

1. GENERAL INFORMATION

1.1. National Lottery Administration Current Situation

The National Lottery Administration was established on 05.07.1939 with Act No. 3670. The Administration is a public organization linked to the Ministry of Finance, with special budget, and is authorized to take any action subject to the provisions of the private law except for the provisions set by the legislative decree No. 320 and the provisions reserved, and in quality of legal entity. The task of the Administration is to operate games of chance; plan numerical games, instant win games and lotteries; as well as provide the execution.

At present, there are three different types of games within the structure of the National Lottery Administration: **National Lottery** games, **Instant win** games and **numerical** games. **Sayısal Loto**, **Şans Topu**, **On Numara** and **Süper Loto** are among the numerical games. When considered game-based, the Administration offers total 6 games to the market: Milli Piyango, Hemen Kazan, Sayısal Loto, Şans Topu, On Numara and Süper Loto.

When the game based distribution of sales revenues are considered, it is seen that the numerical games are the most important revenue item. Following the numerical games, the lottery games are the second most important item of the revenues. Instant win games are the game type with the lowest share in sales revenues. This low share of instant win games demonstrates the aspect open for improvement of the National Lottery Administration. When the revenue distribution of lottery companies in the world is considered, instant win games appear to be the most important sales item. With the inclusion of the new games to the portfolio and introduction of improvements, the percentage of instant win games could be augmented quite easily.

The distribution of the sales revenues (taxes excluded) of the games of chance in the recent five years (2008-2012) and in year 2012 according to the game types are given in the following tables:

Table 1. Distribution of Sales Revenues according to Game Type, million TL(taxes included)

	2008	2009	2010	2011	2012	ToTAL
Lottery	355	403	431	490	558	2,236
Instant Win	137	110	88	117	171	623
Numerical Games	1,241	1,437	1,243	1,407	1,486	6,814
Lottery	1,734	1,950	1,761	2,013	2,215	9,674

Resource: National Lottery Administration Activity Report 2012

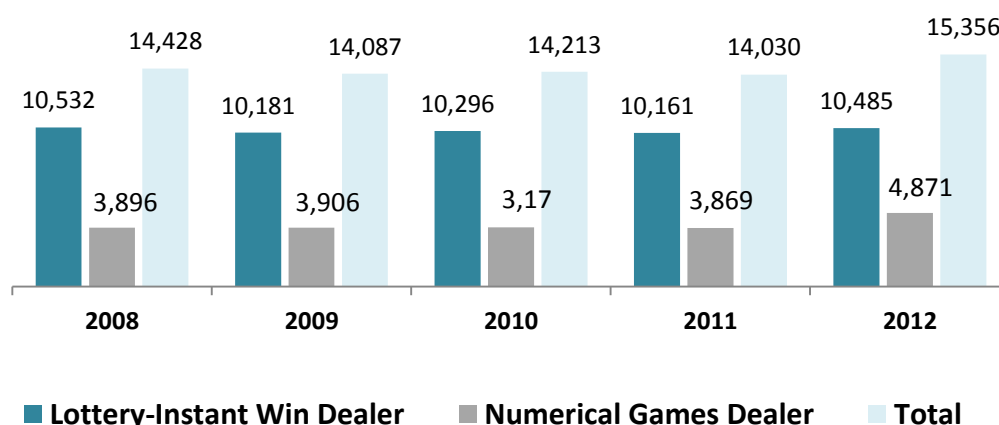
Table 2. Distribution of Sales Revenues on Game Basis, million TL(VAT excluded)

	2008	2009	2010	2011	2012	Total
Lottery	302	342	366	416	474	1,900
Instant Win	116	93	75	99	145	528
Numerical Games	1,053	1,219	1,054	1,193	1,260	5,780
Total	1,471	1,655	1,495	1,708	1,879	8,208

Resource: National Lottery Administration Activity Report 2012

The National Lottery Administration executes the sales of the tickets for the games of chance and makes the payments of the bonuses by the agency of its affiliates, distributors and dealers. By the end of 2012, in addition to its 23 affiliates MPI has 15.356 dealers among which 10.485 execute the sales of National Lottery and Instant Win and 4.871 perform the sales of numerical games. When the number of dealers of MPI is compared with the population of Turkey, the rate is lower than other countries. By increasing the number of dealers, it is possible to reach more players and increase sales revenues.

Figure 1. Number of MPI Dealers



Resource: National Lottery Administration Activity Report 2012

When the dealer commission rates are considered, the National Lottery Administration pays to the dealers a gross commission of 8% for numerical games, 13% for instant win games and 15% for the national lottery. These rates are calculated over the remaining amounts after VAT and GCT (Games of Chance Tax) are deducted from the sales revenues. When the abroad practices are examined, the dealer commission rates are observed to be around 6-7%.

1.2. Role of National Lottery Administration after Privatization

In the post privatization period the National Lottery Administration will assume the role of supervision of games of chance activities subject to the Licence. The provisions of the clause (i) of the first paragraph of the additional article 2 of the legislative decree No. 320, grants to the Directorate General of MPI the authorization

to take the necessary measures to provide the execution of the agreement on granting the licence, to preserve the public interest and consumer rights; to monitor and audit the execution of the chance of game activities respecting the provisions of the relevant legislation and the Contract. In this regard, the National Lottery Administration is authorized to:

- take the necessary measures to provide the execution of the licence agreement as to preserve the public interest and consumer rights,
- to monitor and audit the execution of chance of game activities respecting the provisions of relevant legislation and contract,
- Set penalties up to 5% of the proceeds of the previous calendar year for the illegal actions and behaviours determined by the Regulation and to terminate the licence agreement.

Until the relevant system investment is done by the Licence Holder after the privatization, MPI shall continue to arrange and put into market the games of chance; as of the preparation and approval of the new system by the end of the deadline determined by the tender document, the licence term shall start and the Licence Holder shall start to operate.

1.3. Post Privatization Market Opportunities

Since the privatization of games of chance via licencing will be a privilege and the Licence Holder shall be the exclusive operator in Turkish games of chance market, it is an attractive investment opportunity. The games of chance market in Turkey is a market open to improvement and has the growth potential. For this reason, the Licence holder to be awarded the licence of the games of chance will do an investment with big potential return. The strong points and opportunities of the market can be summarized as follows:

- The company holding the games of chance operating Licence shall be the exclusive operator in Turkish games of chance market.
- Merely the games of the National Lottery Administration are played in the games of chance market.
- The National Lottery Administration has an undeniable reliability and recognition in the public opinion.
- The Turkish economy is in a globally appreciated position and is open to improvement.
- When the games of chance expense per capita is considered, it is seen that Turkish games of chance market is a market open to improvement.
- Current sales revenues could be augmented via optimization of the number of dealers and their locations.
- With the young population and increasing urbanization a broader player base could be obtained.
- With the inclusion of new games to the portfolio, the annual sales revenues and number of tickets sold could be augmented.
- Public awareness could be raised through marketing activities and campaigns; and consequently sales revenues could also be augmented.

- Via strengthening particularly the online sales channels and offering online games to players, not only new players could be reached but also sales revenues could be augmented.

1.4. Qualifications of Privatization

The transfer of operational rights to the Licence Holder consists of the operations regarding planning, arrangement of games of chance and drawing lots in exchange for cash in Turkey during the licence term, and activities of installation and operation of the games of chance systems over which these operations will take place. The legal and administrative structure and conditions of the privatization are briefly as follows:

- Licence term will be 10 years and will be calculated by the date of start-up.
- No other licence shall be issued until the expiry of the Licence Term.
- Transfer of the Licence shall be determined via procurement made prior to granting the Licence and payment of the Licence fee.
- The Licence holder cannot transfer the Licence to another party. The purchase of the operation and support services by the Licence Holder cannot be considered as the transfer of licence.
- All or some part of the activities, regarding the games of chance subject to the licence cannot be performed by sub-contractors.
- During the term of the licence, the Licence holder shall receive a share of 25% over the proceeds earned for each calendar year, and 28% over the gross amount of other revenues. The entire operational, investment and finance expenditures provided by the Licence Holder in order to execute the activities subject to the Licence, as well as the sales commissions, bonus payment premiums, etc. to be paid to distribution channels shall be included in this rate.
- After signing of the Licence Agreement, the agreements between the National Lottery Administration and its existing dealers shall be terminated. The existing dealer agreements shall not be transferred to the Licence holder. However, on the condition of meeting the criteria determined by the Licence holder, priority in granting the dealership will be given to existing dealers who demand it. In this regard, the Licence holder shall establish a new distribution network and new sales channels.
- The entire assets owned by the National Lottery Administration including the software, hardware and game terminals shall not fall under the scope of the Licence.
- The Licence holder shall be able to use interactive environments and distribution channels as internet, TV, local and mobile phones, automatic sales terminals and machines and similar platforms or postal subscription over which it provides the participation of players to games of chance.
- The Licence Holder may continue to arrange the existing games of the National Lottery Administration in the market and to use the logos and names belonging to the said games, as well as to put new games on the market.

- After the privatization, the National Lottery Administration shall assume the task of inspection and regulation of the operating activities of the games of chance that fall under the scope of the Licence.

The sharing of the proceeds and other revenues after the privatization is summarized in the tables below:

Table 3. Sharing of the Proceeds (%)

Licence Holder Share	25%
Administration Share	3%
Bonus Rate	40-59%
Tax on Games of Chance	10%
Public Share	3-22%
TOTAL PROCEEDS	100%

Table 4. Sharing of the Other Income (%)

Licence Holder Share	28%
Public Share	72%
SUM OF OTHER INCOME	100%

2. AN OVERVIEW OF GAMES OF CHANCE MARKET IN TURKEY

2.1. Turkey Games of Chance Market

Although many types of games of chance that could be considered as gambling have been banned by the Turkish Penal Code, based on the opinion that these are harmful for the life style and traditions of Turkish people, some exceptions have been also introduced to the fixed odds betting and pari mutual betting on the games of chance arranged by the National Lottery Administration, the football games and the horse racing. Such activities are restricted by the operation of the Turkish Jockey Club on behalf of National Lottery Directorate General, and Spor Toto Organization and the Ministry of Food, Agriculture and Livestock. However, Turkish games of chance market offers increasing opportunities for private entities; contracts are signed with private companies firstly for technology and game infrastructure development followed by contracts for activities in the market. After İnteltek A.Ş., to which Intralot is a shareholder, has obtained a ten years licence through procurement to organize the fixed odds betting and pari mutual betting and to install and operate the system that was under the authority of Spor Toto Organization in the year 2008, Turkish games of chance market has become a centre of interest again in the recent term. In the market,

- Within the framework of the provisions of decree Law on “Establishment and Tasks of National Lottery Administration Directorate General”, No. 320 dated 4/4/1988; the right to plan and organize games of chance in exchange for cash and arrange drawings has been granted to the National Lottery Administration Directorate General.
- Within the framework of the “Football and Other Sports Competitions Betting and Gaming Regulation Act”, No. 7258 dated 29/4/1959; the authorization to arrange playing of fixed odds and pari mutual betting of sport competitions executed within the national territory and abroad has been granted to Spor Toto Central Organization (STTB), in quality of legal entity linked to the Ministry of Youth and Sports,
- Within the framework of the “Horseracing Act”, No. 6132 dated 10/7/1953; the authorization to arrange horseracing, and pari mutual betting on the competitions organized within the national territory and abroad has been granted to the Ministry of Food, Agriculture and Livestock. The Ministry has delegated Turkish Jockey Club (TJK).

Within the frame of these authorisations, the games and betting existing in the market are divided into three groups:

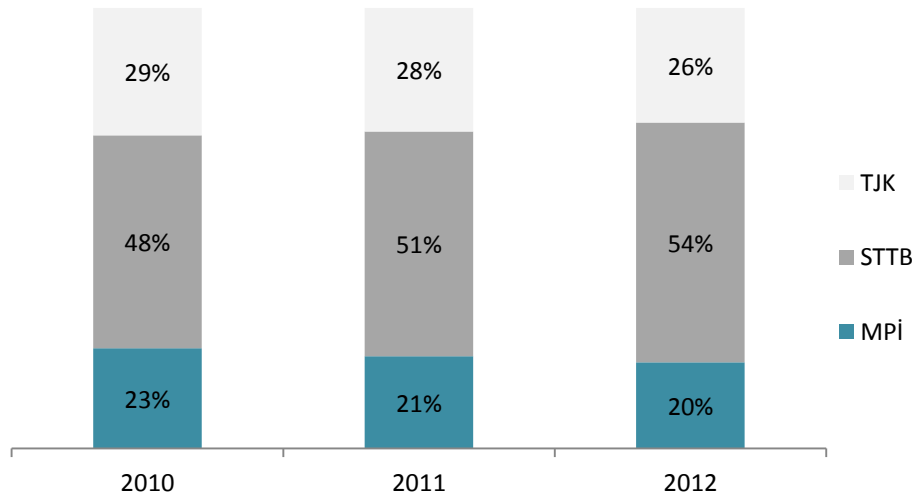
- Games of chance arranged by MPI,
- Betting on sports competitions arranged by STTB,
- Betting on horseracing arranged by TJK.

Table 5. Games of Chance Market Size, million TL (taxes included)

	2010	2011	Change (%)	2012	Change (%)
MPI	1,761	2,013	(+) 14	2,215	(+) 10
STTB	3,732	4,895	(+) 31	6,170	(+) 26
TJK	2,231	2,690	(+) 21	2,952	(+) 10
Total	7,724	9,598	(+) 24	11,337	(+) 18

Resource: National Lottery Administration

Figure 2. Market Shares of Organizations (%)



Resource: National Lottery Administration

3. NATIONAL LOTTERY ADMINISTRATION – GAMES OF CHANCE

3.1. An Overview to Games of Chance

Within the scope of three different types of games put on market by the National Lottery Administration there are six individual games of chance. The game types are nominated as lottery games, instant-win games and numerical games. And the games of chance are nominated as Milli Piyango, Hemen Kazan, Sayısal Loto, Şans Topu, On Numara and Süper Loto.

Considering the game based distribution of sales revenues the numerical games appear to be the most important revenue item. Following the numerical games, the lottery games constitute the second important revenue item. The instant-win games are the type having the lowest share in sales revenues. The sales revenues, bonus payments and game based distribution of the recent 5 years are presented in the tables below.

Table 6. Distribution of Games of Chance Sales Revenues, million TL

	2008	2009	2010	2011	2012
SALES REVENUES OF GAMES OF CHANCE	1,734	1,950	1,761	2,013	2,215
OTHER REVENUES	68	69	61	62	68
TOTAL REVENUES	1,802	2,019	1,822	2,075	2,283
Bonus Payments	769	840	778	899	1,001
Treasury (VAT, GCT and Other)	416	467	422	483	533
Public Share Transferred to Public	398	486	391	390	433
Dealer Commissions and Mediator Expenses	141	157	145	167	186
Business, Operational, Investment and Other Expenses	79	69	86	136	130
TOTAL EXPENSES	1,802	2,019	1,822	2,075	2,283

Resource: National Lottery Administration

Table 7. Distribution of Sales Revenues based on the Game Type, million TL (taxes included)

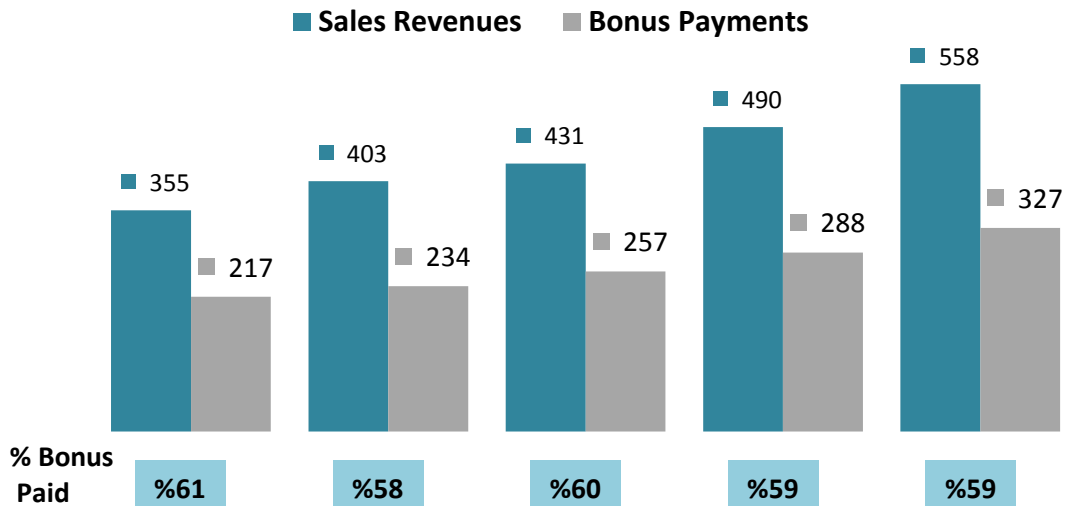
	2008	2009	2010	2011	2012	Total
Lottery	355	403	431	490	558	2,236
Instant Win	137	110	88	117	171	623
Numerical Games	1,241	1,437	1,243	1,407	1,486	6,814
Total	1,734	1,950	1,761	2,013	2,215	9,674

Resource: National Lottery Administration

3.2. Milli Piyango (National Lottery)

Milli Piyango is the first game of chance put on market on **11.11.1939**. The total sales revenues earned in year 2012 from the Milli Piyango game including taxes is 558 million TL, and excluding VAT is 474 million TL.

Figure 3. Milli Piyango Sales Revenues (taxes included) and Bonus Payments, million TL

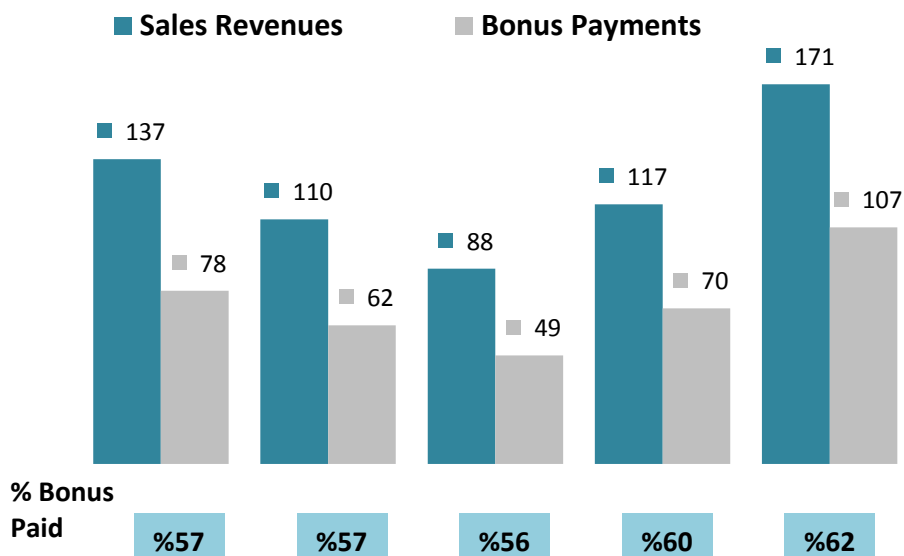


Resource: National Lottery Administration

3.3. Hemen Kazan (Instant Win)

Hemen Kazan is a scratch card game put on the market on **07.08.1989**. The total sales revenues earned from Hemen Kazan in year 2012 including taxes has been realized as 171 million TL, and excluding VAT as 145 million TL.

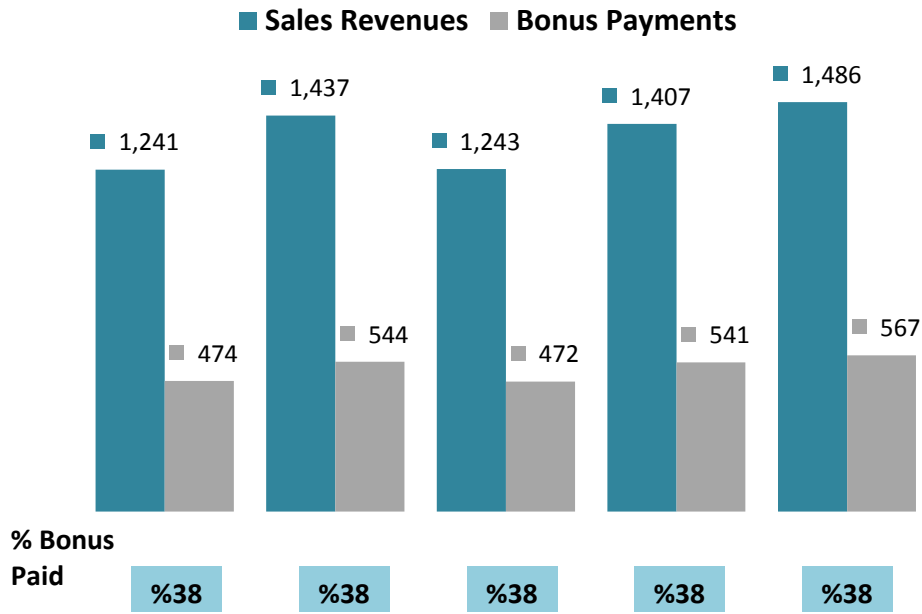
Figure 4. Hemen Kazan Sales Revenues and Bonus Payments, million TL



3.4. Numerical Games

Total **sales revenues** earned in the year 2012 from numerical games including taxes are 1.486 million TL; and excluding VAT is 1.260 million TL. 38% of the game sales revenues (taxes included) were allocated as **bonus**.

Figure 5. Sales Revenues of Numerical Games (taxes included) and Bonus Payments, million TL



Considering the shares of Süper Loto, Şans Topu, On Numara and Sayısal Loto games in the sales revenues of the numerical games, Sayısal Loto is observed to be the most preferable game among all. Süper Loto follows Sayısal Loto. The share of Sayısal Loto in sales revenues has decreased between the years 2008-2012, while the share of Süper Loto has increased.

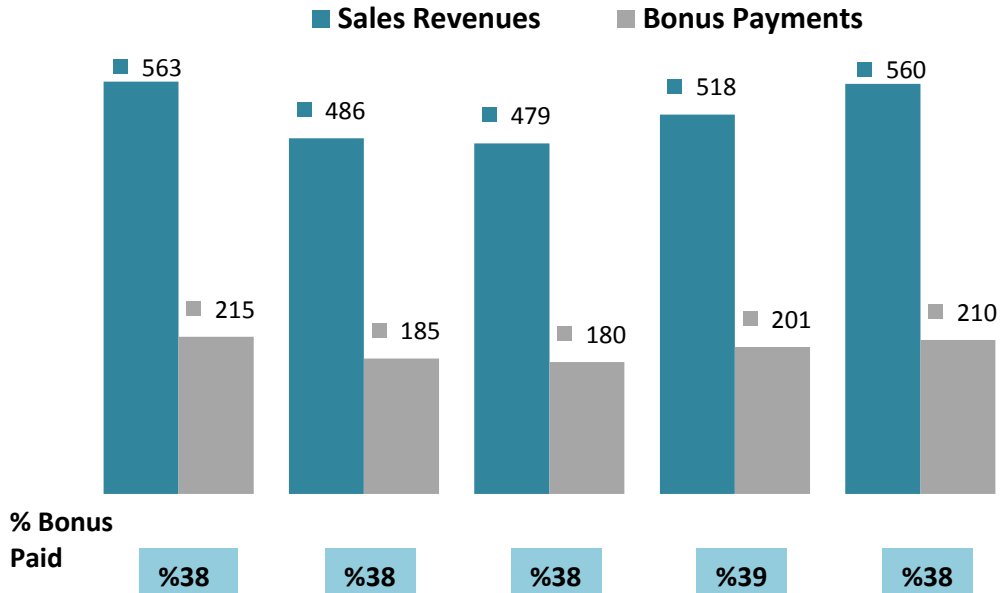
Table 8. Sales Revenues According to Type of Numerical Games, million TL (taxes included)

Sales Revenues	2008	2009	2010	2011	2012	Total
Sayısal Loto	563	486	479	518	560	2,606
Şans Topu	241	228	225	243	277	1,214
On Numara	131	150	156	174	207	819
Süper Loto	306	573	382	471	442	2,175
Total	1,241	1,437	1,243	1,407	1,486	6,814

3.4.1. Sayisal Loto

Sayisal Loto is a game of chance put on market on **16.11.1996**. The total sales revenues earned from Sayisal Loto game in the year 2012 including taxes has been realized as 560 million TL, excluding VAT as 475 million TL.

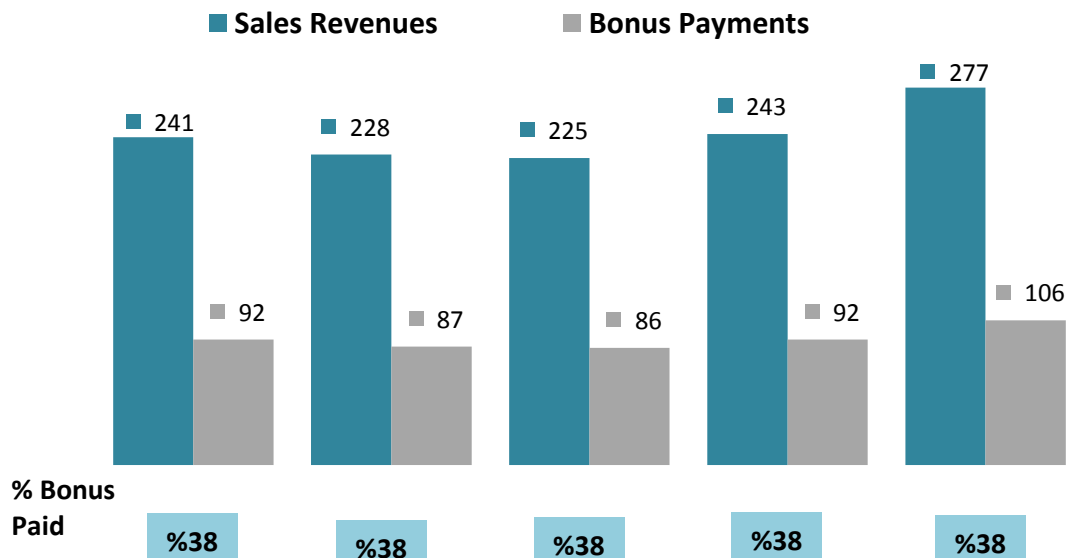
Figure 6. Sayisal Loto Sales Revenues (taxes included) and Bonus Payments, million TL



3.4.2. Şans Topu

Şans Topu is a game of chance put on market on **14.06.2001**. The total sales revenues earned from Sayisal Loto game in the year 2012 including the taxes has been realized as 277 million TL, excluding VAT as 235 million TL.

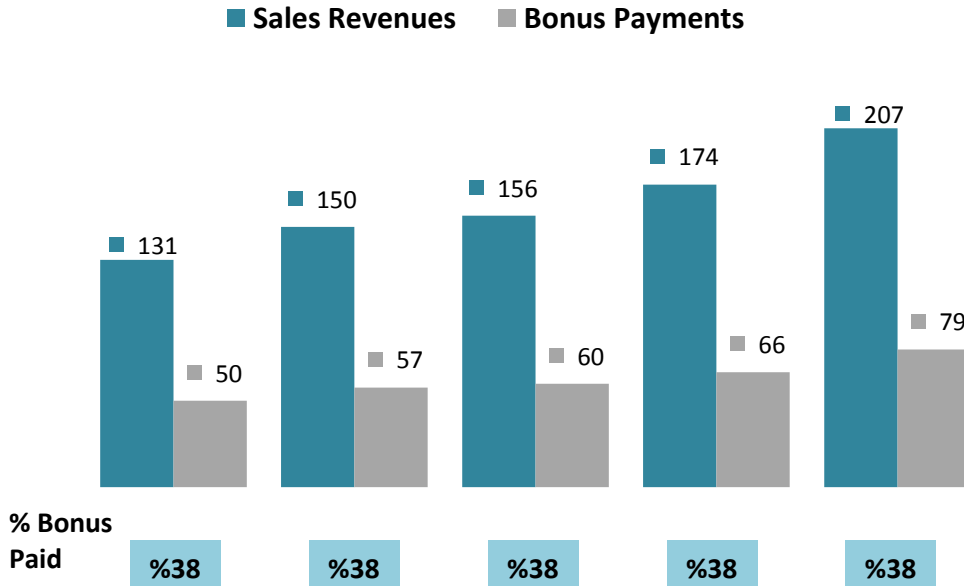
Figure 7. Şans Topu Sales Revenues (taxes included) and Bonus Payments, million TL



3.4.3. On Numara

On Numara is a game of chance put on market on **06.08.2002**. Total sales revenues earned from On Numara game in the year 2012 including the taxes has been realized as 207 million TL, excluding VAT as 175 million TL.

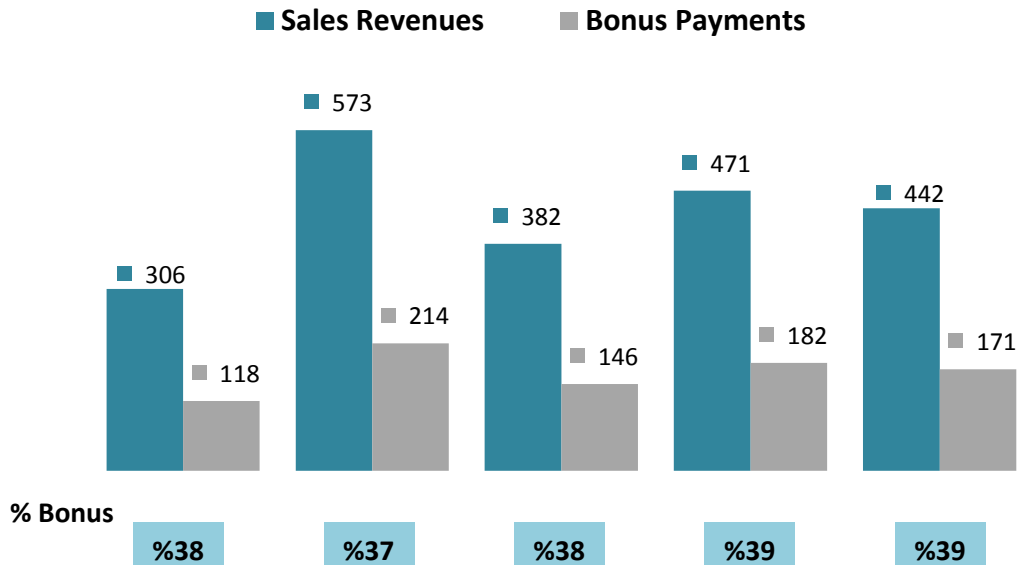
Figure 8. On Numara Sales Revenues (taxes included) and Bonus Payments, million TL



3.4.4. Süper Loto

Süper Loto is a game of chance put on market on **19.10.2007**. Total sales revenues earned from On Numara game in the year 2012 including the taxes has been realized as 442 million TL, excluding VAT as 374 million TL.

Figure 9. Süper Loto Sales Revenues (taxes included) and Bonus Payments, million TL



4. NATIONAL LOTTERY ADMINISTRATION – SALES AND DISTRIBUTION CHANNELS

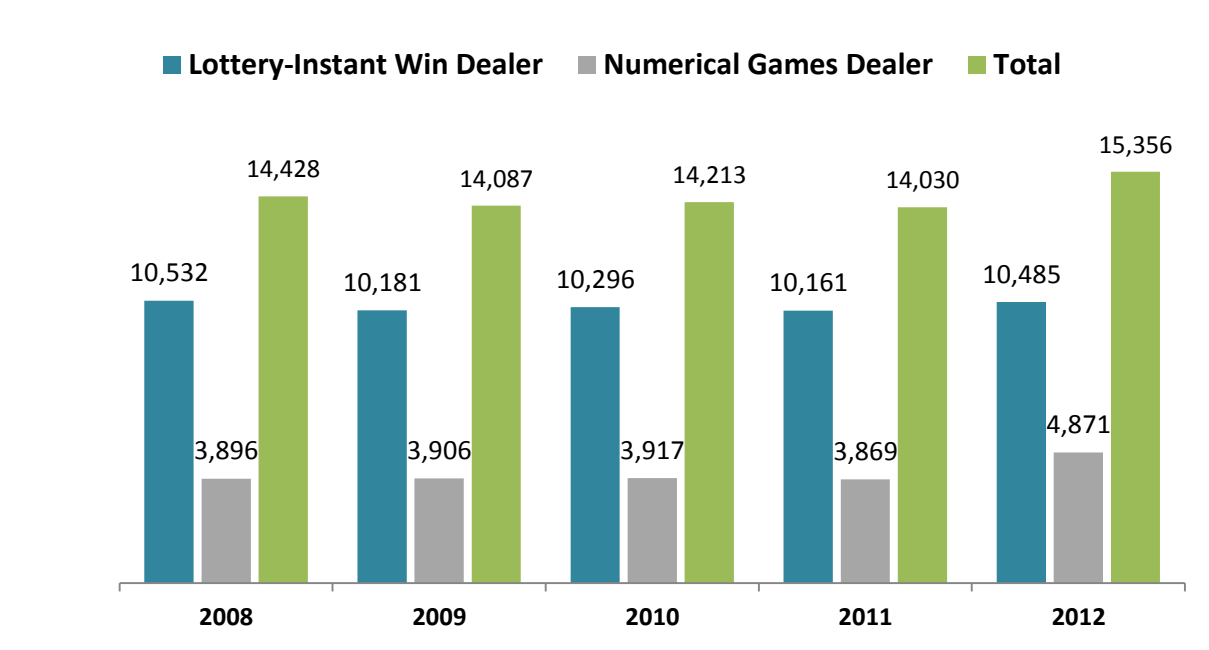
The National Lottery Administration executes the ticket sales, bonus payments and distribution of lists of winning numbers of the lottery through its distributors and dealers. There are two types of dealership: Lottery - Instant Win dealership and Numerical Games dealership.

4.1. Number and Distribution of Dealers

MPI has total 23 affiliates, 4 in İstanbul, 2 in İzmir, 2 in Ankara and one in Adana, Antalya, Aydın, Balıkesir, Bursa, Diyarbakır, Erzurum, Eskişehir, Gaziantep, İskenderun, Kayseri, Muğla, Sakarya, Samsun and Trabzon provinces.

The distributors of MPI are T.C. Ziraat Bankası, Denizbank, Şekerbank, ING Bank, Türkiye Vakıflar Bankası, PTT (T.R. General Directorate of Post and Telegraph Organization) and Turkish Republic of Northern Cyprus Sports Department.

Figure 10. Number of Dealers according to Dealer Type



Resource: National Lottery Administration

The territory of Marmara is the region with the most number of dealers, 33% of the total number of dealers is in Marmara Region. It is followed respectively by Aegean (19%), Central Anatolia (16%) and Mediterranean regions (14%).

Table 9. Number of Dealers according to Regions

	Lottery and Instant Win	Numerical Games	Total
Marmara	3,156	1,947	5,103
Aegean	2,112	835	2,947
Central Anatolia	1,702	824	2,526
Mediterranean	1,546	604	2,150
Black Sea	1,085	382	1,467
South Eastern Anatolia	490	146	636
East Anatolia	394	125	519
T.R.N.C.		8	8
TOTAL	10,485	4,871	15,356

Resource: National Lottery Administration

4.2. Alternative Sales Channels

The most important alternative sales channels are mobile and virtual platforms. Sales via virtual platforms are quite limited in Turkey. At present, National Lottery ticket sales is available over 6 different internet sites, namely Bilyoner Interactive Services Inc., D Electronic Games of Chance Inc., Nimet Abla Games of Chance and Betting Inc., Misli Electronic Games of Chance and Publication Inc., NTV E Electronic Games of Betting Inc. and S Games of Chance Inc..

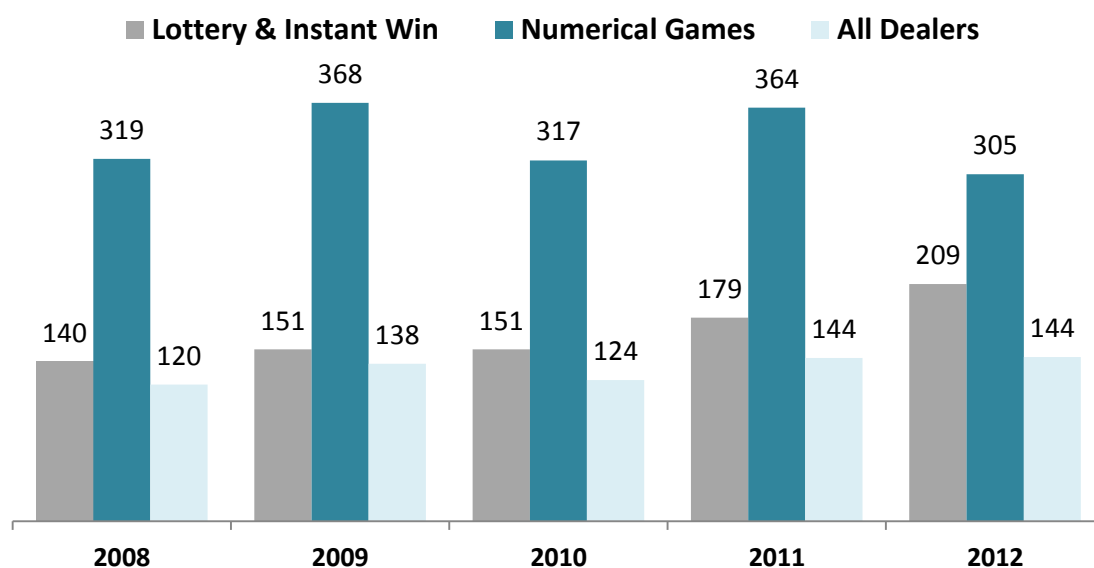
4.3. Average Sales Amount per Dealer

In 2012, the average sales amount per dealer has been realized as 144 thousand TL, taxes included, for the entire dealers. This figure for the numerical games dealers is 305 thousand TL, and for the lottery and instant win dealers is 209 thousand TL.

Examining the figures of the recent 5 years, the average sales amount per dealer is highest for the dealers of numerical games. The average sales amount for Lottery and Instant Win dealers between the years 2008-2011 has been approximately half of numerical games dealers' average sales figure. Whereas, parallel to the increment in Lottery and Instant Win revenues in 2012, it became 70% of numerical games dealers' average sales amount.

During the calculation of average sales amount, circa 1/3 of Lottery and Instant Win dealers were considered to be active.

Figure 11. Average Ticket Sales Amount per Dealer (taxes included) , thousand TL



Resource: National Lottery Administration

4.4. Sales Commissions and Bonus Payment Premium

The sales commissions paid by the National Lottery Administration are the brokerage commission paid to distributors, sales commissions paid to dealers and bonus payment premiums.

The National Lottery Administration, over the remaining amount after the deduction of VAT and GCT from total sales revenues, pays as dealer sales commission, at rate of 8% for numerical games, 10% for mobile and virtual platforms, 13% for instant win games and 15% for lottery. The rate of bonus payment premium is 2% for the entire games of chance and is calculated over bonus payments done under the authorization of dealers.

Table 10. Sales Commission and Bonus Payment Premium Distribution in Recent 5 years (TL)

	Sales Commission	Bonus Payment Premium	Distributor Brokerage Commission	Total
2008	131,046,174	7,371,402	2,226,346	140,643,922
2009	145,945,932	8,075,940	2,709,992	156,731,864
2010	134,854,170	7,835,490	2,614,069	145,303,729
2011	154,655,410	9,206,856	2,758,350	166,620,616
2012	172,394,900	10,246,324	3,447,722	186,088,946

5. NATIONAL LOTTERY ADMINISTRATION– FINANCIAL OVERVIEW

5.1. Revenue and Expenditure Analysis

When the figures of the recent 6 years (2007-2012) are examined, it is observed that the major part (average 66%) of annual revenues of the National Lottery Administration is transferred to bonus payments and to the Treasury within the scope of taxes as VAT, GCT etc. As it can be seen from the graphic regarding the distribution of revenues below, around 20% of total revenues is transferred to public share as business income. The remaining amount is used for dealer commissions and brokerage expenses and for business, operation, investment and other expenses. It is understood that the amount transferred to dealers have remained nearly the same during the years (8%), while the business, operation, investment and other expenses have increased in particularly after the crisis in year 2009.

Table 11. Distribution of Games of Chance Sales Revenues, million TL

	2007	2008	2009	2010	2011	2012
GAMES OF CHANCE SALES REVENUES	1,466	1,734	1,950	1,761	2,013	2,215
OTHER REVENUES	66	68	69	61	62	68
TOTAL REVENUES	1,531	1,802	2,019	1,822	2,075	2,283
Bonus Payments	649	769	840	778	899	1,001
Treasury Share (VAT, GCT and Other)	361	416	467	422	483	533
Public Share transferred to Public (Business Income)	326	398	486	391	390	433
Dealer Commissions and Brokerage Expenses	123	141	157	145	167	186
Business, Operation, Investment and Other Expenses	72	79	69	86	136	130
TOTAL EXPENSES	1,531	1,802	2,019	1,822	2,075	2,283

Resource: National Lottery Administration

Table 12. Resources Transferred to Public, million TL

	2007	2008	2009	2010	2011	2012
Value Added Tax	216	263	295	267	305	336
SCT, CTE, GCT	141	147	165	149	171	188
RRDEI transferred to the Treasury	4	6	7	6	7	9
Total Treasury (VAT, GCT and Other)	361	416	467	422	483	533
Total Direct Transfer to Public	326	398	486	391	390	433
Grand Total	687	814	953	813	872	965

Resource: National Lottery Administration

5.2. National Lottery Administration Balance Sheet 2011 and 2012

PAGE (1)

ASSETS	PREVIOUS PERIOD		CURRENT PERIOD		LIABILITIES	PREVIOUS PERIOD		CURRENT PERIOD	
I- CURRENT ASSETS					I- SHOROT TERM LIABILITIES				
A- Liquid Assets		407,506,032.02		515,185,116.08	A- Financial Liabilities				
1- Liquid Assets	407,506,032.02		515,153,863.31		B- Trade Liabilities		6,320,142.85		7,068,125.30
2- Cheques given and payment orders (-)					1- Trade Liabilities	6,320,142.85		7,068,125.30	
B- Securities					2- Rediscount on Notes Payable (-)				
1- Securities					C- Other Liabilities		6,839,794.04		9,121,510.06
2- Decrease in the value of marketable securities. (-)					1- Other Liabilities	6,839,794.04		9,121,510.06	
C- Trade Receivables		99,277,790.07		81,180,956.63	2- Rediscount on Notes Payable (-)				
1-Trade Receivables	100,726,963.76		82,619,877.40		D- Advances Received				
2- Rediscount of Note Receivables (-)					E- Taxes Payable and Other Liabilities		240,558,543.95		279,249,320.51
3- Provision for Doubtful Receivables (-)	1,449,173.69		1,438,920.77		F- Provisions for Liabilities and Expenses				
D- Other Receivables		43,640,788.65		38,513,942.38	1- Period Income Tax Provision				
1- Other Receivables	43,642,612.15		38,515,765.88		2- Period Prepaid Tax Portion (-)				
2- Rediscount of Note Receivables (-)					3- Provisions For Severance Pay				
3- Provision for Doubtful Receivables (-)	1,823.50		1,823.50		4- Provision for Other Liabilities and Expenses				
E- Inventories		6,041,619.50		6,864,957.65	G- Short-Term Prepaid Expenses and Accrued Income		252,785,005.06		284,791,985.73
1- Inventories	4,070,311.48		3,491,113.44		H- Other Short Term Liabilities		43,544.78		5,735.37
2- Provision for Inventories (-)					TOTAL SHORT TERM LIABILITIES				
3- Decrease in value of Inventories (-)							506,547,030.68		580,236,676.97
4- Advances given for Purchase Orders	1,971,308.02		3,373,844.21		II- FIXED ASSETS				
F- Short-Term Prepaid Expenses And Accrued Income		1,416,825.22		1,139,226.35	A- Trade Receivables			188,350.40	247,880.99
					1- Trade Receivables	188,350.40		188,350.40	247,880.99
G- Other Current Assets		161,013.32		897,623.50	2- Rediscount of Note Receivables (-)				
					3- Provision for Doubtful Receivables (-)				
TOTAL CURRENT ASSETS		558,044,068.78		643,781,822.59	B- Other Receivables				
					1- Other Receivables				
II- FIXED ASSETS					2- Rediscount of Note Receivables (-)				
A- Trade Receivables		188,350.40		247,880.99	3- Provision for Doubtful Receivables (-)				
1- Trade Receivables	188,350.40		247,880.99		II- LONG TERM LIABILITIES				
2- Rediscount of Note Receivables (-)					A- Financial Liabilities				
3- Provision for Doubtful Receivables (-)					B- Trade Liabilities		16,066,682.74		18,772,001.98
B- Other Receivables					1- Trade Liabilities	16,066,682.74		18,772,001.98	
1- Other Receivables					2- Rediscount of Note Payables (-)				
2- Rediscount of Note Receivables (-)									
3- Provision for Doubtful Receivables (-)									

ASSETS	PREVIOUS PERIOD		CURRENT PERIOD		LIABILITIES	PREVIOUS PERIOD		CURRENT PERIOD	
C- Financial Fixed Assets		0.00		0.00	C- Other Liabilities				
1- Long Term Securities					1- Other Liabilities				
2- Decrease in Value Of Long Term Marketable Securities (-)					2- Rediscount on Notes Payable (-)				
3- Participations					D-Advances Received				
4- Capital Commitments for Participations (-)					E- Provisions for Liabilities and Expenses		5,916,465.23		15,911,593.72
5- Decrease in Value Of Participations' Shares (-)					1- Provisions for Severance Pay				
6- Subsidiaries					2- Provision for Other Liabilities and Expenses.	5,916,465.23		15,911,593.72	
7- Subscriptions to Subsidiaries (-)					F- Long-Term Deferred Income and Accrued Expenses				
8- Decrease in Value Of Subsidiaries' Shares (-)					G- Other Long Term Liabilities		29,703,975.00		29,703,975.00
9- Other Financial Fixed Assets					TOTAL LONG TERM LIABILITIES				
10- Decrease in Value of Other Financial Fixed Assets (-)							51,687,122.97		64,387,570.70
D- Tangible Fixed Assets		24,376,747.92		33,309,601.02	III- EQUITIES				
1- Tangible Fixed Assets	32,879,334.01		43,568,207.31		A- Paid Capital				
2- Provision for Depreciation (-)	9,443,010.81		13,726,017.55		1- Capital				
3- Fixed Assets under Construction	940,424.72		3,467,411.26		2- Paid Capital (-)				
4- Advance given for Purchase Orders					B- Capital Reserves				
E- Intangible Fixed Assets		1,734.47		594,544.09	1- Share Premium				
1- Intangible Fixed Assets	1,323,684.14		2,158,636.69		2- Share Premium of Cancelled Shares				
2- Provision for Depreciation (-)	1,321,949.67		1,564,092.60		3- Revaluation Fund of Tangible Fixed Assets				
3- Advances Received					4- Participations Revaluation Fund Reserve				
F- Other Assets Subject to Depletion					5- Other Capital Reserves				
1- Other Assets Subject to Depletion					C- Profit Reserves		24,376,747.92		33,309,601.02
2- Accumulated Depletion (-)					1- Legal Reserves	24,376,747.92		33,309,601.02	
3- Advances Received					2- Statutory Reserves				
G- Long-Term Prepaid Expenses and Accrued Income					3- Extra Reserves				
H- Other Fixed Assets					4- Other Profit Reserves				
					5- Special Funds				
TOTAL FIXED ASSETS		24,566,832.79		34,152,026.10	D- Accumulated Profit				
					E- Accumulated Loss (-)				
					F- Net Profit for the Period				
TOTAL ASSETS		582,610,901.57		677,933,848.69	TOTAL EQUITIES		24,376,747.92		33,309,601.02
TOTAL OFF-BALANCE SHEET ACCOUNTS		215,091,695.95		264,636,838.90					
GRAND TOTAL		797,702,597.52		942,570,687.59	TOTAL LIABILITIES		582,610,901.57		677,933,848.69
					TOTAL OFF-BALANCE SHEET ACCOUNTS		215,091,695.95		264,636,838.90
					GRAND TOTAL		797,702,597.52		942,570,687.59

Resource: National Lottery Administration 2012 Activity Report

5.3. National Lottery Administration 2011 and 2012 Income Statement

REVENUES AND EXPENDITURES	PREVIOUS PERIOD		CURRENT PERIOD	
A- GROSS SALES		1,708,312,278.00		1,879,392,493.07
1- Domestic Sales	1,694,862,922.70		1,864,734,972.62	
2- Export Sales	13,449,355.30		14,657,520.45	
B- SALES DISCOUNT (-)		1,069,681,255.22		1,188,783,430.13
1- Other Discounts (-)	170,831,227.80		187,939,249.33	
2- Bonuses Paid (-)	898,850,027.42		1,000,844,180.80	
C- NET SALES		638,631,022.78		690,609,062.94
D- COST OF SALES (-)		43,452,880.42		36,582,757.61
1- Cost of Products Sold (-)	43,452,880.42		36,582,757.61	
GROSS MARGIN		595,178,142.36		654,026,305.33
E- OPERATIONAL COSTS (-)		250,224,515.27		274,491,514.38
1- Marketing, Sales and Distr. Costs (-)	213,061,543.63		230,618,527.68	
2- Administrative Costs (-)	37,162,971.64		43,872,986.70	
BUSINESS INCOME		344,953,627.09		379,534,790.95
F- INCOME AND PROFIT FROM OTHER ORDINARY OPERATIONS		17,772,920.55		20,286,101.83
1- Interest Income	13,180,539.47		14,513,613.06	
2- Provisions No Longer Required	98,406.12		91,407.14	
3- Other Ordinary Income and Profits	4,493,974.96		5,681,081.63	
G- EXPENSES AND LOSSES FROM OTHER ORDINARY OPERATIONS (-)		9,325,376.06		9,184,412.15
1- Provision Expenses (-)	9,323,831.77		9,017,832.32	
2- Other Ordinary Expenses and Losses	1,544.29		166,579.83	
H- FINANCIAL EXPENSES (-)				
ORDINARY PROFIT		353,401,171.58		390,636,480.63
I- EXTRAORDINARY REVENUES AND PROFITS		44,183,315.50		47,336,215.63
1- Income and Profits of the Previous Period	43,794,778.29		46,743,132.75	
2- Other Extraordinary Revenues and Profits	388,537.21		593,082.88	
J- EXTRAORDINARY EXPENSES AND LOSSES (-)		7,962,690.24		5,254,156.12
1- Expenses and Losses of the Previous Period (-)	7,940,008.02		5,228,456.23	
2- Other Extraordinary Expenses and Losses (-)	22,682.22		25,699.89	
PERIOD INCOME		389,621,796.84		432,718,540.14
K- PERIOD INCOME TAX PROVISION (-)		389,621,796.84		432,718,540.14
10- Public Share	389,621,796.84		432,718,540.14	
NET PROFIT FOR THE PERIOD		0.00		0.00

Resource: National Lottery Administration 2012 Activity Report