State Lottery – SCRATCH - State Housing Lottery - Special Social National Lottery - New Year's Eve lottery, as well as any other future State Lottery), under the terms and conditions of the Concession Agreement of 30.07.2013 with the Hellenic Republic Asset Development Fund, the general Greek legal and regulatory framework as well as the more specific regulations of Hellenic Lotteries.

Number and nominal value of shares.

The share capital on 31.12.2015 amounts to € 31,000 th., divided into 3,100,000 ordinary registered shares worth € 10 each. The shareholder structure involves OPAP INVESTMENT LIMITED with 67%, INTRALOT LOTTERIES LIMITED with 16.50% and SCIENTIFIC GAMES GLOBAL GAMING S.á.r.l. with 16.50%.

The share capital of the Company was as follows:

1. With the establishment of the Company the share capital was set at € 20,000 th., divided into 2,000,000 ordinary shares of nominal value € 10.00 each and paid in cash by the founders.

2. The Extraordinary General Meeting held on 26.08.2013 decided on the increase of the share capital by the amount of € 1,000 th. with the issue of 100,000 common shares with a nominal value of € 10.00 each.

3. The one and only share that LOTTOMATICA GIOCHI E PARTECIPAZIONI S.r.l., held, was transferred to OPAP INVESTMENT LIMITED on 26.9.2013. LOTTOMATICA GIOCHI E PARTECIPAZIONI S.r.l. was involved in the joint venture with the companies OPAP INVESTMENT LIMITED, INTRALOT LOTTERIES LIMITED and SCIENTIFIC GAMES GLOBAL GAMING S.a.r.l. concerning the licensing of operation and management of State Lotteries.

4. The Extraordinary General Meeting held on 17.10.2013 decided a share capital increase by € 10,000 th. with the issue of 1,000,000 ordinary shares with a nominal value of € 10.00 each.

5. The Unsolicited Extraordinary General Meeting held on 14.04.2015 decided first a share capital increase by €65,007 th. via capitalization part of share premium account without issuance of new shares and simultaneous increase of each share's nominal value by €20.97 ,

i.e from € 10.00 to € 30.97 each and secondly reduced by € 65,007 th. via decrease of each share's nominal value by € 20.97, i.e from €30.97 to € 10.00 each with return of the respective amount to the shareholders of the Company.

Other Information

Legal Form: Société Anonyme

General Electronic Commercial Registry No: 125891401000

Athens Chamber of Commerce and Industry

VAT No.: 800500383

Auditors: KPMG Certified Auditors A.E. AM SOEL 114, Nikolaos Vouniseas Certified Auditor Accountant AM SOEL 18701.

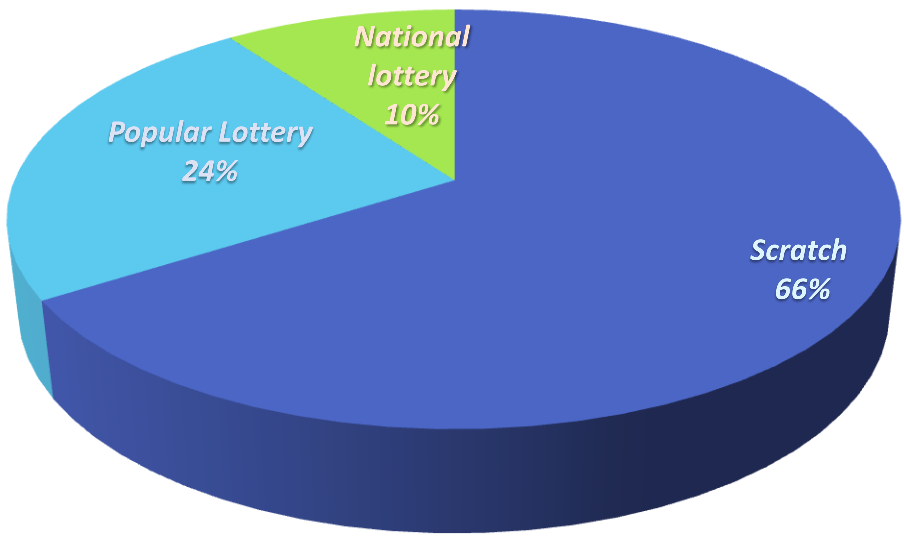
2. FINANCIAL PROGRESS AND PERFORMANCES OF FINANCIAL YEAR 2015

For the fiscal year 2015 economic figures are as follows:

Amounts in thousands of euro	2015	2014
Amounts wagered	**436,532**	**392,940**
Revenue (GGR)	**157,890**	**140,013**
EBITDA	28,756	27,010
(Loss)/Profit before Tax	(4,013)	15,327
(Loss)/Profit after Tax	**(2,481)**	**11,259**
Payout to the lottery winners-cost of services	(278,642)	(252,927)
30% contribution on GGR	**(47,709)**	**(42,004)**
Amortization/depreciation/impairment	(31,165)	(10,613)
Net increase in cash and cash equivalents	**(37,521)**	**57,907**
Cash flows from operating activities	13,802	55,883
Cash flows used in investing activities	(4,812)	(189,977)
Cash flows used in financing activities	(46,511)	192,001

Amounts in thousands of euro	31.12.2015	31.12.2014
Net (loss)/profit attributable to the shareholders (in euro)	(2,481)	11,259
Weighted average number of ordinary shares	3,100	3,100
Basic (loss)/earnings per share (in €)	**(0.8002)**	**3.6321**

The contribution of each game in total amounts wagered is shown in the graph below.



3. SIGNIFICANT EVENTS DURING FINANCIAL YEAR 2015 AND THEIR EFFECT ON THE FINANCIAL STATEMENTS

1. Distribution of dividend

During the 1st Shareholders General Meeting which took place on 22.04.2015, a dividend distribution was approved which amounted to € 3.48 per share (excluding tax withheld). The total gross amount distributed amounted to €10,788 th..

2. Capital controls impact

On 29.06.2015 the Greek Government imposed capital controls affecting Company's activities and performance on third quarter 2015 (Q3). The actions taken were required to offset the negative effect of the imposed capital controls and successfully reversed the Company's performance as from October 2015 onwards (Q4).

3. Launch of Frenzy Games

In October 2015, two new games were introduced in the Greek lottery market, forming a new family of products («Frenzy»). «Next to get 50» and «Next to get 100», aimed to broaden the Scratch portfolio and to respond to certain player groups that were looking for games with better odds in mid-tier prizes.

4. Share Capital return

During the Shareholders Extraordinary General Meeting which took place on Tuesday, 14.04.2015, a Share Capital Increase was approved which amounted to € 65,007 th. through capitalizing part of share premium without issuing new shares. This amount was subsequently returned to the shareholders by a Share Capital Decrease of an equal amount.

5. Launch of «Christmas Popular Lottery»

The product portfolio of Popular Lottery has been broadened via a special draw with festive character which is diversified both in prizes and price. The purpose of the so called «Christmas Popular Lottery» is to allow even more players to experience Popular Lottery. The first special draw took place on 26 December 2015.

6. New payout system at Popular Lottery

Popular Lottery has furtherly innovated by introducing a new payout system since September 2015 in order to increase the number of winners of the fixed payout category. The latter went up from 10,809 to 18,478 winners.

7. Bond Loan Renewal

On 07.04.2015 the Company entered into an Agreement with Alpha Bank for the renewal of a Revolving Bond Loan, originally signed on 30.04.2014 for a maximum nominal amount of € 30,000 th. for a period of one year.

4. DESCRIPTION OF MAIN RISKS AND UNCERTAINTIES

Risk from the impact of adverse financial circumstances on the Greek economy

The macroeconomic and financial environment in Greece remains volatile during 2016 due to developments and discussions at national and international level on the review of the terms of Greece's funding program. On 29.06.2015 the Greek Government imposed capital controls and declared bank holiday that lasted until 19.07.2015, facts that have significantly affected consumer behavior and spending capacity.

Taking into account the nature of the activities of the Company and its financial situation, any further negative development in the Greek economy is expected to affect the normal operation. Nevertheless, Management continually assesses the situation and its possible consequences, to ensure that all necessary and possible measures and actions are taken to minimize any impact on the Company's activities.

Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Company or the value of financial instruments held. The management of market risk consists in the effort of the Company to control its exposure to acceptable limits.

The following describe in more detail the specific risks that make the market risk and their management policies by the Company:

- **Exchange risk**

Given that the Company a) has no assets or liabilities dominated in foreign currency b) has not entered into any agreements with suppliers in other currencies than Euro, there is no such exchange risk.

- **Capital Management**

The primary objective of the Company relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Company manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The

Company in order to maintain or adjust the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

Credit risk

Sales take place via an extended network of agents. The average time of accumulating receivables is ranging from twenty (20) to forty-five (45) days, depending on product and distribution channel.

The basic credit risk of the Company, which is not considered important, comes from bad debts from company's networks, with the appropriate provisions being made. At the same time an efficient credit risk policy is in place maintaining credit exposure at manageable levels.

Potential credit risk may occur from Company's cash and cash equivalents in the case a financial institution fails to meet its obligations. To minimize such risk the Company has placed limits which constitute the maximum amounts placed in any financial institution.

Liquidity risk

The Company's games have a secured theoretical payout percentage, calculated on the revenues and a payout limit, thus securing sufficiency of cash and cash equivalents and preserving the liquidity risk at low levels.

Cash flows risk and fair value change risk due to interest changes

The Company is exposed to interest rate risk principally in relation to outstanding debt and financial assets. The only existing debt facilities as of 31.12.2015 was the Company's Bond Loan. The Company generally does not undertake any specific actions to hedge exposure to interest rate risk and at 31.12.2015 was not a party to any such transactions.

The only credit line at 31.12.2015 was the Revolving Bond Loan.

Security risk

Reliability and transparency in relation to the operation of the games is ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover the data processing system, software applications, the integrity and availability of data and the operation of the network.

Tax charges

Tax measures implemented as per L. 4093/2012 from 01.01.2013 by way of implementing a 30% contribution on net revenue before tax, adversely affected both cash flows and the financial position of the Company.

Given the current fiscal position of the Greek State, additional fiscal measures may be taken, which could have a material adverse effect on the Company's financial condition.

5. SIGNIFICANT TRANSACTIONS OF THE COMPANY WITH RELATED PARTIES

Significant transactions with related parties as defined by IAS 24 are presented below:

Company's transactions with related parties

	Expenses	Income	Fixed Assets Purchase	Payables	Receivables
	(Amounts in thousands of euro)				
OPAP INVESTMENT LTD	0	0	0	259	0
INTRALOT LOTTERIES LIMITED	0	0	0	36	0
SCIENTIFIC GAMES GLOBAL GAMING S.Á.RL	0	0	0	36	0
OPAP S.A.	6,171	6	0	2,795	10
INTRALOT S.A.	5,484	0	3,972	1,403	0
SCIENTIFIC GAMES INTERNATIONAL INC	119	0	0	11	0
SCIENTIFIC GAMES WORLDWIDE LTD	5,320	0	0	2,031	0
PAYZONE HELLAS A.E.	10	121	0	0	10
OPAP SERVICES S.A.	4	0	0	5	0
Σύνολο	**17,108**	**127**	**3,972**	**6,576**	**20**

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company «TEMETERON LTD» which is in the sales network of Hellenic Lotteries S.A.. For the year 2015, the income which is included in the Statement of Comprehensive Income amounts to € 75 th. and the receivable is € 5 th..

Transaction and balances with Board of Directors members and key management personnel

(Amounts in thousands of euro)		
Category	**Description**	**01.01.15-31.12.15**
BOARD OF DIRECTORS	Salaries	72
Total		**72**

(Amounts in thousands of euro)		
Category	**Description**	**01.01.15-31.12.15**
KEY MANAGEMENT PERSONNEL	Salaries	546
	Other compensations	2
	Cost of social insurance	83
Total		**631**

(Amounts in thousands euro)	
Liabilities from Bod' compensation & remuneration	**31.12.2015**
BoD and key management personnel	25
Total	**25**

6. DIVIDEND POLICY – DISTRIBUTION OF NET PROFIT

Net loss of Hellenic Lotteries S.A. amounted to € 2,481 th. (after the deduction of income tax and deferred tax). No amount is avalaible for disposal.

	2015	2014
Net (loss)/profit	(2,481)	11,259
Statutory Reserves	447	447
Retained earnings	0	25
Profit available for distribution	0	10,788
Dividend per share	0.00	3.48

7. STRATEGY AND PERSPECTIVES FOR 2016

Strategic Overview

1. Continuous focus on profitable growth with full adherence to boundaries imposed by Responsible Gambling.
2. Further upgrade and enrichment of product portfolio in line with market conditions and customer expectations.
3. Maintaining full compliance with the Legal and Regulatory Framework governing the Company's operation.
4. Leveraging on growth potential within the new norms imposed by capital controls through optimal mix of distribution channels, geographical coverage and range of products.

Perspectives

Hellenic Lotteries S.A., as the holder of the exclusive right of production, operation, circulation, promotion and management of State Lotteries, targets its efforts in the solidification and further enhancement of the traditional as well as instant lottery products in the Greek market. In this context, the vision of Hellenic Lotteries S.A. focuses on:

1. Continuous improvement of the Company's operating model targeted towards increase of productivity and high security standards.
2. Enhanced penetration and products availability across the country through state of the art in house developed stock and assortment management tools.
3. Constant renewal/update of its product portfolio tailored to market needs and population segments characteristics.

8. Subsequent Events

On 05.02.2016 HELLENIC LOTTERIES S.A. entered into an agreement with Alpha Bank for the renewal of the Revolving Bond Loan, originally signed on 30.04.2015. The new agreement indicates a maximum nominal amount of € 50,000 th. and covers a period of three years.

This amount absolutely covers the negative working capital that arose at 31.12.2015.

It is noted that on 01.03.2015, € 40,000 th. were disbursed.

C. *Financial Statements (01.01.2015 - 31.12.2015)*

The attached financial statements were approved by the Board of Directors on 24.03.2016 and have also been posted on the Company's website http://www.hellenic-lotteries.gr.

It is noted that the attached published financial information arise from the financial statements which aim to provide the reader with general information concerning the Company's financial status and its results. They do not however, provide a comprehensive view of the Company's financial position, results of financial performance and cash flows in accordance with the International Financial reporting Standards (IFRS).

Attached notes on pages 22 to 58 are an integral part of the financial statement

INDEPENDENT AUDITOR'S REPORT

(Translated from the original in Greek)

To the Shareholders of
HELLENIC LOTTERIES-SOCIETE ANONYME FOR THE PRODUCTION, OPERATION, CIRCULATION, PROMOTION AND MANAGEMENT OF LOTTERIES

Report on the Financial Statements

We have audited the accompanying financial statements of HELLENIC LOTTERIES – SOCIETE ANONYME FOR THE PRODUCTION, OPERATION, CIRCULATION, PROMOTION AND MANAGEMENT OF LOTTERIES (the "Company") which comprise the financial position as of 31 December 2015 and statement of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the 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 company'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 stand-alone and consolidated 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 financial statements give a true and fair view of the financial position of HELLENIC LOTTERIES – SOCIETE ANONYME FOR THE PRODUCTION, OPERATION, CIRCULATION, PROMOTION AND MANAGEMENT OF LOTTERIES as of 31 December 2015 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.

Report on Other Legal and Regulatory Requirements

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37 and 43a of C.L. 2190/1920.

Athens, 31 March 2016

KPMG Certified Auditors A.E.
AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701

1. STATEMENT OF FINANCIAL POSITION

At 31.12.2015 and for the financial year ended that date.

(Amounts in thousands of Euro)

	Notes	31.12.2015	31.12.2014
ASSETS			
Current assets			
Cash and cash equivalents	E3	20,386	57,907
Receivables	E4	34,965	19,257
Other current assets	E5	7,324	4,558
Total current assets		**62,675**	**81,723**
Non - current assets			
Intangible assets	E1	149,255	179,603
Tangible assets (for own use)	E2	4,507	264
Other non - current assets		9	0
Deferred tax assets	E7	9,072	2,334
Total non - current assets		**162,843**	**182,201**
TOTAL ASSETS		**225,518**	**263,924**
EQUITY & LIABILITIES			
Short - term liabilities			
Loans	E8	30,000	1
Trade payables	E9	54,560	45,049
Tax liabilities	E10	11,740	10,841
Other payables	E11	4,897	4,766
Total short - term liabilities		**101,197**	**60,656**
Long - term liabilities			
Employee benefit plans	E12	41	24
Other long-term liabilities		24	1
Total long - term liabilities		**65**	**24**
Equity			
Share capital	E6	31,000	31,000
Share premium	E6	95,278	161,000
Reserves	E6	447	447
Retained earnings	E6	(2,468)	10,797
Total equity		**124,257**	**203,244**
TOTAL EQUITY & LIABILITIES		**225,518**	**263,924**

2. STATEMENT OF COMPREHENSIVE INCOME

At 31.12.2015 and for the financial year ended that date.

(Amounts in thousands of Euro except from earnings per share)

	Notes	01.01.2015-31.12.2015	15.06.2013-31.12.2014
Amounts wagered	D6	436,532	392,940
The Statement of Comprehensive income related to amounts wagered is as follows:			
Revenue (GGR)		**157,890**	**140,013**
GGR contribution	E13	(47,709)	(42,004)
Agents' commission	E14	(42,093)	(38,118)
Net gaming revenue (NGR)		**68,087**	**59,891**
Other operating income	**E15**	**2,399**	**2,951**
Operating expenses			
Payroll expense	E16	(1,870)	(717)
Marketing expense	E17	(14,389)	(12,007)
Other operating expenses	E18	(25,472)	(23,107)
Profit before interest, tax, depreciation and amortization (EBITDA)		**28,756**	**27,010**
Depreciation, amortization and impairment		(31,166)	(10,613)
Results from operating activities		**(2,410)**	**16,397**
Financial income	E19	238	520
Financial expenses	E19	(1,841)	(1,591)
(Loss)/Profit before tax		**(4,013)**	**15,327**
Income tax expense	E20	(5,207)	(6,396)
Deferred tax	E20	6,739	2,329
(Loss)/Profit after tax		**(2,481)**	**11,259**
Other comprehensive income			
Actuarial profit / (loss)	E12	5	(21)
Deferred tax	E20	(2)	6
Other total income/(expense) after tax		**4**	**(16)**
Total (loss)/profit after tax		**(2,477)**	**11,244**
Basic (loss)/earnings (after tax) per share in €	**E21**	**(0.8002)**	**3.6321**

3. STATEMENT OF CHANGES IN EQUITY

At 31.12.2015 and for the financial year ended that date.

(Amounts in thousands of Euro)

	Share capital	Share premium	Reserves	Retained earnings	Total equity
Balance as of 15 June 2013	**0**	**0**		**0**	**0**
Comprehensive total income for the period 15.06.2013-31.12.2014	0	0	0	10,797	**10,797**
Share capital	31,000	0	0	0	**31,000**
Share premium	0	161,000	0	0	**161,000**
Reserves	0	0	447	0	**447**
Balance as of 31 December 2014	**31,000**	**161,000**	**447**	**10,797**	**203,244**
Balance as of 1 January 2015	**31,000**	**161,000**	**447**	**10,797**	**203,244**
Comprehensive total loss for the period 01.01.2015-31.12.2015	0	0	0	(2,477)	**(2,477)**
Share capital Increase	65,007	(65,007)	0	0	**0**
Share capital Decrease	(65,007)	0	0	0	**(65,007)**
Share capital Increase expenses	0	(715)	0	0	**(715)**
Dividends paid	0	0	0	(10,788)	**(10,788)**
Balance as of 31 December 2015	**31,000**	**95,278**	**447**	**(2,468)**	**124,257**

4. Cash Flow Statement

At 31.12.2015 and for the financial year ended that date.

(Amounts in thousands of Euro)

	Notes	31.12.2015	31.12.2014
OPERATING ACTIVITIES			
(Loss)/Profit before tax		(4,013)	15,327
Adjustments for:			
Depreciation & Amortization	E1/E2	16,144	10,613
Financial results	E19	1,602	1,069
Employee benefit plans	E12	22	2
Provisions for bad debts	E4	159	312
Intangible assets impairment	E2	15,021	0
Exchange differences	E19	0	1
Total		**28,936**	**27,324**
Changes in Working capital			
Increase in receivables		(18,696)	(24,127)
Increase in payables (except banks)		9,611	49,807
Increase in taxes payables		1,663	4,462
Total		**21,514**	**57,466**
Interest expenses		(1,785)	(1,582)
Income taxes paid		(5,927)	0
Cash flows from operating activities		**13,802**	**55,883**
INVESTING ACTIVITIES			
Outflow of intangible assets	E1	(582)	(190,173)
Outflow of tangible assets	E2	(4,479)	(307)
Interest received		249	503
Cash flows used in investing activities		**(4,812)**	**(189,977)**
FINANCING ACTIVITIES			
Proceeds from loan	E8	29,999	15,001
Payments of loan installments	E8	0	(15,000)
Payments of loan financing cost		(715)	0
Share capital (decrease)/increase	E6	(65,007)	192,000
Dividends paid	E6	(10,788)	0
Cash flows used in/from financing activities		**(46,511)**	**192,001**
Net (decrease)/increase in cash and cash equivalents		**(37,521)**	**57,907**
Cash and cash equivalents at the beginning of the year	E3	57,907	0
Cash and cash equivalents at the end of the year	**E3**	**20,386**	**57,907**

D. INFORMATION ON THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Hellenic Lotteries – Société Anonyme for the production, operation, circulation, promotion and management of Lotteries, was established on 15.06.2013 and is based in Peristeri, Kifisou Avenue 62. Its purpose of business is the production, operation, distribution, promotion and overall management of all state lotteries, under the terms and conditions of the Concession Agreement of 30.07.2013 with Hellenic Republic Asset Development Fund, the general Greek legal and regulatory framework as well as the more specific regulations of Hellenic Lotteries.

The financial statements for the year ended on 31.12.2015 including the comparatives for the year ended on 31.12.2014 were approved by the Board of Directors on 24.03.2016 and are subject to approval by the General Shareholders Meeting.

2. NATURE OF OPERATIONS - OVERVIEW

Hellenic Lotteries S.A. is a member of OPAP S.A. Group of companies that on 30.07.2013 was granted by tender –through a consortium of companies, a twelve year exclusive right of production, operation, distribution, promotion and overall management of all State Lotteries in Greece.

On 28.02.2014 an amendment of the Concession contract was agreed, in which the Parties expressly agree and accept that the transition period is extended until 30.04.2014. After the expiry of the transitional period, from 01.05.2014 (Effective Date) and throughout the Concession Period, Hellenic Lotteries S.A. undertakes the project to produce, operate, distribute, promote and manage all State Lotteries (except the European Lottery and the State Housing Lottery).

OPAP INVESTMENT LTD (wholly owned subsidiary of OPAP S.A.) which owns 67% of Hellenic Lotteries S.A., headed the Company consortium (OPAP INVESTMENT LTD - INTRALOT LOTTERIES LTD – SCIENTIFIC GAMES GLOBAL GAMING S.á. rl – LOTTOMATICA GIOCHI E PARTECIPAZIONI Srl).

The Company has paid a fee of € 190,000 th.. In addition according to L. 4093/2012, 30% of the Gross Gaming Revenue is attributed to the Greek State (excluding New Year's Eve Lottery). In any case, this amount should not be less than € 30,000 th.. for the first year and

€ 50,000 th. for each of the following eleven (11) years (a total of € 580,000 th. throughout the duration of the contract).

Laiko (Popular), Ethniko (National), Protochroniatiko (New Year's Eve) lotteries, as well as Instant State Lottery – SCRATCH are the operative products of the Company's portfolio.

Commercial Network

Hellenic Lotteries S.A. operates through a wide sales network of more than 10,400 points of sale in Greece. This network consists mainly of the existing sales network of OPAP S.A, wholesalers, street vendors, retail chains and selected Kiosks and Mini Markets, fully aligned with the corporate strategy of product availability and geographical coverage.

3. BASIS OF PREPARATION

The financial statements for Hellenic Lotteries S.A. (the 'Company' or 'Hellenic Lotteries'), have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB).

Hellenic Lotteries S.A.'s financial statements as of 31.12.2015 which cover the period from 01.01.2015 to 31.12.2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost and going concern conventions.

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires that the Company's Management exercise its judgment in the process of applying the appropriate accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in 3.4.

These financial statements are presented in Euro. All amounts have been rounded to the nearest thousand, unless otherwise explicitly indicated. Any differences between the amounts presented in the financial statements and the corresponding amounts in the notes are due to rounding.

3.1. Changes in accounting policies

The principal accounting policies applied in preparing the financial statements for the year ended at 31.12.2015, are identical with those used in preparing the financial statements for the year ended at 31.12.2014 and described therein.

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

3.2. Change in the presentation of the financial statements

According to IAS 1 "Presentation of Financial Statements", Management is required to select the most relevant and reliable presentation of expenses. The relevant choice depends on the nature of the entity and the industry in which it operates.

The expenses in the Statement of Comprehensive Income of the first extended financial year of the Company, i.e. from 15.06.2013 to 31.12.2014, have been classified according to their function. However, Management believes that the classification of expenses by nature provides more reliable and relevant information for the users of financial statements. The revised structure is likely to continue, so that comparability is not impaired.

Comparative information has respectively been reclassified.

3.3. New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. There was no effect in the financial results of the Company under these new standards, amendments to standards and interpretations that are listed below.

Standards and Interpretations effective for the current financial period

Amendment to International Accounting Standard 19 “Employee Benefits”: Defined benefit Plans: Employee Contributions

This amendment of IAS 19 refers to the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee’s salary, a fixed amount throughout the service period or dependent on the employee’s age. In accordance with this amendment, the entity is permitted to recognize such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognised) or to continue to attribute them to periods of service. The adoption of the above amendment had no impact to the financial statements of the Company.

Improvements to International Accounting Standards: cycle 2010-2012 and cycle 2011-2013

As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non- urgent but necessary amendments to various standards. The adoption of the above amendments had no impact to the financial statements of the Company.

The European Union has adopted the following amendments to standards which are effective for annual periods beginning after 1.1.2015 and have not been early adopted by the Company.

Amendment to International Financial Reporting Standard 11 "Joint Arrangements": Accounting for acquisition of interests in joint operations *(Effective for annual periods beginning on or after 1.1.2016)*

This amendment clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11.The above amendment does not apply to the financial statements of the Company.

Amendment to International Accounting Standard 1 "Presentation of Financial Statements": Disclosure Initiative (Effective for annual periods beginning on or after 1.1.2016)

This amendment to IAS 1 has been issued in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The Company is examining the impact from the adoption of the above amendment to its financial statements.

Amendment to International Accounting Standard 16 "Property, Plant and Equipment" and to International Accounting Standard 38 "Intangible Assets": Clarification of Acceptable Methods of Depreciation and Amortization *(Effective for annual periods beginning on or after 1.1.2016)*

These amendments to IAS 16 and IAS 38, expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively.

The Company is examining the impact from the adoption of the above amendment to its financial statements.

***Amendment to International Accounting Standard 16 "Property, Plant and Equipment" and to International Accounting Standard 41 "Agriculture": Bearer Plants** (Effective for annual periods beginning on or after 1.1.2016)*

The International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants should be accounting in accordance with IAS 16 instead of IAS 41. The above amendment does not apply to the activities of the Company.

Amendment to International Accounting Standard 27 "Separate Financial Statements": Equity Method in Separate Financial Statements (Effective for annual periods beginning on or after 1.1.2016)

The International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. The Company is examining the impact from the adoption of the above amendment to its financial statements.

Improvements to International Accounting Standards – cycle 2012-2014 (Effective for annual periods beginning on or after 1.1.2016)

As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards. The Company is evaluating the impact from the adoption of the above amendments on its financial statements.

Standards, amendments to standards and interpretations which have not yet been adopted by the European Union and they have not been early applied by the Company.

International Financial Reporting Standard 9 "Financial Instruments" (**Effective for annual **periods beginning on or after 1.1.2018)

The International Accounting Standards Board completed the issuance of the final text of IFRS 9:

Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. The Company is evaluating the impact from the adoption of the above standard on its financial statements.

International Financial Reporting Standard 15 "Revenue from Contracts with Customers" (Effective for annual periods beginning on or after 1.1.2018)

The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned. The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.
According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.
The Company is evaluating the impact from the adoption of the above standard on its financial statements.

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements", to International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Investment Entities: Applying the Consolidation Exception *(Effective for annual periods beginning on or after 1.1.2016)*

The International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss. The above amendment does not apply to the financial statements of the Company.

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Sale or contribution of assets between an investor and its associate or joint venture

The International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investors interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. The above amendment does not apply to the financial statements of the Company.

International Financial Reporting Standard 14 "Regulatory deferral accounts" *(Effective for annual periods beginning on or after 1.1.2016)*

The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognized regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate-regulated entities would recognize as expense.
The above standard does not apply to the financial statements of the Company.

International Financial Reporting Standard 16 "Leases" (Effective for annual periods beginning on or after 1.1.2019)

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors.
The above standard does not apply to the financial statements of the Company.

Amendment to International Accounting Standard 7 "Statement of Cash Flows": Disclosure Initiative (Effective for annual periods beginning on or after 1.1.2017)

Based on the amendment to IAS 7, an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities.
The Company is examining the impact from the adoption of the above amendment on its financial statements.

Amendment to International Accounting Standard 12 "Income Taxes" (Effective for annual periods beginning on or after 1.1.2017)

Recognition of Deferred Tax Assets for Unrealised Losses. The Company is examining the impact from the adoption of the above amendment on its financial statements.

3.4. Judgements

The preparation of the Financial Statements in accordance with the IFRSs requires that the Company's management carry out judgments that affect the reported amounts.

The most significant judgments concern the following:

3.4.1. Recoverability of accounts receivable

The Company's Management annually examines the recoverability of the amounts included in accounts receivable, in combination with external information (such as creditability databases, lawyers estimations, etc) in order to estimate the recoverability of accounts receivable.

3.4.2. The classification of leases as operating or finance leases:

Management considers, irrespective of the lease's legal contract, whether it substantially transfers all of the risks and benefits associated with the leased asset.

3.5. Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A «critical accounting estimate» is one which is both important to the portrayal of the Company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The Company evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also at note 4, "Summary of Significant Accounting Policies", are mentioned accounting policies that we have selected from acceptable alternatives.

3.5.1. Employee benefit plans

See note 4.13.

3.5.2. Income Taxes

See note 4.10.

3.5.3. Provisions

See note 4.11

3.5.4. Contingent assets and liabilities

See note 4.11

3.5.5. Useful life of depreciable assets

See note 4.2., 4.3., 4.4..

3.5.6. Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments where prices from an active market are not available. Details of the assumptions used are detailed in the notes relating to financial instruments. For the purposes of valuation techniques, Management uses the best available estimates and assumptions that as far as is possible, are consistent with existing information which participants would use to evaluate a financial instrument. Where information is not available, Management uses the best estimate for the assumptions to be used. These estimates may differ from the actual values at the closing date of the financial statements.

3.6. Seasonality

Under the International Financial Reporting Standards, the Company's operations are not affected by seasonality or cyclical factors.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The principal significant accounting policies which are used for preparing the financial statements are summarized below. It should be noted that accounting estimates and assumptions are used in the preparation of financial statements. Although these estimates are based on Management's best knowledge of current events, actual results may differ from those estimates.

4.1. Recognition of income and revenues

Revenue is recognized when it is probable that future economic benefits will flow to the Company and that the amount can be reliably measured. Revenues are measured at the fair value of the consideration received and are shown net of Value Added Tax, rebates and discounts. Revenue is considered to be reliably measured when all contingencies related to the sale have been resolved.

Amounts wagered: Includes the gross receipts from the conduct of games. Revenues from Lotteries and instant lottery Scratch are recognized when being removed for the central warehouse after being delivered to the wholesalers. Revenues regarding draws after the reporting period are deferred and are recognized at the period when the draw will take place.

Revenue (GGR): The Company's revenue is recorded according to I.A.S. 18 «Revenue» and Includes the gross receipts from Lotteries minus winners' payout that are accounted for when the draws take place. A monthly provision is recognized so as to settle winners' payout, to the level stated in the Concession Contract and the Specifications of each Lottery.

Other operating income: Mainly includes New Year's Eve Lottery which is issued once a year and the draw is held on New Year's Eve. Net Revenues from this Lottery are attributed to the Greek State.

Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on gross sales. The fee includes all Company costs related to the operations of New Year's Eve Lottery. This commission is recognized once a year, during December.

Interest income: Interest income is recognized on a time proportion basis using the effective interest method. When a receivable is impaired, the carrying value is reduced to its recoverable amount, which is the present value of expected future cash flows discounted at the original effective interest rate. Subsequently, the same interest rate on the impaired (new book) value is accounted.

Expenses: Expenses are recognized at Statement of Comprehensive Income on an accrual basis.

Interest expense: Interest expense is recognized at Statement of Comprehensive Income on an accrual basis.

4.2. Tangible Assets

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. Acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequently they are valued at undepreciated cost less any impairment.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Company and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Plant and Machinery	5-9 years
Vehicle and Equipment	3-5 years

Assets up to a value of € 1.5 are amortized during the year.

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the Statement of Comprehensive Income.

4.3. Intangible assets

Intangible assets include software and concession rights.

Software: Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Concession Rights: The exclusive rights are recognized initially at market cost or estimate and subsequently at amortized cost decreased with any impairment. The 12-year concession granted by the Hellenic Republic to the Company to operate by any appropriate means provided for by the current technology, lottery games has been stated at cost, and will be depreciated during the 12 year period.

4.4. Impairment of assets

The Group's goodwill and assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable, any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the Company when the book value of these assets (cash generating unit - CGU) is greater than its recoverable amount. Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the Company from the use of the asset and from its disposal at the end of its estimated useful life.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

4.5. The Company as a lessee

The ownership of a leased asset is transferred to the lessee in case all the risks and rewards of ownership of the leased assets have been transferred to the lessee irrespective of the legal type of the agreement. At the commencement of the lease term, lessees shall recognize finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. A respective amount is recognized as liability regardless of whether some leases have been prepaid at the beginning of the leasing.

Subsequent accounting treatment of assets acquired through finance leases, i.e. depreciation method and useful life, is the same as the one used for assets acquired outside of finance lease contracts. The accounting treatment of the respective liability is its gradual reduction according to the minimum lease payments minus finance charges which are recognized as expense at financial expenses. The finance charges are allocated through the lease period and represent a standard interest rate over the remaining liability balance.

Payments made under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

4.6. Other non-current assets

Non-current assets are recorded at their historical cost, without any present value discount from the date of their anticipated maturity or realization.

4.7. Financial Assets

Financial assets include cash and financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets, other than hedging instruments, can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by Management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Regular purchase or sale of financial assets is recognized on their settlement date. All financial assets that are not classified as at fair value through profit or loss are initially recognized at fair value, plus transaction costs.

The Company determines whether a contract contains an embedded derivative in its agreement. The embedded derivative is separated from the host contract and accounted for as a derivative when the analysis shows that the economic characteristics and risks of the derivative are not closely related to the host contract.

De-recognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Company assesses at each balance sheet date whether a financial asset or Group of financial assets is impaired.

4.7.1. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in Statement of Comprehensive Income when the loans and receivables are derecognized or impaired, as well as through the amortization process. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Trade receivables are provided against when objective evidence is received that the Company will not be able to collect all amounts due, in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset’s carrying amount and the present value of estimated future cash flows.

Loans and receivables are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current assets.

4.7.2. Fair value

The fair values of financial assets that are traded in active markets are defined by their current demand prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market, which have been classified in the category financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.

4.8. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less.

4.9. Equity

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Additional paid-in capital includes any premiums received on the initial issuance of share capital. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Where any group Company purchases the Company's equity share capital (treasury shares), the consideration paid, with all the related expenses included, is deducted from equity attributable to the Company's equity holders. No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issue or cancellation of the Group's own share capital.

4.10. Income tax and deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the Statement of Comprehensive Income of the period, except for the tax relating to transactions that have been booked directly to equity. In such case the related tax is, accordingly, booked directly to equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the Statement of Comprehensive Income.

Deferred income taxes are calculated using the liability method on temporary differences.

This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a part of tax expense in the Statement of Comprehensive Income. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity.

Deferred tax asset 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 the benefit of part or that entire deferred tax asset to be utilised.

The Company recognises previously unrecognised deferred tax asset at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

4.11. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing of the outflow may still be uncertain. Provisions are not recognised for future operating losses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement should not exceed the amount of the provision. The expense relating to a provision is presented in the Statement of Comprehensive Income, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of the provision is increased in each period to reflect the passage of time. This increase is recognised as borrowing cost in the Statement of Comprehensive Income.

All provisions are reviewed at each Statement of Financial Position sheet date and adjusted to reflect the current best estimate. If it is no longer probable or the probability that an outflow of resources embodying economic benefits will be required to settle the obligation is removed, the provision is reversed.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

4.12. Financial liabilities

The Company's financial liabilities include loans and overdrafts, trade and other payables and lease obligations. They are included in the financial statements under the headings: «Long-term liabilities», «Short-Term Liabilities» «Long-term liabilities payable next year» and «Trade and other payables».

Financial liabilities are recognised when the Company becomes a party to the contractual agreement of the instrument and derecognised when the obligation under the liability is discharged or cancelled or expires. All interest related charges are recognised as an expense in «Finance cost» in the Statement of Comprehensive Income.

Finance lease liabilities are measured at initial value less the capital element of lease repayments.

Trade payables and other liabilities are recognised initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Gains and losses through the amortization process as well as when the liabilities are derecognized, are recognized in the Statement of Comprehensive Income.

Where an existing financial liability is exchanged by another or the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as an extinguishment of the original liability and recognition of a new liability. Any difference in the respective carrying amount is recognised in the Statement of Comprehensive Income.

4.12.1. Bank loans

Loans are recorded as liabilities at the date funds are received net of direct loan issuance expenses. Direct loan issuance expenses are included in the results of operations. They are measured at amortized cost. The difference between the funds disbursed (net of direct issue costs) and the total borrowed amount, is recognized in instalments during the loan using the effective interest method. Interest expenses are recognized when paid and at the Statement of Financial Position date, to the extent that these expenses are accrued and unpaid. Loans are classified as long-term if they mature in more than one year and short-term if they mature in one year or less.

4.13. Retirement benefit costs

The Company has not formally activated a special benefit plan for employees, by which is bound for benefits in the case that all employees are made redundant. The Company has a contractual obligation under applicable law, according to Law 2112/20 and Law 3026/54, amended with Law 4093/2012, to provide a lump sum at the time of retirement.

5. *Dividend Distribution*

Dividend distribution to the shareholders of the Company is recognized as a liability named “Payables”, at the date at which the distribution is approved of by the Shareholders’ General Meeting.

6. Operating Segments

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), which is subject to risks and rewards that are different from those of other segments. Management recognizes business segment as primary and reports separately revenues and results from each game. The reports concerning results per game are the basis for Management's decisions, mainly the Chairman and CEO of Hellenic Lotteries S.A.

As stated at section D, note 3.2., the presentation of the Financial Statements and specifically the Statement of Comprehensive Income, has been revised. Respectively, for comparability purposes, operational segments presentation has also been revised.

Additionally, it should be noted that instant lottery as well as passive lottery has been encumbered with € 9,456 and € 5,565 respectively due to impairment of the twelfth year concession licence.

01.01.2015-31.12.2015	SCRATCH	LOTTERY	UNALLOCATED	TOTAL
Revenue (GGR)	**99,394**	**58,496**		**157,890**
GGR contribution	(30,034)	(17,676)		(47,709)
Agents' commission	(23,164)	(17,539)	(1,390)	(42,093)
Net gaming revenue (NGR)	**46,196**	**23,281**	**(1,390)**	**68,087**
Other operating income			**2,399**	**2,399**
Operating expenses	**(26,211)**	**(15,426)**	**(94)**	**(41,731)**
Depreciation,amortization and impairment	(19,619)	(11,547)	-	(31,166)
Results from operating activities (EBIT)	**365**	**(3,691)**	**915**	**(2,410)**

15.06.2013-31.12.2014	SCRATCH	LOTTERY	UNALLOCATED	TOTAL
Revenue (GGR)	**94,837**	**45,176**		**140,013**
GGR contribution	(28,451)	(13,553)		(42,004)
Agents' commission	(22,727)	(13,575)	(1,816)	(38,118)
Net gaming revenue (NGR)	**43,659**	**18,047**	**(1,816)**	**59,891**
Other operating income	**0**	**0**	**2,951**	**2,951**
Operating expenses	**(23,898)**	**(11,384)**	**(550)**	**(35,832)**
Depreciation and amortization	(7,189)	(3,424)	-	(10,613)
Results from operating activities (EBIT)	**12,573**	**3,239**	**585**	**16,397**

E. Notes on the Financial Statements

1. Intangible Assets

Intangible assets refer to Software and Concession Rights and analyzed as follows:

	Software	Concession Rights	Total
For the extended financial year ended on 31.12.2014			
Additions	173	190,000	**190,173**
Amortization charge	(14)	(10,556)	**(10,570)**
Net Book Amount (31 December 2014)	**159**	**179,444**	**179,603**
For the financial year ended on 31.12.2015			
Opening net book amount (1 January 2015)	**159**	**179,444**	**179,603**
Additions	615	0	**615**
Disposals	(33)	0	**(33)**
Depreciation charge	(76)	(15,833)	**(15,910)**
Depreciation disposal	1	0	**1**
impairment	0	(15,021)	**(15,021)**
Net Book Amount (31 December 2015)	**665**	**148,590**	**149,255**

Intangible assets include the twelve year right to produce, operate, distribute, promote and manage all State Lotteries for € 190,000 as well as the software supply and license for € 775.

The amount recovered through the use of the concession license was decided by discounting future free cash flows arising from the continuous use of it.

The discount rate used is the Weighted Average Cost of Capital which is the average cost of capital for the projects and activities of the Company. The approach of using Weighted Average Cost of Capital is based on the fact that the plans of the Company is simultaneously funded by loans and equity. Regardless of the taxes, the cost of the loan corresponds to the interest rate. However, given for granted the taxes paid by the Company, the cost of debt is attributable to the after tax cost of debt. The capital cost is the opportunity cost of the capital investment in a particular company rather than in others with the same risk, for which the creditors and shareholders expect to be compensated. The Weighted Average

Cost of Capital is the discount rate that converts the expected future cash flows to present value and is equal to 12%.

In the model of the discounted cash flows are included the free cash flows of the twelve year license of State Lotteries. The growth rate of flows is on average at 2%.

Budgeted earnings before tax, depreciation and amortization are based on expected future benefits taking into account empirical characteristics adapted to the expected growth rate. For budgeted earnings before interest, taxes, depreciation and amortization is calculated an average increase of 6% by 2017 and of 3% by 2025.

The amount resulted for impairment is equal to € 15,021. The net book value before impairment amounted at 31.12.2015 to € 164, while at 31.12.2014 to € 179.

The allocation of expense per business segment is included in the relevant section (D6).

2. PROPERTY, PLANT AND EQUIPMENT

	Plant & Machinery	Vehicles & Equipment	Total
For the extended financial year ended on 31.12.2014			
Additions	52	255	**307**
Depreciation charge	(3)	(41)	(43)
Net Book Amount (31 December 2014)	**50**	**214**	**264**
For the financial year ended on 31.12.2015			
Opening net book amount (1 January 2015)	**50**	**214**	**264**
Acquisition cost	0	4,479	**4,479**
Accumulated depreciation	(8)	(227)	**(235)**
Net Book Amount (31 December 2015)	**42**	**4,466**	**4,507**

The Company acquired at the end of the year software of amount €4,885, of which €4,281 relate to mechanical equipment. The remaining amount relates to software. (See note 1)

All tangible assets are unencumbered.

3. Cash and Cash Equivalents

Cash and cash equivalents analyzed as follows:

	31.12.2015	31.12.2014
Cash in hand	819	232
Cash at bank	18,468	7,575
Short term Bank deposits	1,100	50,100
Total	**20,386**	**57,907**

The average interest rate earned on bank deposits for the extended financial year was 1.11% in 2015. The average duration of short-term deposits was 2 calendar days.

Short-term bank deposits and time deposits are subject to restrictions of cash withdrawal and working capital transfers, as established with the Act of legislative content 65/28.06.2015 and applied in accordance with the relevant ministerial decisions.

4. Receivables

The analysis of trade receivables is as follows:

	31.12.2015	31.12.2014
Receivables from sales' network (Lottery revenues)	35,222	19,569
Doubtful receivables from agents	214	0
Subtotal short term trade receivables	**35,436**	**19,569**
Less provisions for bad and doubtful debts	(471)	(312)
Total short term trade receivables	***34,965***	***19,257***

Expected collection of sales network receivables is ranging from twenty (20) days to forty-five (45) at the latest, according to the collection policy applied to each distribution channel (wholesalers, OPAP S.A. network, mini-markets etc.). The respective collection period in 2014 was ranging from ten (10) days to (45) days.

Uncollected debts on 31.12.2015 are classified according to maturity. The figure considered doubtful and for which extra € 159 have been provided for, amounts to € 471.

The expected collection and maturity of all receivables does not exceed a three (3) month period.

5. OTHER CURRENT ASSETS

Analysis of other receivables is as follows:

	31.12.2015	31.12.2014
Other receivable - revenue receivable	15	156
Prepaid expenses	924	785
Receivables from taxes	6,384	3,617
Total	**7,324**	**4,558**

Prepaid expenses include deferred sales commissions, letters of guarantee commissions and sponsorship expenses.

Receivables from taxes have arisen due to the 30% contribution on GGR, which is paid in the reporting period but it refers to the next.

6. EQUITY

6.1 Share capital

Share capital amounts to € 31,000, divided into 3,100,000 ordinary registered shares worth € 10 each. The shareholder structure involves OPAP INVESTMENT LIMITED with 67%, INTRALOT LOTTERIES LIMITED with 16.50% and SCIENTIFIC GAMES GLOBAL GAMING S.á.rl with 16.50%. All shares are of equal value concerning the dividend distribution and capital return and represent one vote at the General Meeting of the shareholders of Hellenic Lotteries S.A..The Extraordinary General Meeting on 26.08.2013 decided to increase the share capital by the amount of € 1,000, resulting at a share premium of € 19,000 and on 17.10.2013, decided to increase the share capital by an amount of € 10,000, resulting in a share premium of € 142,000. Finally, the Unsolicited Extraordinary General Meeting held on 14.04.2015 decided first a share capital increase by €65,007 via capitalization part of share premium account without issuance of new shares and simultaneous increase of each share's nominal value and secondly reduced by € 65,007 via decrease of each share's nominal value with return of the respective amount to the shareholders of the Company.

6.2 Reserves

The reserves consist of the mandatory amounts deducted from previous years' earnings for the formation of the statutory reserves.

The statutory reserves amount to at least 5% of annual net profits that are added every year. The obligation seizes when at least the level of 1/3 of paid up share capital is reached. This reserve fund is used exclusively to equalize, before any dividend distribution, any debit balance of profit and loss account. The statutory reserve at 31.12.2015 and 31.12.2014 amounted to € 447.

6.3 Dividend

The first Ordinary General Assembly of Hellenic Lotteries S.A. Shareholders that took place on 22.04.2015 at the Company's offices, unanimously decided and approved the payment of dividend to the shareholders of the company, of amount € 3.48 per share, before deduction of respective taxes, namely a total amount of € 10,788.

7. DEFERRED TAX ASSETS

The analysis of deferred tax assets is the following:

	31.12.2015	31.12.2014
Value adjustment of property, plant and equipment	32	5
Intangible assets recognition	4,693	330
Deferred expenses	(1,851)	(940)
Compensation for staff	12	6
Accrued liabilities	6,187	2,933
Total	**9,072**	**2,334**

Deferred expenses refer to deferred tax liabilities occurring from 30% contribution on GGR of the period after the reporting date.

Accrued liabilities refer to the provision of amounts covering the specified minimum payout. Deferred tax assets and liabilities are offset when there is the legal right to offset current tax assets with current tax liabilities and these assets and liabilities concern the same tax authorities. Deferred tax asset on tax losses is recognized as long as future tax benefits via future tax profits are probable.
The income tax rate to which the Company is subject for 2015 is equal to 29% increased by 3 percentage units from 2014.

8. LOANS

	31.12.2015	31.12.2014
Bond loan payable next year	30,000	1
Short term portion of bond loan	30,000	1
Total of bond loan	**30,000**	**1**

On 07.04.2015 the Company entered into an Agreement with Alpha Bank for the renewal of a Revolving Bond Loan. The agreement indicates a maximum nominal amount of € 30,000 for a period of one year .The balance at 31.12.2015 amounted to €30,000.

9. TRADE PAYABLES

Analysis of suppliers' balances and other payables is as follows:

	31.12.2015	31.12.2014
Suppliers (services, assets, etc.)	8,742	8,309
Payout to the winners and retained earnings	40,576	30,939
Other payables (salaries – subsidies)	5,243	5,800
Total trade payables	**54,560**	**45,049**

10. TAX LIABILITIES

Tax liabilities are analyzed below:

	31.12.2015	31.12.2014
Income tax liabilities	5,563	6,326
Tax on the net revenues	5,498	2,967
Other taxes (withholding, VAT)	678	1,548
Total	**11,740**	**10,841**

10.1. As per L. 4093/2012, a 30% contribution is imposed on the Company's net revenue (revenue minus players' winnings as calculated per greek GAAP) with an effective date from 01.01.2013. Total contribution expense on GGR that encumbers fiscal year 2015 amounted to € 47,709 and the liability at 31.12.2015 to €5,498. The respective expense for the extended fiscal year 2014 was €42,004, whereas the liability at 31.12.2014 € 2,967.

10.2. Other taxes (withholding, VAT) mainly include the pay-out difference from Laiko Lottery to the Greek State. According to the Concession Agreement, any difference between the relevant minimum pay-out percentage (60%) and the real pay-out percentage achieved during a financial year will be added to the social policies contributions for that year.

11. Other Payables

Other payables are analyzed below:

	31.12.2015	31.12.2014
Provision of sponsorships	217	225
Wages and salaries	315	368
Insurance contributions payable	66	44
Liability to the Greek State for the management of New Year's Eve Lottery	3,537	3,580
Other liabilities	761	549
Total	**4,897**	**4,766**

12. Employee Benefit Plans

The analysis of employee benefit plans in the Statement of Financial Position on 31.12.2015 is the following:

	Retirement plan
Cost of service	2
Interest cost	0
Total cost recognized in Statement of Comprehensive Income	**2**
Actuarial loss	21
31 December 2014	**24**
Cost of service	22
Interest cost	1
Total cost recognized in Statement of Comprehensive Income	**22**
Actuarial loss	(5)
31 December 2015	**41**

The main actuarial assumption that took place as on 31.12.2015 for the retirement plan is the following:

	2015	2014
Discount rate	1,68%	1,55%
Expected salary increase percentage	2,00%	2,00%
Average service in the company	27,74	26,94
Inflation rate	2,00%	2,00%

Sensitivity analysis	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	37	-10%
Decrease in discount rate by 0.5%	45	11%
Increase of the expected wages' increase by 0.5%	45	11%
Decrease of the expected wages' increase by 0.5%	37	-10%

13. Tax on the Net Revenues

As per L. 4093/2012, a 30% contribution is imposed on the Company's net revenue (revenue minus players' winnings as calculated per greek GAAP) with an effective date from 01.01.2013.

For the calculation of this contribution, revenues from the New Year's Eve Lottery are excluded.

Refer also to note 10.1.

14. Agents' Commission

Sales' network commissions are calculated per type of lottery sales, ranging from 7% to 12% depending on the sales' channel (wholesalers, mini markets, OPAP S.A. sales' network etc.).

15. Other Operating Income

An amount of €2,216 included in other operating income refers to the management fee of New Year's Eve Lottery (€2,951 for the extended financial year 2014) .The New Year's Eve

Lottery is issued once a year and the draw is held on New Year's Eve. Net Revenues from this Lottery are attributed to the Greek State. Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on gross sales. The fee includes all company costs related to the operations of the New Year's Eve Lottery. This commission is recognized once a year, during December.

16. Payroll Expense

Payroll expenses are as follows:

	2015	2014
Wages and salaries	1,561	649
Social security costs	270	62
Other staff costs	18	4
Staff retirement indemnities (SLI)	22	2
Total	**1,870**	**717**

At 31.12.2015, the Company employs 23 full time individuals versus 16 individuals at 31.12.2014. It should be noted that OPAP S.A. provides the Company with supportive administrative services.

17. Advertising Expenses

Advertising expenses are as follows:

	2015	2014
CSR expense	4,589	1,601
Advertising expense	9,800	10,406
Total	**14,389**	**12,007**

The Company sponsorships the sport of basketball. Sponsorship expenses are recorded according to the basketball season. The financial year 2015 covered the basketball season January to May 2015 and October to December 2015, while the respective period covered in the extended financial year 2014 was October to December 2014.

18. Other Operating Expenses

Other operating expenses are as follows:

	2015	2014
IT related costs	5,867	5,281
Utilities & Telecommunication costs	487	234
Rentals	104	47
Commission of main suppliers	6,125	5,539
Printing and design of lotteries	7,957	7,198
Other	4,931	4,808
Total	**25,472**	**23,107**

19. Financial Results – (Expenses)/Income

Financial results are as follows:

	2015	2014
Interest and expenses of bond loan	(1,123)	(347)
Other financial expenses	(717)	(1,244)
Capital cost of pension plans	(1)	0
Total expenses	**(1,841)**	**(1,591)**
Interest income		
Bank deposits	238	520
Total interest income	**238**	**520**

Other financial expenses include amounts such as letters of guarantee commissions, as well as other commissions and bank expenses. The average interest rate earned on short-term bank deposits was 1.11% for the financial year 01.01.2015 – 31.12.2015.

20. INCOME / DEFERRED TAX

	2015	2014
Income tax expense		
From domestic activities	(5,207)	(6,396)
Total income tax	**(5,207)**	**(6,396)**
Deferred taxes	6,739	2,329
Total tax income/(expense)	**1,532**	**(4,067)**

Income and deferred tax payable was calculated using 29% rate.

The analysis of deferred tax in the Statement of Comprehensive Income is the following:

	2015	2014
Value adjustment of property, plant and equipment	26	5
Intangible assets recognition	4,363	330
Deferred expenses	(911)	(940)
Accrued liabilities	3,254	2,933
Compensation for staff	7	1
Deferred tax income	**6,740**	**2,329**
Deferred tax at equity	**(2)**	**6**

The reconciliation of income tax and deferred tax is the following:

	2015	2014
(Loss)/Profit before tax	**(4,013)**	**15,327**
Tax according to the tax coefficient of 29% (26% for 2014)	1,164	(3,985)
Differences from the change of tax coefficient	488	0
Tax effect from expenses/income that are not tax deductible	(73)	(1)
Permanent and other differences	(46)	(81)
Income tax and deferred tax income/(expense)	**1,532**	**(4,067)**

21. Earnings per Share

Basic earnings per share are calculated as follows:

Amounts in thousands of euro	31.12.2015	31.12.2014
Net (loss)/profit attributable to the shareholders (in euro)	(2,481)	11,259
Weighted average number of ordinary shares	3,100	3,100
Basic (loss)/earnings per share (in €)	**(0.8002)**	**3.6321**

22. Related Party Disclosures

The term «related parties» includes companies in which the Company participates in their share capital with a significant percentage, companies that belong to the main shareholders, companies controlled by members of the BoD or key management personnel, as well as close members of their family. The Company's income and expenses for the fiscal year 2015 as well as the balances of receivables and payables for the same period that have arisen from related parties transactions, as defined by IAS 24 are analysed as follows:

22.1. Related Companies' disclosures

	Expenses	Income	Fixed Assets Purchase	Payables	Receivables
	(Amounts in thousands of euro)				
OPAP INVESTMENT LTD	0	0	0	259	0
INTRALOT LOTTERIES LIMITED	0	0	0	36	0
SCIENTIFIC GAMES GLOBAL GAMING S.Á.RL	0	0	0	36	0
OPAP S.A.	6.171	6	0	2.795	10
INTRALOT S.A.	5.484	0	3.972	1.403	0
SCIENTIFIC GAMES INTERNATIONAL INC	119	0	0	11	0
SCIENTIFIC GAMES WORLDWIDE LTD	5.320	0	0	2.031	0
PAYZONE HELLAS A.E.	10	121	0	0	10
OPAP SERVICES S.A.	4	0	0	5	0
Σύνολο	**17.108**	**127**	**3.972**	**6.576**	**20**

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company «TEMETERON LTD» which is in the sales network of Hellenic Lotteries S.A.. For the year 2015, the income which is included in the Statement of Comprehensive Income amounts to € 75 and the receivable is € 5.

22.2. Key management personnel and BoD disclosures

Amounts in thousands of euro		
BoD and key management personnel	01.01.2015-31.12.2015	15.06.2013-31.12.2014
BoD transactions and salaries	72	0
Key management personnel transactions and salaries	631	106
Liabilities	25	8

23. OTHER DISCLOSURES

Contingent liabilities

23.1. Unaudited fiscal year

The Company has not been inspected by the Tax Authorities since its establishment.

For fiscal year 2014, the Company was audited by its independent regular auditors according to the Law n.2238/1994. The audit was completed at September 2015.

For the tax audit of fiscal year 2015 no amount was provided for tax differences.

23.2. Legal matters

Until the public release of these Financial Statements, no legal cases have arisen from third parties, companies or individuals that will require the formation of a relevant provision due to a negative outcome. Furthermore, the Company has made no relevant claims.

Commitments

Total future minimum payments for contracts the Company has entered into, are analyzed below:

	31.12.2015	31.12.2014
Less than 1 year	54,520	7,014
1 - 5 years	251,843	3,218
More than 5 years	216,438	0

During the year, the company paid € 36 for operating leases rentals.

	31.12.2015	31.12.2014
Less than 1 year	24	24
1 - 5 years	0	0
More than 5 years	0	0

On 31.12.2015 the Company is counterparty to contracts of sponsorships, professional fees, operating leases, other expenses and contributions in the favor of the Greek Government as presented below:

	Sponsorships - Advertising	Professional fees	Operating leases	Contributions	Other expenses	Total
Less than 1 year	2,311	1,976	24	50,000	233	54,544
1 - 5 years	152	1,690	0	250,000	0	251,843
More than 5 years	0	0	0	216,438	0	216,438
Total	**2,463**	**3,666**	**24**	**516,438**	**233**	**522,825**

24. FINANCIAL RISK FACTORS

Main risks and uncertainties to which the Company may be exposed are the following:

24.1. Risk from the impact of adverse financial circumstances on the Greek economy

The macroeconomic and financial environment in Greece remains volatile during 2016 due to developments and discussions at national and international level on the review of the terms of Greece's funding program. On 29.06.2015 the Greek Government imposed capital controls and declared bank holiday that lasted until 19.07.2015, facts that have significantly affected consumer behavior and spending capacity.

Taking into account the nature of the activities of the Company and its financial situation, any further negative development in the Greek economy is expected to affect the normal operation. Nevertheless, Management continually assesses the situation and its possible consequences, to ensure that all necessary and possible measures and actions are taken, to minimize any impact on the Company's activities.

24.2. Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Company or the value of financial instruments held. The management of market risk consists in the effort of the Company to control its exposure to acceptable limits.

The following describe in more detail the specific risks that make the market risk and their management policies by the Company:

24.3. Exchange risk

Given that the Company a) has no assets or liabilities dominated in foreign currency b) has not entered into any agreements with suppliers in other currencies than Euro, there is no such exchange risk.

24.4. Capital Management

The primary objective of the Company relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Company manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Company in order to maintain or adjust the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

24.5. Credit risk

Sales take place via an extended network of agents. The average time of accumulating receivables is ranging from twenty (20) to forty-five (45) days, depending on product and distribution channel. The respective interval for fiscal year 2014, ranged from 10 to 45 days.

The basic credit risk of the Company, which is not considered important, comes from bad debts from company's networks, with the appropriate provisions being made. At the same time an efficient credit risk policy is in place maintaining credit exposure at manageable levels.

Potential credit risk may occur from Company's cash and cash equivalents in the case a financial institution failing to meet its obligations. To minimize such risk the Company has placed limits which constitute the maximum amounts placed in any financial institution.

Assets subject to credit risk as at the date of the Statement of Financial Position are analyzed as follows:

	2015	2014
Financial Assets Categories		
Cash and cash equivalents	20,386	57,907
Trade and other receivables	42,289	23,815
Total	**62,675**	**81,723**

	2015	2014
Within 3 months	56,077	78,004
From 3 months to 6 months	6,384	102
From 6 months to 1 year	0	3,617
Over 1 year	214	0
Total	**62,675**	**81,723**

24.6. Liquidity risk

The Company's games have a secured theoretical payout percentage, calculated on the revenues and a payout limit, thus securing sufficiency of cash and cash equivalents and preserving the liquidity risk at low levels. The maturity of the financial liabilities of the Company is analyzed as follows:

	Short Term		Long Term	Total of undiscounted liabilities
For the year ending on 31 December 2015	**Within 6 months**	**6 till 12 months**	**1 till 5 years**	
Other long term liabilities	0	0	24	24
Borrowings	30,000	0	0	30,000
Trade payables	30,585	23,976	0	54,560
Other short term liabilities	4,897	0	0	4,897
Total	**65,481**	**23,976**	**24**	**89,481**

24.7. Cash flows risk and fair value change risk due to interest changes

The Company is exposed to interest rate risk principally in relation to outstanding debt and financial assets. The only existing debt facilities as of 31.12.2015 was the Company's Bond Loan. The Company generally does not undertake any specific actions to hedge exposure to interest rate risk and at 31.12.2015 was not a party to any such transactions. The only credit line at 31.12.2015 was the Revolving Bond Loan.

24.8. Letters of guarantee

According to art. 26.1 of the Concession Agreement with the Hellenic Republic Asset Development Fund for the production, operation, distribution, promotion and overall management of all State Lotteries, the Company should keep one or more letters of guarantee (of an annual validity), amounting to € 35,000 for the first financial year of the Agreement, € 50,000 for each of the next five years of the Agreement and € 75,000 for the remaining duration of the Agreement. For this purpose, the Company on 31.12.2015 had in effect, two letters of guarantee, totally amounting to € 50,000 (€25,000 each) (a) one with issue date 30.07.2013, amended on 30.12.2015 for a second time, to reach a yearly extension until 31.12.2016 and (b) one issued on 23.12.2014, amended on 22.12.2015, also for a yearly extension, until 31.12.2016.

24.9. Security risk

Reliability and transparency in relation to the Lottery operations are ensured by several security measures designed to protect the information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover the data processing system, software applications, the integrity and availability of data and the operation of the network.

24.10. Tax charges

Tax measures implemented as per L. 4093/2012 from 01.01.2013 by way of implementing a 30% contribution on net revenue before tax, adversely affected both cash flows and the financial position of the Company.

Given the current fiscal position of the Greek State, additional fiscal measures may be taken, which could have a material adverse effect on the Company's financial condition.

25. SUBSEQUENT EVENTS

On 05.02.2016 HELLENIC LOTTERIES S.A. entered into an agreement with Alpha Bank for the renewal of the Revolving Bond Loan, originally signed on 30.04.2015. The new agreement indicates a maximum nominal amount of € 50,000 and covers a period of three years.

This amount absolutely covers the negative working capital that arose at 31.12.2015.

It is noted that on 01.03.2015, € 40,000 were disbursed.

Peristeri, 24 March 2016

Chairman of the BoD & CEO	Chief Financial Officer & Member of the BOD	Accounting & Consolidation Director
Kamil Ziegler	Michal Houst	Petros Xarchakos

F. SUMMARY FINANCIAL INFORMATION FOR THE PERIOD FROM 01.01.2015 TO 31.12.2015

HELLENIC LOTTERIES S.A.
Member of OPAP Group of companies

HELLENIC LOTTERIES - SOCIETE ANONYME
FOR THE PRODUCTION, OPERATION, CIRCULATION, PROMOTION AND MANAGEMENT OF LOTTERIES

General Electronic Commercial Registry-G.E.MI. Number: 125891401000
Kifisou Ave 62, Peristeri 121 32

SUMMARY FINANCIAL INFORMATION
FOR THE PERIOD FROM 01 JANUARY, 2015 TO 31 DECEMBER, 2015

(Published according to L. 2190/20, article 135 for companies preparing annual financial statements, consolidated or not, in accordance with the I.F.R.S.)

The following information deriving from the financial report aims at a general presentation of Hellenic Lotteries S.A. financial status and results. Therefore, it is recommended to the reader, prior to proceeding to any kind of investment decision or transaction, to visit Hellenic Lotteries S.A. site, where the financial statements and the legal auditors' review report (the latter whenever required) are posted.

Responsible Supervisory Authority:	Athens Chamber of Commerce and Industry (G.E.M.I. Department) - Regional Authority of Attica - West section
Website.	www.hellenic-lotteries.gr
	Kamil Ziegler, Spiridon Fokas, Michal Houst, Petr Matejovsky,James Edward Bunitsky , John Walsh, Pavel Saroch, Eythimis Konstantopoulos, Vaios Karantinos, Antonis Kerastaris, Fotis Mavroudis
Approval date of the financial report:	24 March 2016
Chartered Accountant:	Nikolaos Vouniseas (Registry No SOEL 18701) KPMG Certified Auditors S.A. (No SOEL 114)
Review report:	Unqualified

FINANCIAL POSITION STATEMENT INFORMATION
(Amounts in thousands of euro)

	31.12.2015	31.12.2014
ASSETS		
Tangible assets (for own use)	4,507	264
Intangible assets	149,255	179,603
Other non-current assets	9,081	2,334
Trade receivables	34,965	19,257
Other current assets	27,710	62,466
TOTAL ASSETS	**225,518**	**263,924**
LIABILITIES & EQUITY		
Share capital	31,000	31,000
Other items of shareholders' equity	93,257	172,244
Total shareholders' equity (a)	**124,257**	**203,244**
Provisions / Other non-current liabilities	65	24
Current loan liabilities	30,000	1
Other current liabilities	71,197	60,655
Total liabilities (b)	**101,262**	**60,680**
TOTAL LIABILITIES & EQUITY (a)+(b)	**225,518**	**263,924**

CASH FLOW STATEMENT INFORMATION
(Amounts in thousands of euro)

	01.01.2015-31.12.2015	15.06.2013-31.12.2014
Operating activities		
(Loss)/Profit before tax	(4,013)	15,327
Plus /(minus) adjustments for:		0
Depreciation and amortization	16,144	10,613
Financial results	1,602	1,069
Provisions for bad debts	159	312
Intangible assets impairement	15,021	0
Foreign exchange differences	0	1
Employee benefit plans	22	2
Plus /(minus) adjustments for changes in working capital or connected to operating activities:		
Increase in trade and other receivables	(18,696)	(24,127)
Increase in payables (excluding banks)	9,611	49,807
Increase in taxes due	1,663	4,462
Minus:		
Interest expenses	(1,785)	(1,582)
Income tax paid	(5,927)	0
Cash flow from operating activities (a)	**13,802**	**55,883**
Investing activities		
Outflow of intangible assets	(582)	(190,173)
Outflow of tangible assets	(4,479)	(307)
Interest received	249	503
Cash flow used in investing activities (b)	**(4,812)**	**(189,977)**
Financing activities		
Proceeds from loan	29,999	15,001
Payments of loan installments	0	(15,000)
Payments of loan financing cost	(715)	0
Share Capital (decrease)/increase	(65,007)	192,000
Dividends paid	(10,788)	0
Cash flow used in/from financing activities (c)	**(46,511)**	**192,001**
Net increase /(decrease) in cash and cash equivalents (a)+(b)+(c)	**(37,521)**	**57,907**
Cash and cash equivalents at the beginning of the year	20,386	0
Cash and cash equivalents at the end of the year	**20,386**	**57,907**

COMPREHENSIVE INCOME STATEMENT INFORMATION
(Amounts in thousands of euro except earnings per share)

	01.01.2015-31.12.2015	15.06.2013-31.12.2014
Gross gaming revenue	**157,890**	**140,013**
Net gaming revenue	**68,087**	**59,891**
(Loss)/Profit before tax, interest, and investing results	**(2,410)**	**16,397**
(Loss)/Profit before tax	**(4,013)**	**15,327**
Net (Loss)/profit after tax (A)	**(2,481)**	**11,259**
Other total income/(expense) after tax (B)	4	(16)
Total (loss)/profit after tax (A)+(B)	**(2,477)**	**11,244**
Basic (loss)/earnings (after tax) per share in €	(0.08002)	3.6321
Dividend proposed per share (in €)	0	3.4800
Profit before tax, interest, depreciation, amortization and investing results	**28,756**	**27,010**

CHANGES IN EQUITY STATEMENT INFORMATION
(Amounts in thousands of euro)

	31.12.2015	31.12.2014
Balance as of 01.01.2015 and 15.06.2013	**203,244**	**0**
Total (loss)/income after tax	(2,477)	10,797
Share capital	0	31,000
Share premium	0	161,000
Reserves	0	447
Share capital Decrease	(65,007)	0
Share capital Increase expenses	(715)	0
Dividends paid	(10,788)	0
Balance as of 31.12.2015 and 31.12.2014	**124,257**	**203,244**

ADDITIONAL INFORMATION

1. The Company published Financial Statements for the year 2015 and the comparable for the extended financial year from 15.06.2013 to 31.12.2014.
2. Share capital amounts to €31,000 and is divided into 3,100,000 ordinary registered shares worth €10 each. The shareholder structure involves OPAP INVESTMENT LIMITED with 67%, INTRALOT LOTTERIES LIMITED with 16.50% and Scientific Games Global Gaming S.á.rl with 16.50%.
3 The uninspected by tax authorities financial years are mentioned in note 23.1 of the financial report,.
4. No legal cases have arisen from third parties, companies or individuals, that will require the formation of a relevant provision due to a negative outcome.
5. The Company's assets are currently unencumbered.
6. The number of permanent employees on 31.12.2015 was 23 versus 16 on 31.12.2014.
7. The Company's total inflow, outflow, receivables and payables to related companies and related parties for the year 2015, according to IAS 24, are as follows:

(Amounts in thousands of euro)	
Inflow	127
Outflow	17,108
Receivables	20
Purchases of fixed assets	3,972
Payables	6,576
Transactions and salaries of executive and administration members	631
Receivables from executive and administration members	72
Liabilities from executive and administration members	25

8. Costs in Statement of Comprehensive Income have been classified according to their function instead of their nature as classified in the first extended financial year, for better information purposes.
9. The twelve year concession agreement has been impaired by € 15,021.
10. There has not been any cease of operations in any of the Company's segments.
11. Amounts are presented in thousands of euro as in the financial report.
12. Any chance differences in sums are due to approximations.
13. Share capital increases, as decided by the Extraordinary General Meetings of the Shareholders and other significant events during the financial year, are mentioned in notes B1. and B3. respectively, of the Board of Directors' Report, as attached to the financial report.

Peristeri, 24 March 2016

Chairman of the BOD and CEO	Chief Financial Officer and Member of the BOD	Accounting and Consolidation Director
Kamil Ziegler Passport No. 40412133	Michal Houst Passport No. 39893691	Petros Xarchakos ID. No AK 161998