



2010  
**ANNUAL REPORT**



# 2010 ANNUAL REPORT

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# \* OUR COMPANY - QUICK OVERVIEW

## TIPOS, národná lotériová spoločnosť, a. s., (the national lottery company) - quick overview

	2007	2008	2009	2010
Revenues from games of chance in Eur	255,422,772	292,822,158	302,320,088	302,982,765
Expenses for winnings from games in Eur	171,479,726	202,142,697	217,858,455	212,724,953
Share of winnings in %	67.14	69.03	72.06	70.21
Levies from games in Eur	26,957,549	31,565,900	29,160,283	29,668,015
Economic result in Eur	9,278,789	-68,350,361*	7,669,275	-66,954**
Number of employees	109	111	108	107
Number of active sales outlets	2,075	2,145	2,147	2,375
Number of active terminals	2,128	2,193	2,195	2,423

\* The economic result for 2008 was influenced particularly by a billed reserve for risks from a lawsuit and costs associated with it.

\*\* Economic results for 2010 were influenced particularly by billed costs for an exceptional levy in the amount of 40 mil. euro and the updating of the reserve for risks from a lawsuit from 2008.

# \* FOREWORD FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS AND GENERAL DIRECTOR



JUDR. ING. MILOŠ RONEC  
Chairman of the board of directors  
and general director TIPOS

Dear ladies and gentlemen,

The year 2010 was the second consecutive year tainted by the consequences of the global financial crisis. Despite this negative fact we can say that the fidelity and trust of players of TIPOS lottery and Internet games remained intact. TIPOS, therefore, thanks to its supporters, fulfilled its planned goals of contributing into the state budget. TIPOS also contributed significantly to the charities and sponsorships.

TIPOS achieved operating revenues from games of chance in the amount of nearly 303 million euro in year 2010. Levies from financial resources from the operation of state lotteries and instant lotteries for generally beneficial services exceeded 29.5 million euro. TIPOS again confirmed its position as one of the biggest contributors to the state budget among all operators of games of chance. TIPOS was able to support many beneficial activities in the areas of sport, culture, science and education, health, historical heritage and the environment protection of the Slovak Republic. It is important to mention the payment TIPOS made to help Slovak citizens affected by floods who needed resources for the removal of damage after a natural catastrophe that struck our country. The national lottery company paid out 20 million euro for this purpose on the basis of the amended law on games of chance, and it was bound to pay out an additional 20 million euro in regular installments.

Events after the parliamentary elections in 2010 also brought a change in the top management positions in TIPOS, národná lotériová spoločnosť, a.s. The vision of the new company management is an economically strong and effectively managed TIPOS with a dominant position on the market for games of chance within the period on upcoming 5 years. The company must become a symbol of transparency, trustworthiness, corporate and social responsibility, reliability and stability. Transparency is already one of the six key company pillars on which TIPOS bases the long-term conception of its development. The other pillars are effective

management, orientation on human resources, dominant position on the market of number lotteries, responsible gaming and cross border cooperation. These are the six key company pillars which were not sufficiently utilized and focused to in previous TIPOS management policies. An essential goal of the defined company values is to help determine the direction of company development as well as to improve the company's culture in a way that all company outputs are primarily orientated on satisfying the needs of players and business partners. Simply put, all the TIPOS employees' future activities will be pro-client and pro-partner orientated.

Events surrounding the TIPOS Company in 2010 were tinged by the court battle with the company LEMIKON LIMITED, which in the past repurchased the liabilities of the company Športka, a.s. This involves a lawsuit before the Supreme Court of the Slovak Republic on the carrying out of unfair activities, payment of compensation, the issuing of unwarranted bonuses and on the provision of reasonable satisfaction. The appellate Senate of the Supreme Court of the Slovak Republic decided on 30 November for the exceptional appeal of the general prosecutor. The appeal was considered reasonable for the most part and the matter was returned to the lower court for further action. It designated as groundless only one of the ten points, which was related to the unauthorized use of the protected brands Športka, Sazka and Mates. In this point the Senate confirmed the previous court judgment and confirmed the obligation of TIPOS to pay to the plaintiff of the second order, in this case the Cyprus-based company LEMIKON LIMITED, more than 14 million euro. TIPOS does not consider this claim by the Cyprus-based company as valid, however, and is therefore using all legal and legitimate ways and means to protect its property and operations.

From the standpoint of number lottery games, year 2010 was a record-breaking one. The main winners of the most popu-

lar lottery game LOTO "broke the bank" and hit the jackpot 24 times. More than 16.77 million euro was sent to the accounts of two dozen happy winners. Lotto players surpassed the record in terms of winners from 2009, when the jackpot in this lottery fell "only" 20 times. The biggest prize won in LOTO game was worth of 1,695,633.89 euro and it happened in 17th of February 2010.

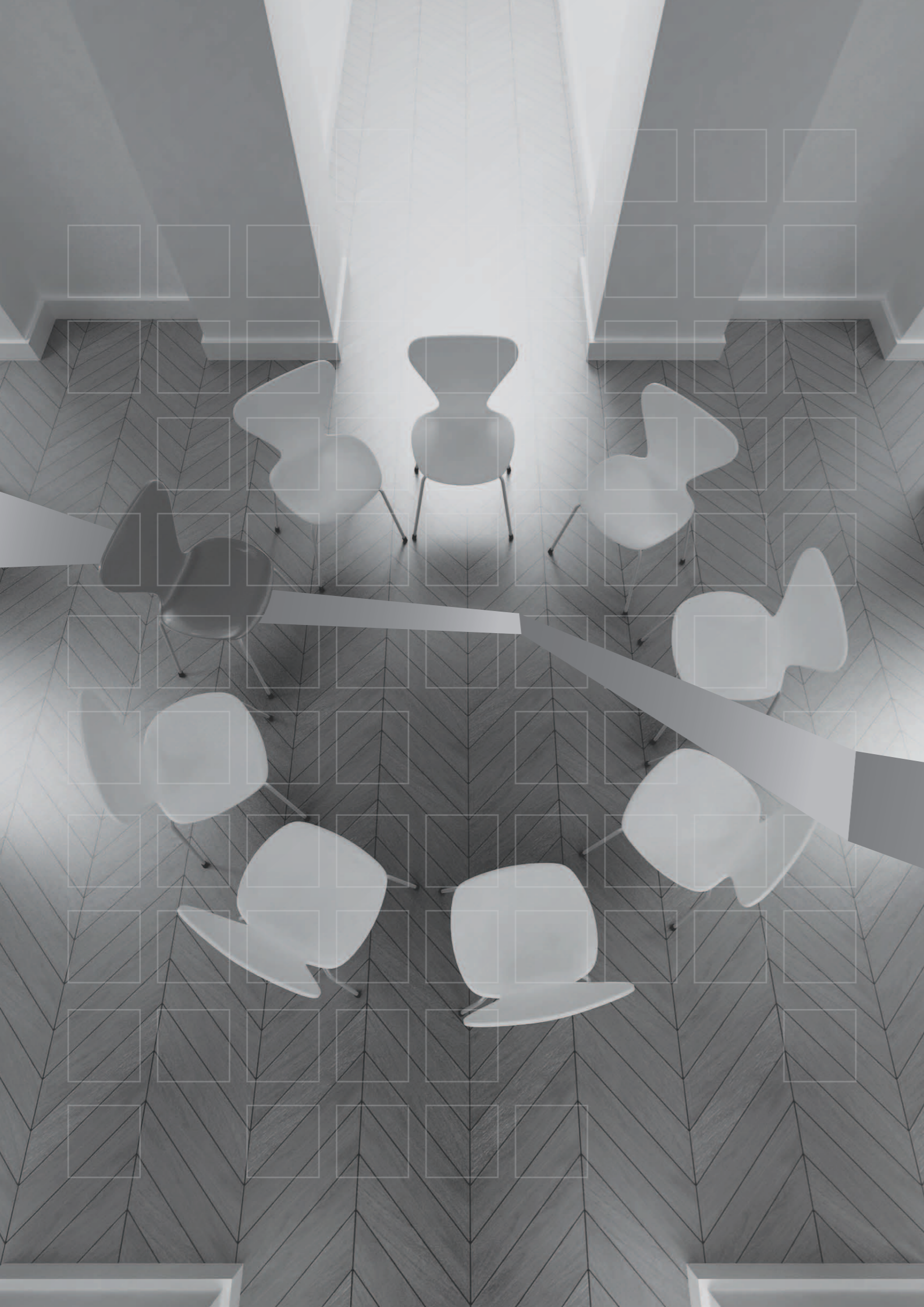
TIPOS, as an operator of games of chance with nearly 20 years of experience, is aware of its responsibility for promoting and supporting responsible gaming, which means gaming for joy, pleasure, excitement and entertainment, while maintaining the rules of fairness and discretion. As a good example of responsible gaming approach is a virtual Multiruleta (mini-roulette) that we launched on the Internet gaming market in 2010. Its entertainment value is multiplied by the possibility of playing it together with friends or relatives in a closed group or with other players at an open table.

The common goal of TIPOS, národná lotériová spoločnosť, a. s., is to operate its games so that they are attractive for players and bring them entertainment and pleasure. At the same time the company tries to maintain a safe gaming environment and minimize the negative effects on players associated with playing games of chance. In May 2007 TIPOS signed on to the European Responsible Gaming Standards and accepted them together with other members of the European State Lotteries and Toto Association (EL). For the positive approach to these problems, the World Lot-

tery Association (WLA) in 2009 awarded the TIPOS company international accreditation for Level 1 of the WLA Responsible Gaming Framework. After successfully fulfilling all WLA criteria, TIPOS was then awarded on 13 August 2010 by the World Lottery Association a Level 2 accreditation for the WLA Responsible Gaming Framework. TIPOS is ranked among the top world lottery companies in its fulfillment for Responsible Gaming. The vision of the TIPOS Company in the field of responsible gaming is also to obtain a Level 3 accreditation from the WLA. In this way the national lottery company wants to draw nearer to the notion of – "When you play, it makes your day".

The company TIPOS would not be what it is without the people who work for us and with us. Therefore, I want to thank them for their excellent work and efforts which stand behind the excellent results of TIPOS. I also want to thank to the players who remain loyal to TIPOS lottery games. TIPOS will continue in trying to create the most favorable conditions for gaming and entertainment. Last, but not least, I want to thank the TIPOS business partners for their quality cooperation and trust, which is also a part of our joined success.

JUDr. Ing. Miloš Ronec  
Chairman of the board of directors and general director  
TIPOS, národná lotériová spoločnosť, a. s.



**\* WHO WE ARE**

## \* WHOWEARE/ *Company profile*

The company TIPOS, národná lotériová spoločnosť, a.s., was established by a corporate indenture closed on the day 11 December 1992. The Company originated by enrollment in the Commercial Registry of District Court of Bratislava I. on the day 28 January 1993 with basic capital of 4 million Slovak crowns. In 2010 the Company had basic capital in the amount of 365,133.107625 euro.

The Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, is the only shareholder in the company registered in the record of the registered securities kept by the Central Securities Depository of the Slovak Republic, a. s.

Commercial name:	TIPOS, národná lotériová spoločnosť, a. s.
Legal form:	joint-stock company
Company seat:	Brečtanová ul. č. 1, Bratislava
Identification number:	31340822
Date founded:	11 December 1992
Basic capital:	365,133.107625 euro
Number of shares:	11
Form of shares:	registered securities bearing a name

### Subject of activities:

- brokering of trade and services,
- the purchase of goods for the purpose of selling them to end-users (retail),
- the purchase of goods for the purpose of selling them to other operators (wholesale),
- advertising activities,
- business consulting as permitted by an open trade licence,
- administrative work,
- organizing training sessions, courses and seminars,
- survey of the market and public opinion,
- copying work,
- the leasing of movables as permitted by an open trade licence,
- the leasing of non-movables associated with the provision of services other than basic services – acquisition activities,
- the leasing of machines, devices, equipment and technological units in the form of a free trade licence,
- keeping accounts,
- the activities of organisational, economic and accounting consultants,
- operation of lottery games according to prov. § 4 par. 3 letters c), d) and e) Act no. 171/2005 Coll. on games of chance and on a change and supplementing of some laws, as amended,
- operation of games of chance through the Internet according to prov. § 3 par. 2 letter f) Act no. 171/2005 Coll. on games of chance and on a change and supplementing of some laws, as amended,
- carrying out of business activities associated with the operation of games of chance according to prov. § 53 par. 1 of Act no. 171/2005 Coll. on games of chance and on a change and supplementing of some laws, as amended: - participation in the establishment and operation of games of chance according to the relevant law in trade companies in the Slovak Republic; - activities for organisational and economic consultants in the area of operation of games of chance according to Act of the NR SR no. 171/2005 Coll. on games of chance and supplementing of some laws, as amended; - the provision of brokerage services for companies doing business in the field of games of chance.

## \* WHOWEARE/ *Company bodies*

The position, rights and obligations and individual products of the company TIPOS, národná lotériová spoločnosť, a. s. (hereinafter also "TIPOS" or the "Company" or the "TIPOS company") are arranged in Act no. 171/2005 Coll. on games of chance on a change and supplementing of some laws, as amended.

The company in 2010 operated state lotteries, instant lotteries and fixed-odds betting via short-term text messages.

The Company undertook its primary subject activities on the basis of individual licenses conferred by Ministry of Finance of the Slovak Republic for individual lottery games and games of chance operated via the Internet. Among the lottery games so operated are numbers lotteries and instant lotteries.

In 2010 TIPOS also provided non-lottery products in the form of charging cards for mobile operators Orange Slovensko, a. s., and Slovak Telekom, a. s., and through an ownership share in the subsidiary CASINOS SLOVAKIA a. s. it did business on the Slovak market for games of chance also in the competitive environment of operators of games of chance in casinos.

### The General Assembly

is the highest body of the Company. The Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, is the only shareholder in the company registered in the record of the registered securities kept by the Central Securities Depository of the Slovak Republic, a. s.

### Board of Directors

is the statutory body of the Company, manages its activities, represents the Company and decides on all matters of the Company, with the exception of decisions which are specified exclusively to the sphere of the General Meeting.

### Makeup of the Company Board of Directors

#### Chairman of the Board of Directors

**JUDr. Ing. Miloš Ronec**

Ing. Peter Kapusta \*to 14. 7. 2010  
Ing. Milan Homola \*from 14. 7. 2010 to 2. 8. 2010  
Ing. Stanislav Žiačik \*from 2. 8. 2010 to 29. 9. 2010

#### Members of the Board of Directors

**Ing. Günther Furin**

Ing. Ján Barczy \*to 14. 7. 2010

**Ing. Milan Homola**

Ing. Ivan Litvaj \*to 14. 7. 2010

**JUDr. Jozef Bannert**

JUDr. Milan Knop \*to 14. 7. 2010

**Ing. Katarína Štefaničková \*from 21. 10. 2010**

Ing. Mário Schwab \*from 2. 8. 2010 to 21. 10. 2010  
PhDr. Ladislav Kriška \*to 14. 7. 2010



### The Supervisory Board

is the controlling body of the Company. It supervises the performance of the Board of Directors and carries out the business activities of the Company. It informs the General Meeting regarding results.

### Makeup of the Company's Supervisory Board

#### Chairman of the Supervisory Board

**Ing. Peter Malík**  
 Ing. Günther Furin \*from 14. 7. 2010 to 2. 8. 2010  
 JUDr. Roman Ožvold \*to 14. 7. 2010

#### Members

**Ing. Robert Hulák \*from 21. 10. 2010**  
 Ing. Vladimír Štric \*to 14. 7. 2010  
**Bc. Roman Foltin \*from 21. 10. 2010**  
 Ing. Tomáš Richter \*to 14. 7. 2010  
**Ing. Ján Štefanek \*from 8. 6. 2010**  
 Mgr. Miloš Prelec \*to 8. 6. 2010  
**Ing. Veronika Manduchová \*from 7. 7. 2010**  
 Ing. Miloslav Marek \*to 17. 6. 2010

### General Director

#### General Director

**JUDr. Ing. Miloš Ronec**  
 Ing. Peter Kapusta \*to 14. 7. 2010  
 Ing. Milan Homofa \*from 14. 7. 2010 to 2. 8. 2010  
 Ing. Stanislav Žiačik \*from 2. 8. 2010 to 29. 9. 2010

The position of General Director is performed by the Chairman of the Board of Directors, who is elected by members of the Board of Directors and recalled by the General Assembly. The General Director is the executive body of the Company. He manages the Company following written mandates to him from the Board of Directors and from the Company's operating regulations.



JUDr. Ing. Miloš Ronec



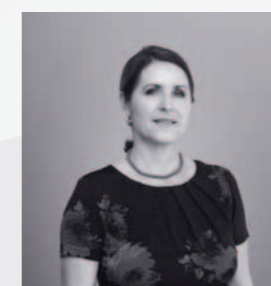
Ing. Günther Furin



Ing. Milan Homofa



JUDr. Jozef Bannert



Ing. Katarína Štefaničková

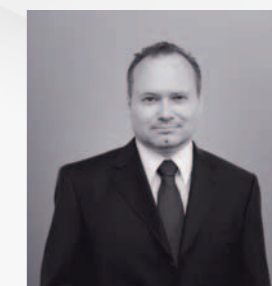
### Board of Directors



Ing. Peter Malík

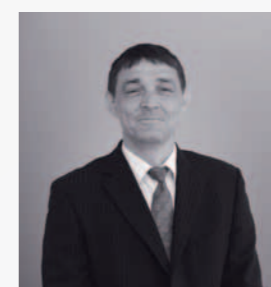


Ing. Robert Hulák



Bc. Roman Foltin

### The Supervisory Board



Ing. Ján Štefanek



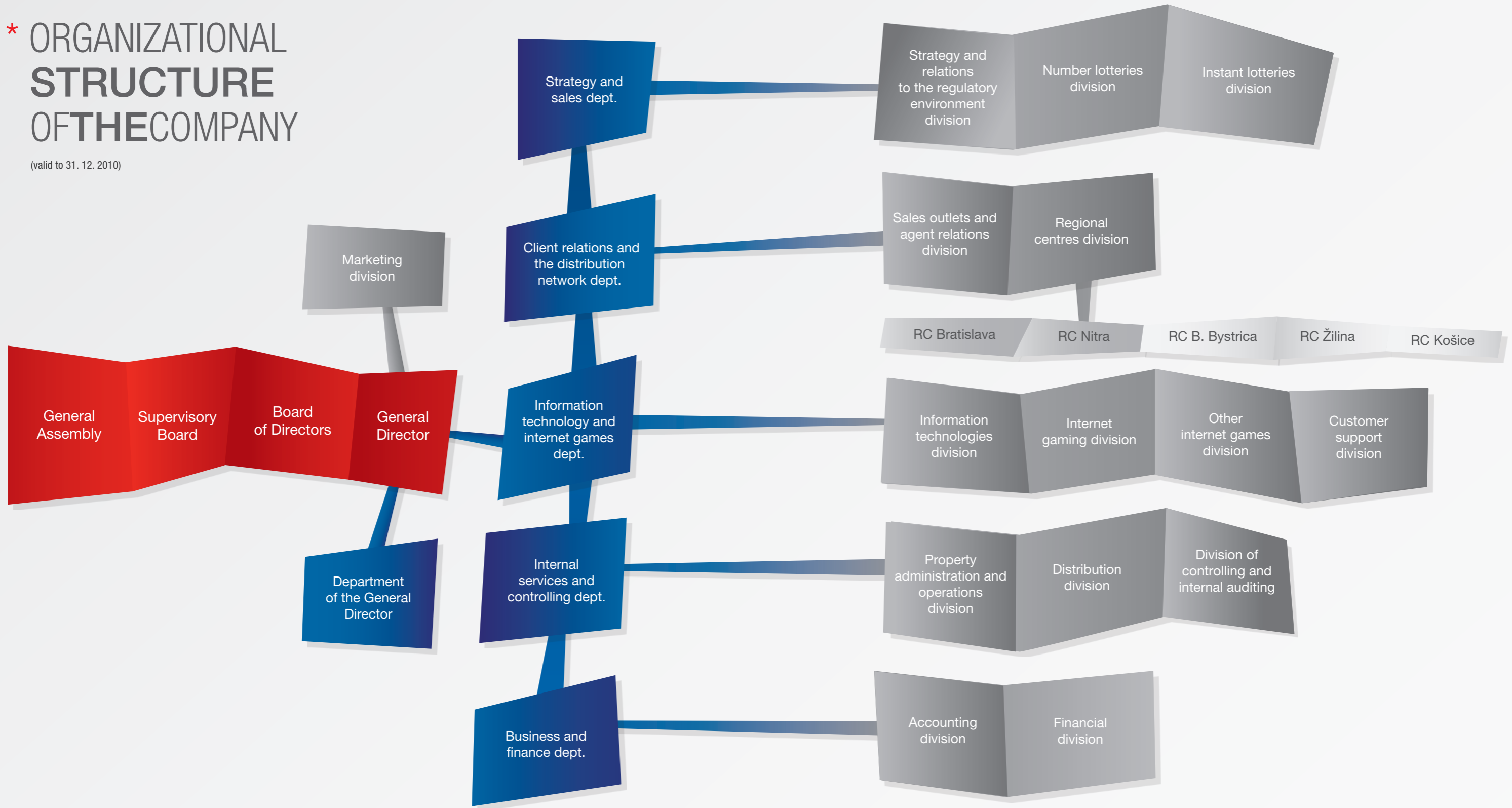
Ing. Veronika Manduchová

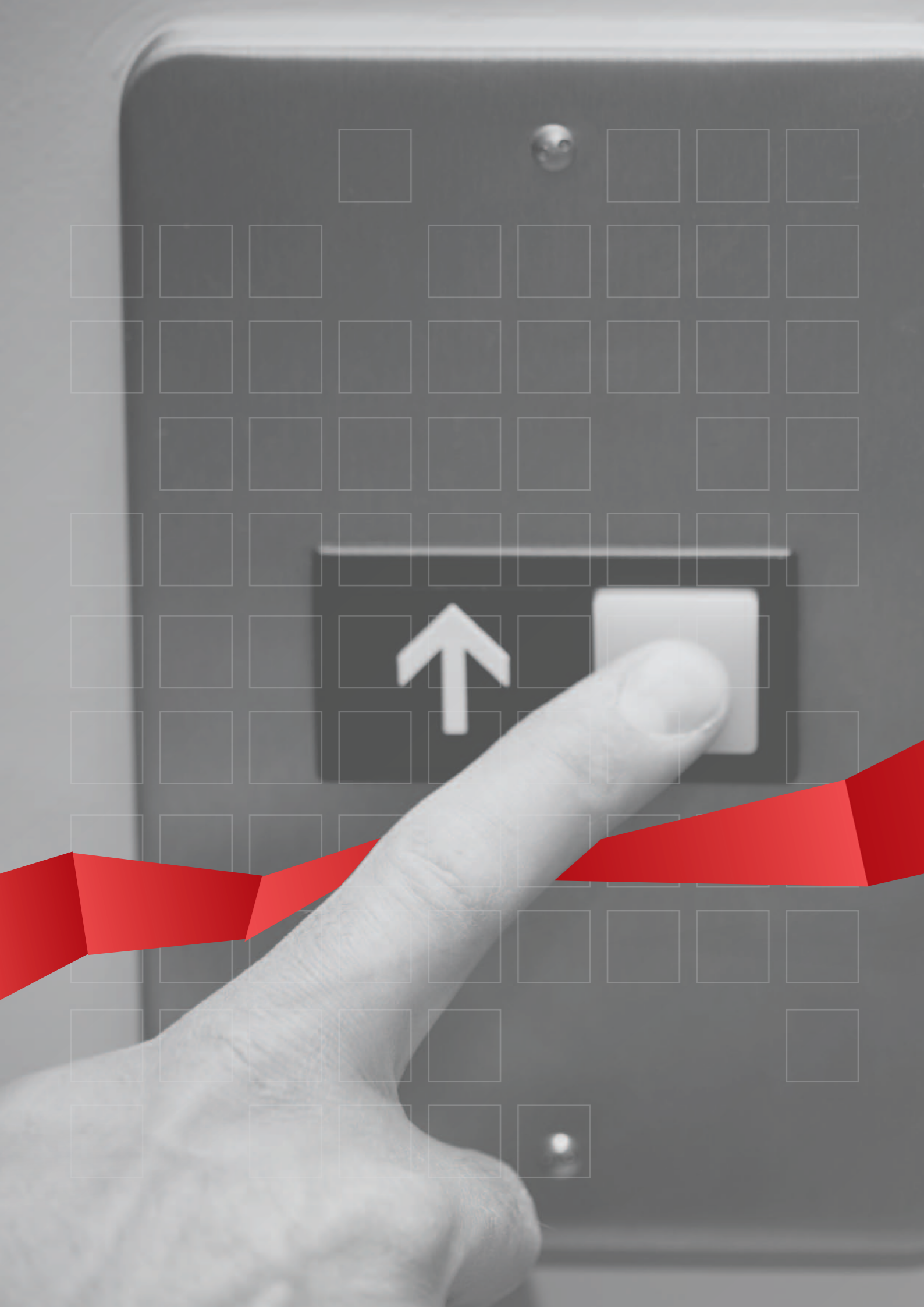




# \* ORGANIZATIONAL STRUCTURE OF THE COMPANY

(valid to 31. 12. 2010)





**\* WHERE  
WE ARE  
HEADING**

# \* WHERE WE ARE

## HEADING/ *Mission, aims and principles of the company*

### Mission

The mission of our company is provide entertainment to our players and to bring them happiness and joy by the winnings they achieve. We help the winners of our games to fulfill their hopes and dreams. We bring joy to our players in the form of financial prizes, entertainment of playing the game and also the excitement from expectations to win.

Our approach to players is in accordance with responsible gaming, thus we try to create and maintain a safe gaming environment with an effort to avoid any possible negative effects.

### Aims

The strategic aim of TIPOS is to collect financial resources through its games as effectively as possible and to return them back to the Slovak society in the form of levies from games to the state budget and through different sponsorships and charitable activities. The obligation to pay levies is the fundamental purpose of the existence of our company and therefore should be paramount over other economic parameters such as revenues and profits achieved.

### Principles of TIPOS

- to offer tradition, experience, professionalism
- to support responsible gaming
- to play fair
- to guarantee payouts to winners
- to ensure discretion
- to provide entertainment, joy, excitement
- to help fulfill players dreams
- to contribute to beneficial activities
- to help create a transparent gaming environment
- to help building Slovakia



**\* OUR MOST  
IMPORTANT  
ACTIVITIES IN 2010**

## \* OUR MOST IMPORTANT ACTIVITIES IN 2010 / *Events from the year 2010*

### January

- launch of the instant lottery "Pat & Mat #1001", start of sales on 2. 1. 2010, price of 0.50 euro per game, print run of 7 mil. units;
- launch of the instant lottery "Prasa v žite #1002", start of sales on 18. 1. 2010, price of 0.50 euro per game, print run of 7 mil. units;

### February

- launch of the instant lottery "Lásky čas #1003", start of sales on 1. 2. 2010, price of 1 euro per game, print run of 1 mil. units;
- on the day 17 February the highest winning sum for 2010 was achieved in the LOTO game in the amount of 1,695,633.89 euro;
- launch of the instant lottery "Peňažná horúčka #1004", start of sales on 22. 2. 2010, price of 1 euro per game, print run of 3 mil. units;

### March

- launch of the instant lottery "Pre šťastie #1005", start of sales on 15. 3. 2010, price of 0.50 euro per game, print run of 4 mil. units;

### April

- launch of the instant lottery "Veselé čísla #1006", start of sales on 12. 4. 2010, price of 1 euro per game, print run of 2.25 mil. units;

### May

- launch of the instant lottery "Slné dni #1007", start of sales on 10. 5. 2010, price of 2 euro per game, print run of 0.5 mil. units;

### June

- launch of the instant lottery "Ohnivá 5 #1008", start of sales on 1. 6. 2010, price of 0.50 euro per game, print run of 5 mil. units;
- from 8 June our company offers a new service – fixed-odds betting for on sporting events via SMS text messages;
- 11 June the TIPOS company launched for fixed-odds betters on the gaming portal TIPKURZ.SK the popular service "Live stávky" (Live bets);
- launch of the instant lottery "Rubín #1009", start of sales on 30. 6. 2010, price of 2 euro per game, print run of 1 mil. units;

### July

- on the day 5 July the company TIPOS was awarded a Level 2 accreditation for the WLA Responsible Gaming Framework from the World Lottery Association (WLA);

### September

- Launch of the instant lottery "BéčkoCéčko #1010", start of sales on 1. 9. 2010, price of 1 euro per game, print run of 2.5 mil. units;

### October

- launch of the instant lottery "Christmas Lottery #1011", start of sales on 1. 10. 2010, price of 3 euro per game, print run of 1 mil. units;
- from 14 October TIPOS incorporated among its Internet products a new item in the world of virtual games – Multiruleta (Multi-roulette);
- 27 October for the first time in the history of the LOTO a customer hit the jackpot to the tune of 300 thousand euro from a bet made via an SMS message;

### December

- The company TIPOS proceeded with activities from 16 December (with the game EUROMILIÓNY with effectivity from 18 December) for adjusting the prices of contributions for selected numbers lotteries (LOTO, JOKER, KENO 10, EUROMILIÓNY),

## \* HUMANITARIAN ACTIVITIES AND SPONSORSHIP

TIPOS, národná lotériová spoločnosť, a. s. is an organization which since its foundation in 1993 has encouraged responsible gambling as well as supported many useful charity and/or public projects. During its almost 20-year existence on the market, we have generated resources worth more than 290 million euro, money which has either been used to promote sport, culture and other publicly beneficial activities or which has gone straight into the state treasury.

In 2010 TIPOS paid almost 30 million euro into the state treasury through levies on games of chance and that way again fulfilled the main purpose of a national lottery company, i.e. the effective creation of resources for useful public works and services especially in the areas of healthcare, social work and humanitarian care; the creation, development, protection and renewal of cultural values; promotion of artistic work and cultural activities; education and training; sport; caring for and protecting the environment; and public health protection.

As well as making mandatory payments to the state treasury, TIPOS also supported many projects in the areas of sport, culture, schools, education and healthcare through sponsoring and advertising. In 2010 money contributed for this purpose came to 330 thousand euro.

In the area of healthcare we contributed money to the "Campaign for Your Life" project of the Europa Colon Foundation which focuses on preventive screening for bowel cancer. We also care about the future of children and so in 2010 supported, amongst other organizations, the Slovak branch of UNICEF and their "Benefit Christmas Tree" project.

TIPOS also made important contributions towards projects aimed at preserving the national heritage. These included restoration of the Church of St Stephen of Hungary in the parish of Nálepkovo, a national cultural monument. We also supported the parish of Dubová, near Modra, in their repair and reconstruction of the roof of the parish library, a building which houses some very rare historical books.

Our company also thinks about people affected by the recent catastrophic floods. In 2010, following passing of the new law on games of chance, we made a one-off payment of 20 million euro as well as committed ourselves to paying a further 20 million euro in regular instalments.

The primary aim of TIPOS in the area of humanitarian activities and sponsoring is to support projects and activities which we feel genuinely help people and provide lasting benefits to society.



**\* REPORT  
OF THE BOARD  
OF DIRECTORS  
ON ECONOMIC RESULTS  
FOR THE YEAR 2010**

# \* REPORT OF THE BOARD OF DIRECTORS ON ECONOMIC RESULTS FOR THE YEAR 2010 / *Financial results for 2010*

## REVENUES

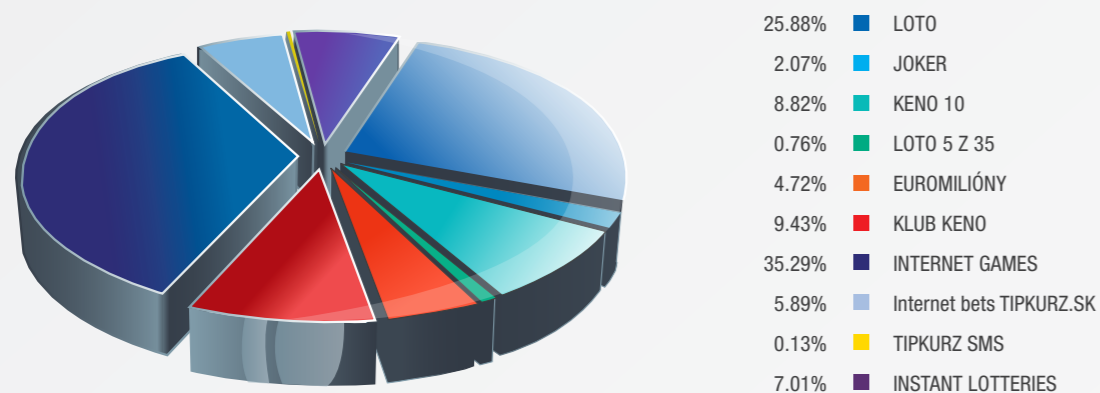
Company revenues reached the amount of 304,863,472 euro, which in comparison with 2009 represents a decrease in overall revenues by 0.05%. Revenues from the operation of games of chance for 2010 grew versus 2009 by 0.22% and at the same time we surpassed planned revenues from the operation of games of chance by 6.99%.

## SALES

Gross sales from games of chance account for 99.38% of overall company revenues. In 2010 they reached the level of 302,982,765 euro, which represents an increase of 0.22% year-on-year with 2009.

Structure of sales from games of chance in EUR	2010	2009	abs. 10-09	relat. % 10/09
NUMBERS LOTTERIES	156,549,367	156,738,511	-189,144	99.88%
LOTO	78,401,143	86,053,079	-7,651,936	91.11%
JOKER	6,284,646	5,942,880	341,766	105.75%
KENO 10	26,710,410	25,630,199	1,080,211	104.21%
LOTO 5 z 35	2,303,031	1,983,581	319,450	116.10%
EUROMILIÓNY	14,291,831	8,569,778	5,722,053	166.77%
KLUB KENO	28,558,307	28,558,994	-688	100.00%
INTERNET GAMES	106,936,610	113,754,466	-6,817,836	94.01%
Internet bets TIPKURZ.SK	17,860,476	17,343,075	517,401	102.98%
TIPKURZ SMS	397,415	0		
INSTANT LOTTERIES	21,238,898	14,484,036	6,754,862	146.64%
<b>TOTAL</b>	<b>302,982,765</b>	<b>302,320,088</b>	<b>662,677</b>	<b>100.22%</b>

Share of individual games in overall sales



## COSTS

Company costs prior to accounting for income tax were 304,930,426 euro, which were higher versus year 2009 by 6,031,331 euro. The growth in costs in 2010 was largely due to the share of a one-time levy in the amount of 40 million euro, which the company was obligated to pay in accordance with the amended Act no. 171/2005 Coll. on games of chance. If it had not been obligated by law to pay the exceptional levy, the company would have allocated for total costs at a level of 88.63% from the previous year.

Costs for winnings were 211,580,728 euro without obligatory donations, which represent 69.39% of overall company costs. The total winnings, like the overall costs, were distorted by the exceptional levy. If it had not been obligated by law to pay the exceptional levy, the company would have allocated for total winnings 79.86%.

The second-highest cost after costs for winnings, which are regularly repeated, are legal levies from games of chance. The Company paid into the state budget for generally beneficial purposes 29,668,015 euro, which is 507,732 euro more than such levies from the previous year.

Additional costs immediately associated with the operation of games (services of the company GTECH Slovakia Corporation organisational branch for online processing of numbers lotteries, instant lotteries and non-lottery products, remuneration for services associated with operation of games of chance and other direct costs) represented a total of 30,034,074 euro.

## ECONOMIC RESULT

The company's economic result for 2010 prior to tax represents a loss of 66,954 euro. The largest impact on achieving this financial result came from the exceptional levy, which lowered the financial result by 40 mil. euro, and changes in the reserve for the lawsuit. Deferred income tax from common activities represents a tax liability in the amount of 12,147,628 euro. The Company's economic result for 2010 after taxation is an after-tax profit of 12,080,674 euro.

## FINANCIAL SITUATION

The company's financial situation is good. The company met all its levy obligations to the state from levies from games of chance, income taxes, installment taxes, value-added tax, insurance and other legal obligations on time and within the legal time limits. Similarly it fulfilled all its commitments to winners, suppliers and employees. The liquidity coefficient confirms the solvency and financial independence of the Company without any credit liabilities. The company is, despite the good result, threatened financially by a lawsuit. As a consequence of a decision of the appellate senate of the Supreme Court of the Slovak Republic, the company is obligated to pay 14,122,409.21 euro for unauthorised use of protected trademarks. The company submitted a complaint to the Constitutional Court of the Slovak Republic, which received the complaint and deferred the effectivity of the decision of the Supreme Court, sp. zn. 1 MObdov 22/2008, from 30 November 2010. Until a final decision is reached, the threat of increased need for financial resources is minimized.

## ASSETS

The company recorded growth of its long-term non-material assets from 1,001,244 euro to 1,401,568 euro as a consequence of purchasing a license for an advertising campaign and software (the module LiveBetting for TIPKURZ.SK). Short-term assets grew from 28,984,195 euro to 37,522,053 euro as a consequence of growth of a deferred tax liability. Short-term liabilities grew particularly as a consequence of accounting liabilities, which originated as a result of the decision of the appellate Senate of the Supreme Court of the Slovak Republic, which neither of the participating sides accepted the costs for the lawsuit. The reason for the origin of the liabilities is described in detail in the notes appended to the statement of finances. Financial accounts fell from 22,165,758 euro to 16,287,283 euro especially as a consequence of payment of part of the extraordinary levy.

Long-term financial assets represent a net value of 2,088,130 euro, which is unchanged from 2010.

The year 2010 saw no transfer of company assets which would according to special provisions or statutes of the company be subject to previous consent of the General Meeting or Supervisory Board.

## CAPITAL INTEREST

In 2010 the company owned capital interest in these companies:

- CASINOS SLOVAKIA a. s. with a share of basic capital of 51.316%, which represents in monetary terms 2,088,130 euro,
- CASINO SLIAC SLOVAKIA, a. s. in liquidation with a share of basic capital of 51%, in monetary terms 294,563 euro, with an adjusting entry in the same amount.

## SHARE CAPITAL

Share capital 2010 in comparison with 2009 rose by 12,080,674 euro, that is by the economic result for the current year. Share capital as of 31. 12. 2010 showed a total value of -32,200,968 euro.

## LIABILITIES

Liabilities of the company (including reserves) decreased by 2,800,373 euro. The lowering of reserves for the lawsuit and the growth of long-term liabilities as a result of getting permission for payment of the extraordinary levy in installments were mainly responsible for the change in the amount of liabilities. The total sum of reserves dropped from 65,107,255 euro to 26,067,973 euro. As a consequence of the decision of the appellate Senate of the Supreme Court of the Slovak Republic, part of the reserves for the lawsuit created in 2008 in the amount of 14,122,409.21 euro became a liability and this is recorded in other short-term liabilities. The unpaid sum from the extraordinary levy represents 20 mil. euro, of which 17,996,000 euro represents a long-term liability.

## ADDITIONAL INFORMATION

The company assessed significant risks and uncertainties following from the lawsuit, which are presented in detail in the Notes to the financial statement prepared as of 31. 12. 2010. In them it described a fact which occurred after the day to which the financial statement is prepared and which mainly has an impact on the true picture of its assets.

The statutory body proposes to re-bill the account profit in the amount of 12,080,674 euro for the year 2010 for an undivided profit from past years in the amount of 12,060,000 euro and to the social fund in the amount of 20,674 euro.

The accounting unit does not have an organisational branch abroad.

# \* REPORT OF THE BOARD OF DIRECTORS ONE ECONOMIC RESULTS FOR THE YEAR 2010 / *Levies from games of chance*

The gross volume of levies from operations of games of chance into the state budget of the Slovak Republic represents a sum of 29,668,015 euro, which represents year-on-year growth in comparison with 2009 by 507,732 euro, or 1.74%. At the same time this is the second highest value for total achieved levies since 2008.

The company thus maintains its position as the largest contributor to the state budget from all operators of games of chance in Slovakia.

Structure of levies from games of chance in Eur	2010	2009	abs. 10-09	relat. % 10/09
NUMBERS LOTTERIES	26,613,392	26,645,547	-32,155	99.88%
INTERNET GAMES	809,295	803,927	5,368	100.67%
Internet bets TIPKURZ.SK	501,653	443,347	58,306	113.15%
TIPKURZ SMS	19,871	0		
INSTANT LOTTERIES	1,723,804	1,267,462	456,342	136.00%

The largest share in the overall levies was typically achieved by the number lotteries. Levies from these represents 89.7% of the total levies from the company.

# \* REPORT OF THE BOARD OF DIRECTORS ONE ECONOMIC RESULTS FOR THE YEAR 2010 / *Paid out winnings*

For 2010 more than 34 million winnings were paid out with a total value of 212,724,953 euro.

Structure of winnings in EUR	2010*	2009**	abs. 10-09	relat. % 10/09
NUMBERS LOTTERIES	78,191,328	79,106,754	-915,426	98.84%
INTERNET GAMES	103,939,221	110,776,958	-6,837,737	93.83%
Internet bets TIPKURZ.SK	16,002,501	15,701,047	301,454	101.92%
TIPKURZ SMS	298,543	0		
INSTANT LOTTERIES	13,149,136	8,504,844	4,644,292	154.61%

\* The data do not include obligatory subsidies in the amount of 1,144,225 euro.

\*\* The data do include a bonus prize of 2,000,000 euro and do include obligatory grants of 1,768,852 euro.

From the structure of paid out winnings according to the individual products, it follows that in a year-on-year comparison the greatest growth was recorded in the instant lottery games, namely by 54.61%. This growth was nearly identical to the growth in sales.

The year 2010 was a record one from the viewpoint of frequency of winnings in the 1st winner category with the LOTO game. The jackpot in this game was hit 24-times, that is, nearly every other week our players won a genuinely interesting sum in the amount of at least 300,000 euro. With the number lottery LOTO a winning claim of more than 1 million euro was recorded at least five different times.

The largest jackpot in 2010 was hit in February in the LOTO game with an amount of 1,695,633.89 euro. Despite its high level, however, it did not make it into the historical top ten paid out winnings in the LOTO game; three jackpots from 2009 made it into the top five.

10 biggest winnings in the history of TIPOS in Euro					
Pos.	Amount won	Game	Year	Wagering period	Region
1.	11,002,675	LOTO	2009	3rd week - Sunday	Bet received via the gaming portal <a href="http://www.tipos.sk">www.tipos.sk</a>
2.	3,668,810	LOTO	2009	44th week - Wednesday	Nitra
3.	3,394,035	LOTO	2007	46th week - Wednesday	Prešov
4.	3,359,416	LOTO	2007	36th week - Wednesday	Bratislava
5.	3,014,660	LOTO	2009	17th week - Sunday	Košice
6.	2,997,340	LOTO	2005	23th week - Sunday	Bratislava
7.	2,835,116	LOTO	2007	37th week - Sunday	Bratislava
8.	2,533,760	LOTO	2008	14th week - Sunday	Košice
9.	2,168,309	LOTO	2006	37th week - Sunday	Trnava
10.	2,147,543	LOTO	2005	2nd week - Wednesday	Košice



# \* REPORT OF THE BOARD OF DIRECTORS ON ECONOMIC RESULTS FOR THE YEAR 2010 / *Business partners*

The business network of online terminals in fixed sales outlets was affected in 2010 by four important developments – the carrying out of the expansion of the number of new sales outlets by installing 300 additional terminals, the exceptionally adverse development of jackpots in the number lottery LOTO with subsequent stagnation of sales of numbers lotteries, the high year-on-year growth in sales of instant lotteries (+43%) and the permanent decline in sales from recharging of credits (-17% versus 2009).

## 1.1. TERMINALS AND COLLECTION CENTRES

### 1.1.1. Status of terminal and sales outlets in 2010

In 2010 we finished the year with a business network of sales outlets online with 2,423 active terminals in 2,375 sales locations – sales outlets which were operated by a total of 1,288 active agents. For the entire year 2010, active terminals thus worked a total of 124,309 weeks. Overall, the business network was expanded by 228 active terminals. The size of our business network is characterised by the data in the following table:

Status of indicators for the business network of online sales outlets	as of 53rd week of 2010	as of 53rd week of 2009	as of 53rd week of 2008
number of active terminals*	2,423	2,195	2,193
number of active sales outlets	2,375	2,147	2,145
number of active agents	1,288	1,158	1,160
Balanced indicators of the business network of online sale outlets	during 2010	during 2009	during 2008
number of active terminals	2,604	2,405	2,404
number of active outlets	2,560	2,357	2,355
number of active agents	1,423	1,277	1,305
number of active terminal weeks total	124,309	117,519	112,805

During the year the business network grew by 228 terminals, meaning that versus 2009 the number of business sales points increased by more than 10%.

Types of terminal equipment	as of 53rd week of 2010	as of 53rd week of 2009
active terminal ISYS	1,711	1,723
active terminal ALTURA	712	472
monitor CRT	1,190	1,425
monitor LCD	1,035	606
self-service TICKET-SCAN	50	50

At the end of 2010 a total of 2,375 business sales points – outlets were active (the total number of active sales outlets in the course of the year was 2,560). Only in one of them – ZBERŇA TJ RAPID BRATISLAVA, Herlianska 49, Bratislava 2 – are there 3 active terminals assigned which worked the full 53 weeks in the sales year. In the entire business network we had a total of 43 sales outlets with two active terminals. All other sales outlets have a single terminal. At the end of 2010 we had 712 active terminals of the ALTURA type (a 29.6% share of all active terminals).

### 1.1.2. Expansion of the business network with the installation of new terminals during the year

By an appendix to the contract between TIPOS and GTECH on the extension of the contract it was decided to expand the current number of sales outlets by 300 new ALTURA terminals with connection by a fixed line DSL/or flarion (supplied by Slovak Telekom, a. s.) for an objective of 2,500. Thus, after two stabilisation years (2008 and 2009) the fifth significant extensive mid-year expansion of the business network in the history of the TIPOS company was planned. Preparation of the project started in the final quarter of 2009 with a phase of seeking out offers and selecting suitable business locations for applicants (agents), through verifying the possibility of connecting DSL communication lines to the future sales outlets up to obtaining documents of consent from building owners for the work to be done. The actual installation began in January 2010 and continued concurrently with the concluding of agent contracts and training of staff for the new terminals and subsequently their launch into live operation.

During 2010 we installed and actively launched on the network a total of 316 new terminals in new sales outlets; on the other hand, however, up to 88 existing active terminals were disconnected in 2010, and thus the agent activities in these existing sales outlets ended. The net growth in the number of active terminals for the year was thus +228. The reason for closing sales outlets and uninstalling terminals, aside from some cases of losses of lease of the commercial space, was in particular the voluntary termination on the side of the relevant agents due to the drop in sales beneath their level of profitability and a loss of interest in performing sales agent activities in the given commercial location. In addition to this, 109 existing terminals and sales outlets underwent a change in agents on the basis of agreements between agents and regarding a number of transferred terminals.

The idea that we will effectively and successfully install an additional 300 new terminals in 2010 for a total of 2,500 active terminals was, it seems, well beyond even high expectations. The consequences of this unfavourable phenomenon lie in the fact that in 2010 sales were effectively "diluted" on one terminal by increasing their overall numbers. Among other reasons it's necessary to also include the fact that in some originally announced new business centres (e.g. AUPARK Košice and Trenčín, SC CORSO Prešov, RIVER PARK Bratislava, RETRO Bratislava, 3NITY Bratislava, and others) the completion of construction work was put off a number of times during the course of the year or there were delays in the start of construction.

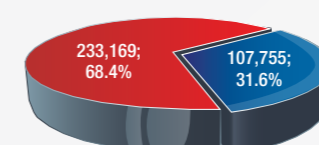
The combination of the mentioned facts connected with the effects of the global financial crisis, the cautious outlays of citizens for consumption and therefore also to lotteries and the high costs for the leasing of commercial spaces which our agents must meet, all meant that the originally planned project for expanding the number of new business outlets to a total level of 2,500 was not successfully fulfilled.

### 1.1.3. Sales in the business network of online sales outlets

The total annual sales (fiscal year from 1. 1. to 31. 12. 2010) handled by agent activities in sales outlets for all games and products reached a level of 203,293 mil. euro, which from the viewpoint of the company's technological sales channels represents a 60.44% share in the annual sales of TIPOS as a whole.

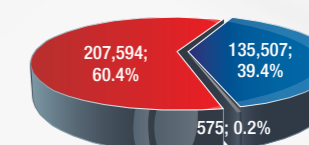
The graphs depict a comparison of shares of individual technological sales channels for total annual sales of TIPOS in the years 2008 to 2010.

Share of channels for annual sales total for 2008  
[thou. euro]



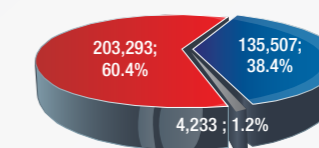
■ Online fixed sales outlets ■ by Internet ■ SMS by mobile phones

Share of channels for annual sales total for 2009  
[thou. euro]



■ Online fixed sales outlets ■ by Internet ■ SMS by mobile phones

Share of channels for annual sales total for 2010  
[thou. euro]



■ Online fixed sales outlets ■ by Internet ■ SMS by mobile phones

Total sales handled in sales outlets dropped versus 2009 by 4.301 mil. euro (-2%) and versus 2008 by up to 29.876 mil. euro (-12.8%). From the viewpoint of the structure of sales, sales from numbers lotteries fell in 2010 versus 2009 by 4.17 mil. euro. From these, sales of loto lotteries fell by 4.833 mil. euro, the largest drop being recorded in the number lottery LOTO, by 9.628 mil. euro (-11,6%).

On the other hand, year-on-year growth in the number lottery was EUROMILIÓNY by 4.809 mil. euro (+59%). Sales for keno lotteries grew overall by 0.66 mil. euro with credit for the sales growth going to the KENO 10 lottery, while KLUB KENO remained at practically its 2009 level.

Total sales from instant lotteries significantly grew year-on-year by 6.684 mil. euro (+43.4%), with the highest annual sales of all 20 issues sold in 2010 was achieved by the scratch card PRASA V ŽITE #1002 with a total sales volume of 3.398 mil. euro and PAT a MAT #1001 with a volume of 3.062 mil. euro.

Total sales from the charging of credits year-on-year fell by 6.812 mil. euro (-17.2%) and continued the falling trend from the year 2009.

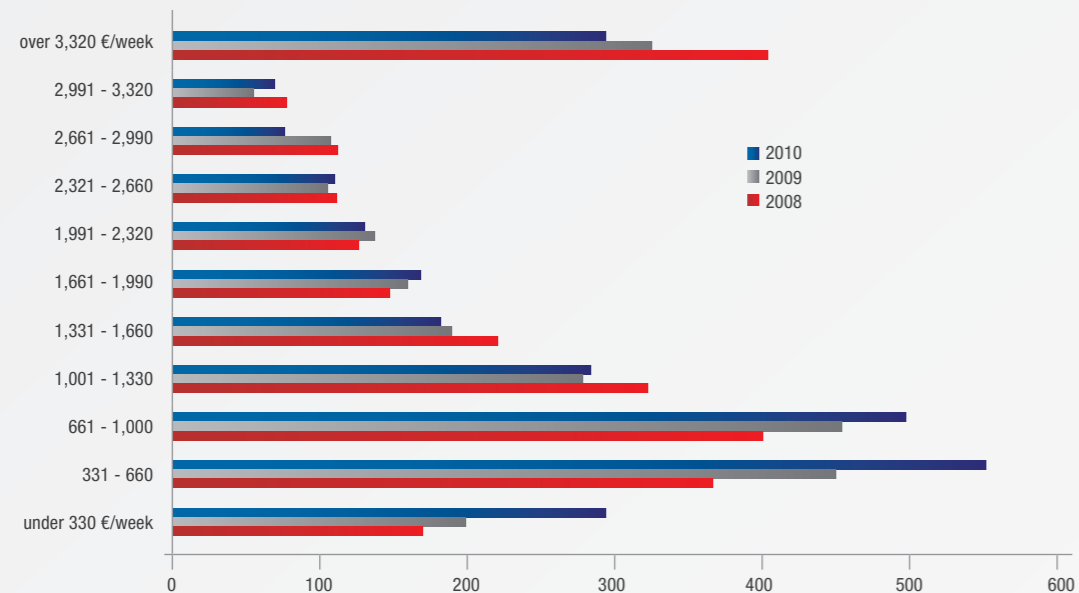
### 1.1.4. Terminal efficiency in 2010

The overall efficiency of terminals in the business network in 2010 was affected not only by the two percent year-on-year drop in overall sales via this sales channel, but also the significant growth in the number of terminals operating in the business network.

Indicators of efficiency in the business network for online sales outlets		2010	2009	2008
Average total sales for active terminal and an active week		1,550	1,715	1,958
Terminals which achieved average or higher sales per week for the year	number	879	841	822
	total sales	143,745,882	174,951,640	162,073,813
	share of total sales	70.9%	70.4%	70.3%
Terminals with sales => 3 320 eur/week	number	288	318	396
	total sales	76,786,073	84,944,981	109,012,256
	share of total sales	37.9%	40.2%	47.3%
Terminals with sales <= 330 eur/week	number	288	194	181
	total sales	2,338,505	1,489,708	1,372,441
	share of total sales	1.2%	0.7%	0.6%
Annual sales of the first best terminal in the year		625,338	642,426	789,461
its average sales for an active week (eur/week)		11,799	11,897	15,182
its share in overall annual sales		0.31%	0.30%	0.34%
Annual sales of the second best terminal during the year		559,592	607,767	657,832
Number of terminals with average sales more than 12,000 €/week		0	0	4
Sum of annual sales of the 50 best terminals in the year		21,200,644	23,033,441	25,612,371
their share in total annual sales		10.5%	10.9%	11.1%

Practically all objective indicators of terminal efficiency in the business network mentioned in the previous table have shown an unfavourable trend for the second straight year. In the course of two years the average sales for one terminal during one active working week has fallen by 408 euro, when the value achieved in 2010 was 1,550 euro/week, which is only slightly higher than in 2005. The number of terminals which achieved the average weekly sales level, or higher than 3,320 euro, was 288 units, meaning this number also fell in comparison with 2009, by 9%, but in comparison with 2008 was up by 27%. For example, also, the share of sales for those terminals which achieved a weekly average of less than 330 euro/week on the total annual sales grew over two years from 0.6% to 1.2%, or double the number.

Bar chart of terminal effectiveness for the entire business network – comparing 2008-2010  
Number of terminals according to their average weekly sales in euro



This same unfavourable trend in the effectiveness of the business network is evident also in the total range of the bar chart of effectiveness for the years 2008 to 2010. More terminals are being permanently classified in the direction of the lower levels of weekly sales. The number of terminals in the highest categories of average weekly sales is dropping and there is a dramatic growth in the number of terminals in the three lowest categories of average weekly sales. In both 2010 and 2009 no terminal had weekly sales higher than 12,000 euro (in 2008 there were 4 such terminals).

The number of terminals in the highest categories, above 3,320 euro/week, fell to 288 units, which versus 2009 is 50 fewer, but versus 2008 is 108 fewer units.

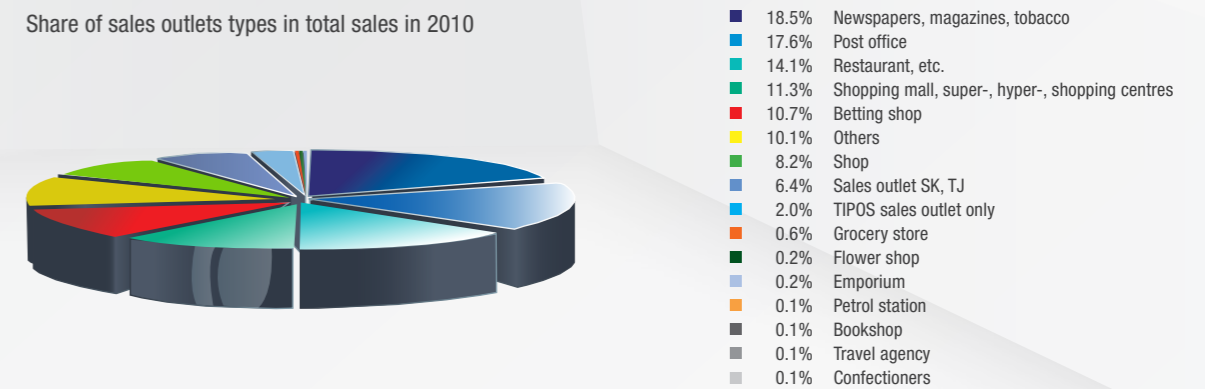
In the lowest category of average sales - under 330 euro/week - the number of terminals grew to 288; in the category between 331-660 euro/week the number grew to 542, and in the category between 661-1,000 euro/week up to 489 terminals. Thus, as many as 830 terminals, which is nearly one-third of all active terminals in 2010, operated with average sales beneath 660 euro. Even when we bear in mind that a large majority of the less effective terminals began as new sales outlets in 2010 (the "starting" curve) and did not operate during the entire year, this indicator is exceptionally unfavourable.

### 1.1.5. Sales outlets from the viewpoint of type

The share of individual types of business locations for annual agent sales for 2010 is depicted in the following graph according to the primary business activities performed by the agent in the relative sales outlet.

Compared with last year, the absolute sales realized in sales shops for newspapers, magazines and tobacco products grew by more than 3 mil. euro and their market share increased to 18.5% (growth in the share by 2.3 percentage points). Similarly, post offices showed year-on-year growth by 1.5 mil. euro, meaning market share of post offices grew by 1.4 percentage points. Sales from other important types of sales outlets either stagnated or fell. The year-on-year decline in sales from sales outlets in sports clubs and exercise associations is particularly significant. This historical type of sales outlet, whose handlers are exercise associations and sports clubs usually located near sporting sites and in which the agent does not sell any other consumer goods or service, is special and now looks obsolete.

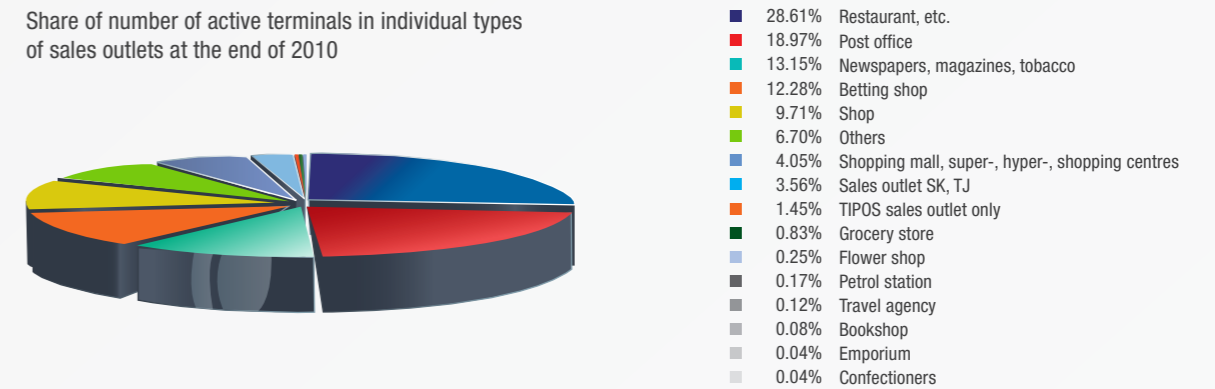
Share of sales outlets types in total sales in 2010



The sales of newspapers, magazines and tobacco products are gradually becoming an important type of sales outlet from the viewpoint of sales and for the second year now, in absolute term, have surpassed the sales handled in post offices. And despite the fact that in shops for newspapers, magazines and tobacco products, we have fewer than half as many active terminals as in restaurants/etc, they have handled in them nearly 9 mil euro more in sales. This type of sales outlet is therefore the most efficient, since in 2010 it handled 18.5% of all sales with a 13% share of all terminals.

At the end of 2010 we had 692 active terminals located in sales outlets of the restaurant/bar type. This type of outlet, with 29% percent of all terminals, handled 14.1% of all sales. In general this is the most complicated type of segment from many business points of view (frequent reinstallation of fluctuation sales outlets, frequent payment problems from agents, relatively low efficiency, etc.). It does have, however, a place in the network because of its opening hours as well as its focus on the number lottery KLUB KENO.

Share of number of active terminals in individual types of sales outlets at the end of 2010



## 1.2. AGENTS

The extensive increase in the number of business locations with newly installed terminals also caused a comparable growth in the number of agents who carried out sales activities in 2010. In the course of the year the number of agents grew by a number of limited liability companies (s. r. o.) (+36), by civil business cooperatives (+5), but in particular by natural persons doing business (+119). A total of 1,423 agents worked for us during the year. At the end of the year we had valid and active agent contracts with a total of 1,288 business subjects, which represents 130 partners (+ 11%) more than at the end of 2009.

### 1.2.1. Table of important agents

Slovenská pošta, a. s., Banská Bystrica, historically preserved its position as the biggest and most strategically important business partner of TIPOS in the network of fixed sales outlets. Its total sales from all games and products achieved a level of 35.79 mil. euro with a 17.6% share in the total sales for the business network. Its total sales grew year-on-year by 1.5 mil. euro (+4.4%) with credit for the growth in sales going to instant lotteries (+3.9 mil. euro). The number of active terminals during 2010 was 460 (including 15 terminals in the ORP). At the end of the year the number of active terminals at Slovak post offices totaled 459 versus 447 in 2009.

The table of the 50 most important agents showed very few significant shifts or changes versus the 2009 table. The following agents shifted moderately up in the table: NIKÉ s. r. o., M+M Ing. Miloš Macega and practically all agents from the group "GG GROUP 16" - sellers of newspapers and magazines and tobacco products. These were helped primarily by the fact that new sales outlets were added to their chain stores and centres.

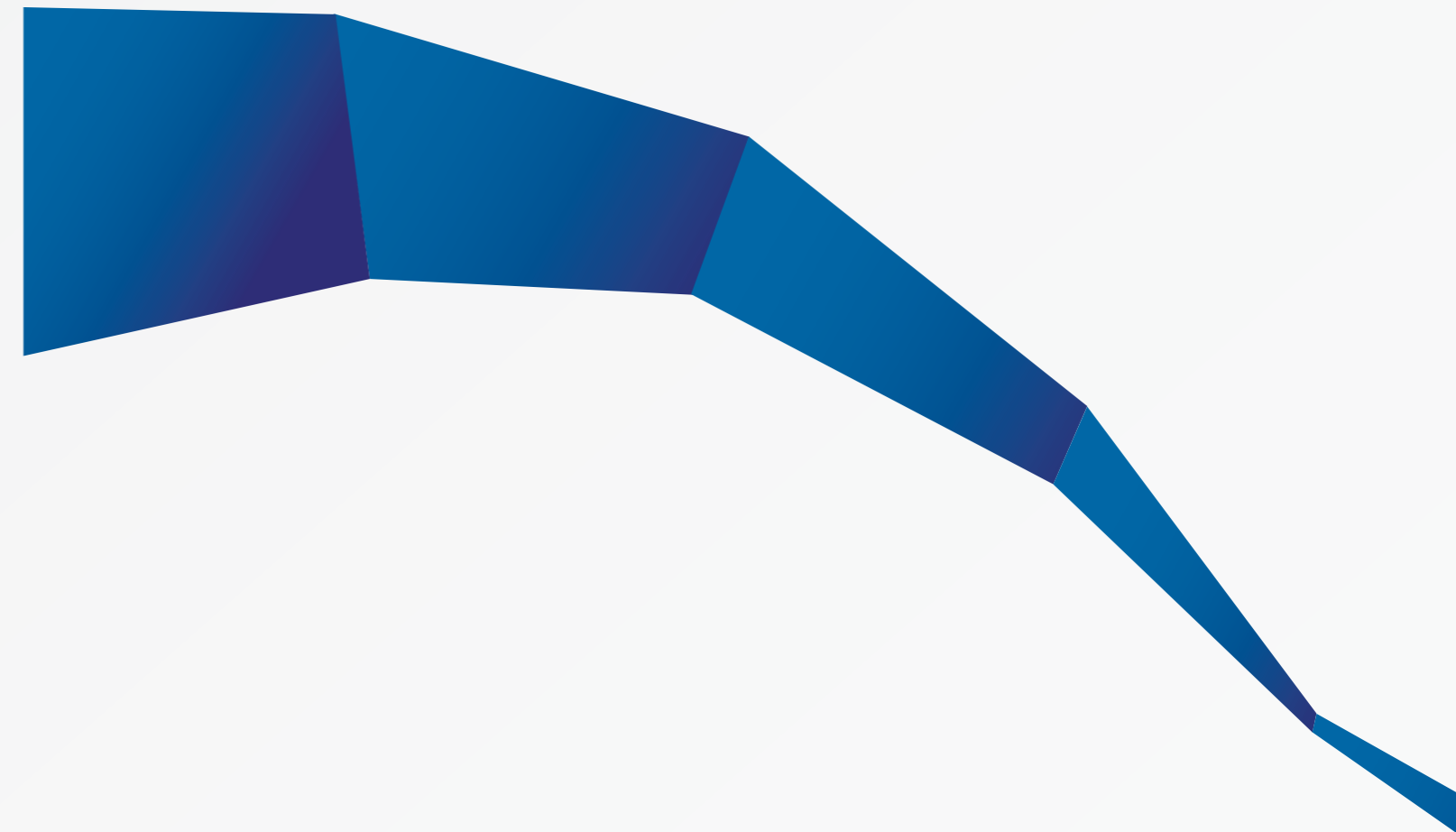
In addition to Slovenská pošta all four TOP agents – GECO, s. r. o.; NIKÉ, spol. s r. o.; and M+M Ing. Miloš Macega – showed year-on-year growth in sales. All moderately increased the number of sales outlets in 2010 while utilizing the location advantage of their own places of business. Agents from the "GG GROUP 16" – (TOPAS spol. s r. o., MEDIAPRESS Bratislava spol. s r. o., D.A. CZVEDLER, spol. s r. o., ROYAL PRESS, spol. s r. o., KAPA DAB, spol. s r. o., GG TABAK, a. s., KAPA-PRESS, spol. s r. o., BRESMAN, s. r. o., a i.) also saw year-on-year growth in sales, and they also expanded the number of sales outlets by effective locations particularly in the networks of their chain operations and in new buildings. The total number of active terminals for the group was at the end of 2009 – 93, versus 81 at the end of 2008.

Others from the TOP 45 sales agents versus 2009 stagnated or declined. The following long-term sales agents fell year-on-year: FORMULA plus, s. r. o., DOMINO L&K s. r. o., ŠK MOTOTURISTA KOŠICE, V-TIP, s. r. o., HANDYMAN s. r. o., TJ DRUŽBA PIEŠŤANY, NOVOTNÝ VLADIMÍR, TJ LOKOMOTÍVA KOŠICE, and others.

Table of AGENTS according to TOTAL SALES		2010						2009		
		Actual no. T to end of year	no. act. T	Total sales [thou. €]	share on sales.	10/09 shift in table	Ø sales €/T and week	no. act. T	Total sales [thou. €]	Ø sales €/T and week
1.	SLOVENSKÁ POŠTA, a. s.	459	460	35,787	17.6%	- 0	1,471	451	34,287	1,414
2.	GECO, s. r. o.	33	33	8,272	4.1%	- 0	4,757	31	7,583	4,646
3.	NIKÉ, spol. s r. o.	98	103	5,121	2.5%	1	952	109	4,606	858
4.	M+M Ing. Miloš Macega	22	22	4,683	2.3%	1	4,049	19	4,574	4,511
5.	FORMULA plus, s. r. o.	61	63	4,657	2.3%	- 2	1,420	60	5,418	1,727
6.	DOMINO L&K, s. r. o.	16	17	3,576	1.8%	- 0	4,259	11	3,652	6,190
7.	TOPAS, spol. s r. o.	13	13	2,215	1.1%	- 0	3,328	11	2,432	4,109
8.	MEDIAPRESS Bratislava, spol. s r. o.	23	23	1,611	0.8%	4	1,432	13	1,460	2,289
9.	ŠK MOTOTURISTA KOŠICE	8	10	1,481	0.7%	- 1	2,944	10	1,818	3,366
10.	D.A. CZVEDLER, spol. s r. o.	9	9	1,478	0.7%	1	3,136	9	1,551	3,195
11.	ROYAL PRESS, spol. s r. o.	8	8	1,442	0.7%	4	3,402	8	1,317	3,268
12.	KAPA DAB, spol. s r. o.	12	13	1,441	0.7%	2	2,093	12	1,325	2,238
13.	V-TIP, s. r. o.	5	5	1,384	0.7%	- 4	5,224	5	1,722	6,379

Table of AGENTS according to TOTAL SALES		2010						2009		
		Actual no. T to end of year	no. act. T	Total sales [thou. €]	share on sales.	10/09 shift in table	Ø sales €/T and week	no. act. T	Total sales [thou. €]	Ø sales €/T and week
14.	GG TABAK, a. s.	6	7	1,331	0.7%	4	3,656	6	1,273	3,970
15.	KAPA-PRESS, spol. s r. o.	9	9	1,263	0.6%	12	2,891	7	950	2,839
16.	KÜRTHY Attila, Ing. - TABAK	8	8	1,240	0.6%	1 120	3,039			
17.	HANDYMAN, s. r. o.	4	4	1,212	0.6%	2	6,455	3	1,243	7,671
18.	TJ DRUŽBA PIEŠŤANY	9	9	1,180	0.6%	- 5	2,473	9	1,386	2,910
19.	FORTUNA SK, a. s.	24	30	1,171	0.6%	- 2	766	32	1,274	765
20.	MEDIAPRESS Poprad, spol. s r. o.	7	7	1,114	0.5%	- 4	3,326	4	1,297	6,004

Together the 45 TOP most significant agents realized in 2010 through their 998 active terminals a total volume of sales of 101,538 mil. euro, which made up a 51.1% share of total sales. In 2009 the 45 best sales agents realized a total volume of sales in the amount of 105,313 mil. euro (a 49.8%-share of total sales).





**\* WHAT WE DO**



## LOTO

Date of introduction: 15. 4. 1957

### Short description:

- number lottery of the LOTO type, 6 out of 49;
- drawing of winning numbers for the 1st and 2nd draw takes place twice a week, on Wednesday and Sunday (until the 27th week of 1999 on Sunday only);
- six winning numbers and one additional bonus are drawn from a set of individual numbers in the range of 1 - 49;
- the prize pool is made up of the product of the number of bets received times the price of a wager for a single bet;
- the price for one bet on both the 1st and 2nd draws (a double-bet) is 0.70 euro (from 1 January 2009 until 15 December 2010 the price was 0.65 euro, before 31 December 2008 the price was SKK 20);
- the prize pool is made up of 50% of the gross wagers for a given game for the relevant betting period; it is divided into equal ratios for the prize pool of the 1st and 2nd draw;
- the prize pool is divided into a winning sums for individual winning categories as follows (since the 32nd week of 2000):

winning category	number of matches	distribution of prize pool
I.	6	32%
II.	5 + 1	6%
III.	5	9%
IV.	4	13%
V.	3	40%

- Jackpot – shifting of accumulated funds allocated for the 1st winning category to the betting period when the prize in 1st winning category is reached. Since 1 January 2009 the jackpot is guaranteed in a minimum amount of 300,000 euro;
- as of 1 October 2002 the name of the lottery changed from ŠPORTKA to LOTO;
- since 2003 a premium game relating to the last winning number of JOKER was introduced;
- since November 2004, customers have been able to place bets via the internet;
- since June and November 2009, customers have also been able to place bets by sending short text messages (SMS).

LOTO	2010	2009	2008
Revenue in euro	78,644,690	86,609,089	97,940,461
% share of overall revenue	25.80	28.47	33.45



## JOKER

Date of introduction: 1992

### Short description:

- a bet on the final six digits of ticket number confirming by placing a bet, an additional game is bound to the number lottery LOTO;
- the drawing takes place twice a week, on Wednesday and Sunday (before the 27th week of 1999 it was only on Sunday);
- the prize pool is made up of the product of the number of bets received times the price of a single bet;
- the price for a bet is 0.35 euro (from 1 December 2009 to 15 December 2010 it was 0.30 euro);
- the prize pool is made up of 50% of the gross wagers for the relevant betting period;
- the prize pool is divided into winning sums for individual winning categories as follows:

winning category	number of matched end numbers	distribution of the prize pool
I.	6	remains of the overall parts determined for winners, min. 6,600 €
II.	5	3,300 €
III.	4	330 €
IV.	3	33 €
V.	2	3.30 €

- Jackpot – shifting of the accumulated funds allocated for the 1st winning category into the betting period when the prize in the 1st winning category is reached;
- since 1 October 2002 the name of the number lottery was changed from ŠANCA to JOKER;
- since February 2006, customers have been able to place bets via the internet;
- since June and November 2009, customers have also been able to place bets by sending short text messages (SMS).

JOKER	2010	2009	2008
Revenue in euro	6,307,112	5,982,180	6,914,176
% share of overall revenue	2.07	1.97	2.36



## LOTO 5 z 35

Date of introduction: 1967

### Short description:

- a number lottery of the LOTO type where players guess 5 numbers out of 35 total numbers;
- the drawing takes place once a week, on Sunday; 5 winning numbers are drawn;
- the prize pool is made up of the product of the number of bets received times the price of a single bet;
- the price for one bet is 0.30 Euro (before the 36th week 2007 the price was SKK 8; up to 31 December 2008 the price was SKK 10);
- the prize pool is made up of 50% of the gross wagers for the relevant betting period;
- the prize pool is divided into winning sums for individual winning categories as follows:

winning category	number of matches	distribution of prize pool
I.	5	50% of the prize pool
II.	4	50% of the prize pool
III.	3	fixed win in the amount of 3.30 €

- Jackpot – shifting of the accumulated funds allocated for the 1st winning category into the betting period when the prize in the 1st winning category is reached;
- since 1 October 2002 the name of the lottery changed from MATES to LOTO 5 of 35;
- since November 2004, customers have been able to place bets via the internet;
- since June and November 2009, customers have also been able to place bets by sending short text messages (SMS).

LOTO 5 Z 35	2010	2009	2008
Revenue in euro	2,310,613	2,011,107	2,228,580
% share of overall revenue	0.76	0.66	0.76



## EUROMILIÓN

Date of introduction: 2004

### Short description:

- a number lottery of the LOTO type with a powerball element and a combined matrix of 7/35 and 1/5;
- the drawing takes place once a week, on Friday;
- 7 LOTO numbers are drawn and one winning powerball number;
- the prize pool is made up of the product of the number of bets received times the price of a single bet;
- the price of one bet is 1.10 Euro (from 1. 1. 2009 to 17. 12. 2010 the price was 1.00 euro);
- the prize pool is made up of 50% of the gross wagers for the relevant betting period;
- the prize pool is divided into winning sums for individual winning categories as follows:

winning category	number of matches Loto / Powerball	distribution of prize pool
1st category	7 + 1	18%
2nd category	7 + 0	4%
3rd category	6 + 1	4%
4th category	6 + 0	5%
5th category	5 + 1	5%
6th category	5 + 0	5%
7th category	4 + 1	7%
8th category	4 + 0	13%
9th category	3 + 1	16%
10th category	0 + 1	23%

- Jackpot – shifting of accumulated funds allocated for the 1st winning category into the betting period when the prize in 1st winning category is achieved;
- since November 2004 accepting bets via Internet;
- since June and November 2009, customers have also been able to place bets by sending short text messages (SMS).

EUROMILIÓN	2010	2009	2008
Revenue in euro	14,150,257	8,764,102	9,697,502
% share of overall revenue	4.70	2.88	3.31



## KENO 10

Date of introduction: 20. 11. 1995

### Short description:

- a number lottery of the keno type in which players choose from 1 to 10 numbers out of a possible 80 numbers;
- a draw takes place every day of the week (until the end of April 1999 except Sundays) with 20 winning numbers being drawn;
- in May 2007 the KENO PLUS bet was introduced with players betting on KENO PLUS choosing one of their chosen numbers as the last winning number to be drawn in that day's draw;
- the price of a bet is a minimum of 0.20 euro and then multiples of that amount up to a maximum of 4 euro (from 1.1.2009 to 15.12.2010 the minimum stake was 0.15 eura). With bets on KENO PLUS, the overall fee for one tip is always twice the chosen stake with half covering the bet without KENO PLUS and half the KENO PLUS bet;
- the winning amount is set by a combination of how many numbers have been chosen, how many numbers correctly tipped and the amount of money staked;
- since November 2004, customers have been able to place bets via the internet;
- since June and November 2009, customers have also been able to place bets by sending short text messages (SMS).

Total of correctly tipped numbers	Total of numbers chosen																				
	10		9		8		7		6		5		4		3		2		1		
	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	A	B	
10	200,000x	500,000x																			
9	10,000x	25,000x	50,000x	125,000x																	
8	500x	1,250x	2,000x	5,000x	20,000x	50,000x															
7	20x	50x	200x	500x	400x	1,400x	4,000x	10,000x													
6	10x	25x	20x	50x	40x	140x	100x	300x	600x	2,100x											
5	3x	9x	3x	9x	4x	19x	10x	30x	20x	70x	200x	600x									
4		2x		2x	1x	6x	2x	12x	2x	12x	16x	46x	50x	170x							
3		2x		2x		2x		4x	1x	6x	2x	12x	8x	33x	16x	66x					
2		2x		2x		2x		3x		5x		5x		7x	2x	22x	8x	58x			
1		6x		7x		3x		3x		5x		5x		5x		5x		10x	2x	42x	
0	1x		1x		1x		1x		1x												

KENO 10	2010	2009	2008
Revenue in euro	26,708,338	25,750,912	26,619,630
% share of overall revenue	8.79	8.47	9.09



## KLUB KENO

Date of introduction: 6. 10. 1997

### Short description:

- a number lottery of the keno type in which players choose from 1 to 7 numbers out of 80 possible numbers;
- a draw of winning numbers takes place every 4 minutes in the course of a playing day, which is usually every day of the week;
- during every draw, 20 winning numbers are drawn;
- the price of a bet is from 0.30 euro (minimum) and multiples of this amount up to a maximum of 1.80 euro;
- the winning amount is set by a combination of how many numbers have been chosen, how many numbers correctly tipped and the amount of money staked.

Total of correctly tipped numbers	Total of numbers chosen						
	7	6	5	4	3	2	1
7	3,000x						
6	100x	700x					
5	20x	30x	200x				
4	3x	5x	25x	55x			
3		2x	2x	5x	23x		
2				1x	2x	10x	
1							2x
0	1x						

KLUB KENO	2010	2009	2008
Revenue in euro	28,558,644	28,559,561	30,819,910
% share of overall revenue	9.40	9.39	10.53

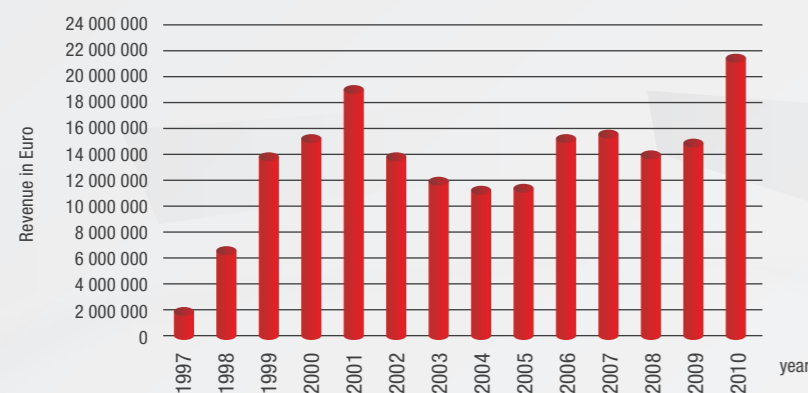
2010 saw the rising trend continue in revenue from instant lotteries, the very first weeks of the year indicating that it would be an exceptionally good year for sale of scratch cards. From the commercial point of view, we widened our portfolio of business partners and suppliers of scratch cards and that way created "healthy competition" on the scratch card suppliers market. This brought results not just in the form of a higher quality product, but also in the form of lower costs and more attractive scratch cards.

The instant lottery strategy for the year meant increasing the number of lottery tickets (print runs per game), replacing less successful projects with newer and more attractive ones and introducing new play-and-win elements for customers.

In response to the introduction of the euro in 2009, we continued the following year in the optimization of print runs and the value of individual prizes. When designing the winning structures and individual winning categories, we mainly concentrated on creating a higher share of medium-sized wins and on increasing the overall probability of winning.

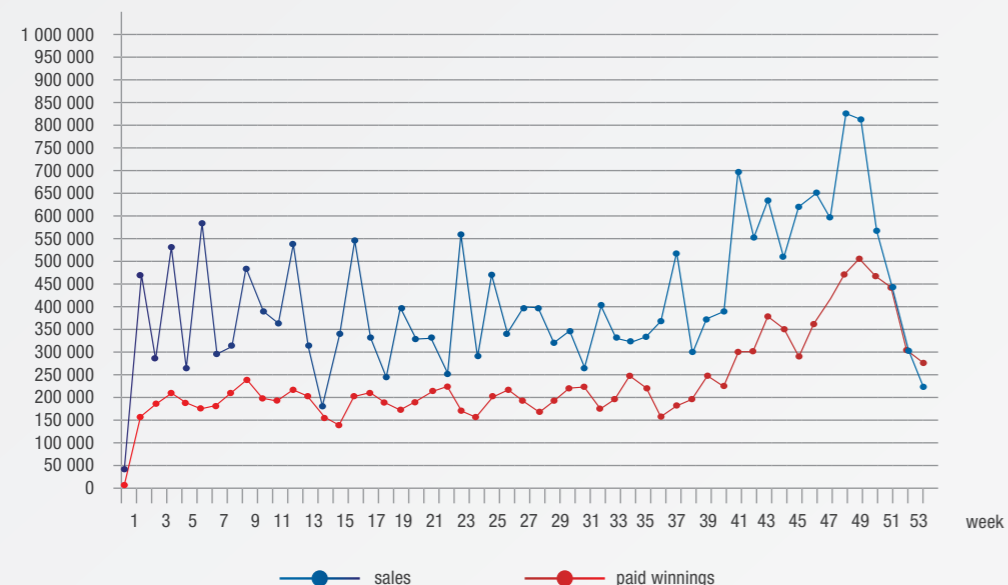
In 2010 we entered 11 new instant lotteries onto the market with an overall value of 34.250 million euro and average price of 0.77 euro. The overall revenue from sales of instant lotteries in 2010, excluding back revenue from activated returned cards, was 22,085,310 euro, an increase of 43.4% on 2009 and 10.95% higher than planned sales. The overall share instant lottery sales made up of back revenue from returned activated and unsold scratch cards was 2.57%.

Summary of sales in 1997-2010



\* figures for 1997 to 2008 are converted from Sk to € with exchange rate of 30.1260

Summary of sales and paid winnings in 2010



In 2010 we brought out the following instant lotteries:

Name of IL	Nominal price in Eur	Print run	Takings in Eur achieved in 2010
PAT & MAT #1001	0.50	7,000,000	3,062,600.00
PRASA V ŽITE #1002	0.50	7,000,000	3,398,200.00
LÁSKY ČAS #1003	1.00	1,000,000	678,200.00
PEŇAŽNÁ HORÚČKA #1004	1.00	3,000,000	1,659,500.00
PRE ŠŤASTIE #1005	0.50	4,000,000	1,889,300.00
VESELÉ ČÍSLA #1006	1.00	2,250,000	1,440,360.00
SLNEČNÉ DNI #1007	2.00	500,000	519,500.00
OHNIVÁ 5 #1008	0.50	5,000,000	1,660,100.00
RUBÍN #1009	2.00	1,000,000	1,470,700.00
BĚČKO CĚČKO #1010	1.00	2,500,000	839,300.00
VIANOČNÁ LOTÉRIA #1011	3.00	1,000,000	2,995,500.00

In 2010 sale of the following instant lotteries which started in 2009 was discontinued:

Name of IL	Revenue in Eur achieved in 2010
ŠŤASTNÁ 7 #90	26,280.00
PRASA V ŽITE #91	34,980.00
MAGICKÉ PENIAZE #92	550.00
DIAMANT #93	57,500.00
VESELÉ ČÍSLA #94	148,590.00
OHNIVÁ 5 #96	115,200.00
PSÍČKOVIA #78	729,600.00
VIANOČNÁ LOTÉRIA #79	1,350.00
DRAHOKAMY #87	1,358,000.00





## PAT & MAT #1001

Period of sale: 2. 1. 2010 – 31. 12. 2010  
 Price of card: 0.50 euro  
 Print run: 7,000,000

### Short description:

- the first version of the Pat & Mat scratch card;
- the card contains one playing field;
- the winning amount is determined by three matching sums ;
- the chance of winning double the prize (three identical amounts plus the Pat & Mat symbol);
- instant wins of 0.50, 1, 2, 5, 10, 15, 20, 50, 100, 500 and 5,000 euro;
- a main prize worth 5,000 euro;
- probability of winning is 1 : 4.57.

PAT & MAT #1001	2010
Revenue in Euro	3,062,600
% share of overall revenue	1.01

## PRASA V ŽITE #1002

Period of sale: 18. 1. 2010 – 18. 1. 2011  
 Price of card: 0.50 euro  
 Print run: 7,000,000

### Short description:

- the sixth version of the Prasa v žite scratch card;
- a scratch card in five colour variants;
- the card contains one playing field covered with scratch-off layer;
- the winning amount is determined by three matching sums;
- instant wins of 0.50, 1, 3, 5, 15, 30, 50, 100, 1,000 and 5,000 eur;
- a card with three symbols of a „pig’s head“ wins the main prize worth 5,000 euro;
- the probability of winning is 1 : 3.61.

PRASA V ŽITE #1002	2010
Revenue in Euro	3,398,200
% share of overall revenue	1.12



## LÁSKY ČAS #1003

Period of sale: 1. 2. 2010 – 30. 6. 2010  
 Price of card: 1.00 euro  
 Print run: 1,000,000

### Short description:

- the second version of the Lásky čas scratch card;
- an occasional instant lottery with a sale period of 5 months;
- the card contains one playing field covered by a scratch-off layer;
- the winning amount is set by 3 identical amounts;
- the card also offers a constant win of 50 euro (the heart symbol);
- instant wins of 1, 2, 5, 10, 20, 50, 100, 1,000 and 10,000 euro;
- a main win worth 10,000 euro;
- the probability of winning is 1 : 4.12

LÁSKY ČAS #1003	2010
Revenue in Euro	678,200
% share of overall revenue	0.22



## PEŇAŽNÁ HORÚČKA #1004

Period of sale: 22. 2. 2010 - 22. 2. 2011  
 Price of card: 1.00 euro  
 Print run: 3,000,000

### Short description:

- instant lottery with a money motif;
- the scratch card contains two playing fields optically divided into two parts VÝHERNÉ ČÍSLA (Winning numbers) a TVOJE ČÍSLA (Your numbers);
- the principle of the game lies in the uncovering of the playing field (both parts) and finding any one of your Your numbers which is the same as one of the "winning numbers". If there is a match, the player wins the amount given for "your number";
- instant wins of 1, 2, 5, 10, 20, 50, 100, 500, 1,000 and 10,000 euro;
- the card offers up to 6 chances of winning (total of wins on one card);
- a main prize worth 10,000 euro;
- probability of winning is 1 : 4.20.

PEŇAŽNÁ HORÚČKA #1004	2010
Revenue in Euro	1,659,600
% share of overall revenue	0.55



## PRE ŠŤASTIE #1005

Period of sale: 15. 3. 2010 – 15. 3. 2011  
 Price of card: 0.50 euro  
 Print run: 4,000,000

### Short description:

- an instant lottery with a good luck motif on it;
- the card contains one playing field covered with a scratch-off layer;
- the principle of the game lies in finding three identical symbols. The amount of the win is given in the win box (VÝHRA);
- bonus: a player who finds three identical symbols plus the horseshoe symbol wins twice the amount hidden in the win box (VÝHRA);
- instant wins of 0.50, 1, 2, 5, 10, 20, 50, 100, 500 and 5,000 euro;
- a main prize worth 5,000 euro;
- the probability of winning is 1 : 3.76.

PRE ŠŤASTIE #1005	2010
Revenue in Euro	1,889,300
% share of overall revenue	0.62



## VESELÉ ČÍSLA #1006

Period of sale: 12. 4. 2010 – 12. 4. 2011  
 Price of card: 1.00 euro  
 Print run: 2,250,000

### Short description:

- the second version of the Veselé čísla scratch card;
- an instant lottery in nine colour and number graphic variants;
- the card contains one playing field covered by a scratch-off layer under which there are three numbers in a row from 1 to 9. Below each number the winning amount is written;
- principle of the game: a player wins when one of the numbers under the scratch-off layer is the same as the number on the number on the front side of the card;
- instant wins of 1, 2, 5, 10, 20, 50, 100, 1,000 and 10,000 euro;
- a top prize of 10,000 euro;
- the probability of winning is 1 : 4.40.

VESELÉ ČÍSLA #1006	2010
Revenue in Euro	1,440,360
% share of overall revenue	0.47



## SLNEČNÉ DNI #1007

Period of sale: 10. 5. 2010 – 30. 9. 2010  
 Price of card: 2.00 euro  
 Print run: 500,000

### Short description:

- an occasional instant lottery with a sale period of 5 months;
- the card contains two playing fields (two GAMES) covered with the scratch-off layer;
- principle of game: Game 1 – the player must have three identical sums and will then win that amount, Game 2 – the player must have three identical symbols and then wins the amount given in the win box (VÝHRA);
- instant wins with prizes of 2, 5, 10, 20, 50, 70, 100, 500 and 15,000 euro;
- a main prize worth 15,000 euro;
- the probability of winning is 1 : 3.11.

SLNEČNÉ DNI #1007	2010
Revenue in Euro	519,500
% share of overall revenue	0.17



## OHNIVÁ 5 #1008

Period of sale: 1. 6. 2010 – 1. 6. 2011  
 Price of card: 0.50 euro  
 Print run: 5,000,000

### Short description:

- instant lottery with the same game principle as three-in-a-row;
- the card contains one playing field covered by a scratch-off layer;
- the principle of the game lies in finding three five (5) symbols together in a row, column or diagonally. If successful, the player wins the sum in the win box (VÝHRA);
- instant wins of 0.50, 1, 2, 5, 10, 20, 40, 100 and 5,000 euro;
- a main prize of 5,000 euro;
- the probability of winning is 1 : 4.42.

OHNIVÁ 5 #1008	2010
Revenue in Euro	1,660,100
% share of overall revenue	0.55



## RUBÍN #1009

Period of sale: 30. 6. 2010 – 30. 6. 2011  
 Price of card: 2.00 euro  
 Print run: 1,000,000

### Short description:

- instant lottery with a precious stone motif;
- the card contains one playing field which is made up of 6 (six) rows covered with a scratch-off layer. In every row there is one symbol beneath the scratch-off layer;
- principle of the game: if after removing the layer, the player finds a diamond symbol in any row, s/he wins the given prize;
- it is possible to have a combination of wins on one card;
- instant wins of 2, 4, 5, 10, 20, 50, 100, 200, 1,000 and 20,000 euro;
- a main prize of 20,000 euro;
- the probability of winning is 1 : 3.87.

RUBÍN #1009	2010
Revenue in Euro	1,470,700
% share of overall revenue	0.48



## BÉČKO CÉČKO #1010

Period of sale: 1. 9. 2010 – 1. 9. 2011  
 Price of card: 1.00 euro  
 Print run: 2,500,000

### Short description:

- instant lottery with the game principle of three-in-a-row;
- the card contains two playing fields (two games) covered by a scratch-off layer;
- principle of the game: in both playing fields, the player should find three letters "B" or "C" together in a row, column or diagonally. If successful, the player wins the amount the arrow is pointing to;
- on each card there is a chance of more than one win;
- instant wins are of 1, 5, 10, 20, 50, 500 and 10,000 euro;
- a top prize of 10,000 euro;
- the probability of winning is 1 : 4.18.

BÉČKO CÉČKO #1010	2010
Revenue in Euro	839,300
% share of overall revenue	0.28



## VIANOČNÁ LOTÉRIA #1011

Period of sale: 1. 10. 2010 – 31. 1. 2011  
 Price of card: 3.00 euro  
 Print run: 1,000,000

### Short description:

- an instant lottery specially for the Christmas season;
- a scratch card in the shape of an open greetings card;
- the card contains one playing field in the shape of a Christmas tree covered by a scratch-off layer on which there are twenty-four baubles. Under one of them is the winning symbol;
- the principle of the game: the winning amount is determined by the set number of the same symbols given in the legend on the card;
- instant wins of 3, 5, 10, 15, 20, 30, 50, 100, 250, 500, 1,000 and 35,000 euro;
- a top prize of 35,000 euro;
- the probability of winning is 1 : 4.23.

VIANOČNÁ LOTÉRIA #1011	2010
Revenue in Euro	2,995,500
% share of overall revenue	0.99

### Short description of games:

- internet (gambling) games are exclusively operated on the internet and only at the official www.tipos.sk website;
- players must sign in for internet games and then have to register. They will then have a player's account on the registration and payment portal of the operator from which entry fees can be paid and which monetary winnings will be paid into;
- players transfer funds from their player's account to a personal bank account using standard commercial banking tools;
- different types of internet games:
  - a) TIPKURZ.SK internet game
  - b) TIPCLUB internet games
  - c) e-CASINO internet games
  - d) e-ŽREBY internet games
  - e) e-BINGO internet game

## TIPKURZ.SK

- internet game with odds for sporting and other events;
- the game was launched in February 2005

Revenue and winnings in the TIPKURZ.SK internet game:

TIPKURZ.SK	2009	2010
Revenue in Eur	17,343,074.80	17,860,475.80
Winnings in Eur	15,701,047.31	16,002,500.76
Winnings as share of revenue %	90.53	89.60

## Tipclub

### e-KLUB KENO

#### Short description:

- the game was launched in February 2006;
- a number game of the keno type in which players choose from 1 to 7 numbers and 20 numbers out of 80 are drawn;
- the choice of bet is done by making a manual choice of numbers from the playing field or automatically by making a random tip. The draw is done through generating random numbers;
- the minimum stake is 0.30 euro for one tip and one draw; the maximum stake is 1.80 euro and is limited by the current balance of the player's account.

Total numbers correctly tipped	Total numbers chosen						
	7	6	5	4	3	2	1
7	3,000x						
6	100x	700x					
5	20x	30x	200x				
4	3x	5x	25x	55x			
3		2x	2x	5x	23x		
2				1x	2x	10x	
1							2x
0	1x						

Revenue and winnings in the e-KLUB KENO internet game:

e-KLUB KENO	2009	2010
Revenue in Eur	371,165.40	341,884.73
Winnings in Eur	237,485.60	208,045.50

## e-CASINO

### Internet ROULETTE

#### Short description:

- the game was launched in May 2006;
- an internet form of the classic roulette wheel with 37 numbers including 0 on the wheel;
- the choice of bet is done by placing your stake on one or more of the standard positions (number, even, odd, low, high, dozens, columns, 4 numbers, 6 numbers etc.) on the roulette wheel;
- minimum stake is 0.50 euro, then multiples thereof with the maximum stake limited by the player's account balance at the time;
- winning amounts are multiples of the stake according to standard roulette rates.

Revenue and winnings in the ROULETTE internet game:

Internet ROULETTE	2009	2010
Revenue in Eur	63,604,937.50	66,733,699.00
Winnings in Eur	62,170,765.30	65,161,851.50

### Internet BLACKJACK

#### Short description:

- the game was launched in May 2006
- an internet form of the classic BLACKJACK card game;
- the game takes place on a table with seven betting boxes arranged in a semicircle;
- the player plays against the croupier who deals out individual cards at the instruction of the player;
- minimum stake is 0.50 euro, then multiples thereof with the maximum stake limited by the player's account balance at the time;
- winning amounts are multiples of the stake according to standard Blackjack rates.

Revenue and winnings in the BLACKJACK internet game:

Internet BLACKJACK	2009	2010
Revenue in Eur	21,663,155.25	16,457,268.00
Winnings in Eur	21,075,733.75	15,913,691.50

## e-CASINO

### Internet POKER

#### Short description:

- the game was launched in May 2006;
- an internet form of the classic POKER card game;
- the player plays against the croupier in only one betting box on the poker table;
- minimum stake is 0.50 euro, then multiples thereof with the maximum stake limited by the player's account balance at the time;
- winning amounts are multiples of the stake according to standard poker rates.

Revenue and winnings in the POKER internet game:

Internet POKER	2009	2010
Revenue in Eur	14,188,192.00	11,234,304.00
Winnings in Eur	13,847,633.00	10,897,541.00

### Internet slot machines – three- and five-reel

#### Short description:

- the game was launched in May 2006;
- a traditional three-reel or five-reel slot machine with graphic symbols;
- the entry fee is 0.50 euro, 1 euro or 5 euro;
- the winning amounts are multiples of the stake according to the standard rates for slot machines.

Revenues and winnings in internet 3-reel and 5-reel slot machines together:

Internet slot machines – three- and five-reel	2009	2010
Revenue in Eur	330,018.00	393,458.50
Winnings in Eur	255,253.50	297,289.50

## e-CASINO

### Internet game e-Texas Hold'em Poker

#### Short description:

- the game was launched in November 2006;
- a specific version of poker enabling two or more players to play against one another at the card table, so-called multipoker;
- players can choose their table and sit at either an open table or open their own table;
- playing tables differ according to minimum and maximum stakes from 0.50 euro to 20 euro;
- winning amounts are set according to the standard structure of poker games. Winners have to pay a certain charge to the operator.

Revenue and winnings in the e-Texas Hold'em Poker internet game:

e-Texas Hold'em Poker	2009	2010
Revenue in Eur	13,043,648.09	10,896,345.32
Winnings in Eur	12,768,529.04	10,664,916.31

### e-MultiRoulette internet game

#### Short description:

- the game was launched in September 2010;
- a variety of roulette enabling two or more players to play against each other at one table,
- players can choose their table and sit at either an open table or open their own table;
- winning amounts are in accordance with the standard structure of roulette games.

Revenue and winnings in the MultiRoulette internet game:

e-Multi roulette	2010
Revenue in Eur	338,643.00
Winnings in Eur	322,202.00



## e-ŽREBY

### Zlaté kopýtko (Golden hoof)

Price of a card: 0.30 euro

#### Short description:

- an internet game which simulates classic scratch-cards in an electronic environment;
- the Zlaté kopýtko electronic scratch-card has 6 symbols. Having any three the same wins you a prize;
- the maximum win is 15 euro

Zlaté kopýtko	2009	2010
Revenue in Eur	104,939.10	109,032.90
Winnings in Eur	69,023.75	98,333.85

### Oslík, otras sa (Buckaroo)

Price of a card: 0.30 euro

#### Short description:

- an internet game which simulates classic scratch cards in an electronic environment;
- the Oslík otras sa electronic scratch card has 6 symbols. Having any three the same wins you a prize;
- the maximum win is 15 euro.

Oslík, otras sa	2009	2010
Revenue in Eur	60,909.60	85,854.60
Winnings in Eur	44,515.30	77,759.90

## e-ŽREBY

### Truhlica pokladov (Treasure chest)

Price of a card: 0.65 euro

#### Short description:

- an internet game which simulates traditional scratch cards in an electronic environment;
- the card has 6 symbols. Having any three the same wins you a prize;
- the maximum win is 30 euro.

Truhlica pokladov	2009	2010
Revenue in Eur	166,268.05	191,811.75
Winnings in Eur	126,080.60	171,517.85

## e-BINGO

#### Short description:

- the game was launched in September 2008;
- an internet game based on the graphic simulation of a bingo game with cumulative jackpot;
- the level of the guaranteed jackpot is 330 euro;
- tickets contain a combination of 25 numbers from 1 to 75;
- the price of one ticket is 0.65 euro;
- players may buy from one to three tickets for each draw.

e-BINGO	2009	2010
Revenue in Eur	221,232.65	154,308.05
Winnings in Eur	182,235.67	126,072.24

## TIPKURZ SMS

- fixed-odds bets can be made only by sending short text messages (SMS);
- to make fixed-odd bets, players must sign in and register using their SIM cards,
- players pay for their bets through their telephone bills with the relevant mobile operator;
- players can have winnings transferred to their personal bank account or can collect them in person at the company offices;
- the product was created specially for betting on results of the 2010 Football World Cup and was launched in June 2010 under the commercial name TIPKURZ SMS

TIPKURZ SMS	2010
Revenue in Eur	397,414.50
Winnings in Eur	298,542.57

In 2010 TIPOS, národná lotériová spoločnosť, a. s., provided its customers with not only games of chance but also the following non-lottery products and services. In the sale and provision of these given products and services, the company its technological facilities and business network

## Recharging EASY credit

Date of introduction: 24. 2. 2003

### Short description:

- the service enables customers of the T-Mobile Slovakia a. s., Bratislava, mobile operator to make cash payments to recharge their EASY credit on prepaid mobile phone SIM cards through online terminals in TIPOS commercial sites;
- the price of credit is from 9 euro to 50 euro;
- recharging is carried out by filling in a recharging ticket or by verbal request made to terminal staff;
- the service is carried out 3 minutes after the recharge request has been sent. Clients can cancel their request within 3 minutes of sending it;
- completion of the credit recharge is confirmed by an SMS either sent to the number of the recharged telephone or to a number of any mobile operator in Slovakia;
- the service provides customers with regular updated credit bonuses.

EASY	2010	2009	2008
Value of credit recharges in Eur	20,418,963	24,792,702	29,107,744
Number of recharges	2,009,823	2,816,331	3,514,708
Average value of recharge in Eur	10.16	8.80	8.28


## Renewal of PRIMA credit

Date of introduction: 12. 9. 2005

### Short description:

- the service enables customers of the Orange Slovakia, a. s., Bratislava, mobile operator to pay cash to renew their PRIMA credit on mobile phone prepaid SIM cards through online terminals at TIPOS collection points;
- the amount of the recharge sum is from 9 euro to 50 euro with six fixed rates;
- recharging is carried out by filling in a recharging ticket or by verbal request made to terminal staff;
- the service is carried out 3 minutes after the recharge request has been sent. Clients can cancel their request within 3 minutes of sending it;
- clients are informed of completion of credit recharging via an SMS sent to the number of the recharged telephone;
- customers of this service are provided with credit bonuses.

PRIMA	2010	2009	2008
Value of credit recharges in Eur	12,269,956	14,708,302	18,990,796
Number of recharges	1,257,640	1,519,951	2,512,250
Average value of recharge in Eur	9.76	9.68	7.56

A decorative graphic element consisting of a thick, flowing ribbon that transitions from a solid blue color to a gradient of blue and purple. It curves across the middle of the page, separating the image from the text.

**\* HOW WE  
WORK  
WITH PEOPLE**

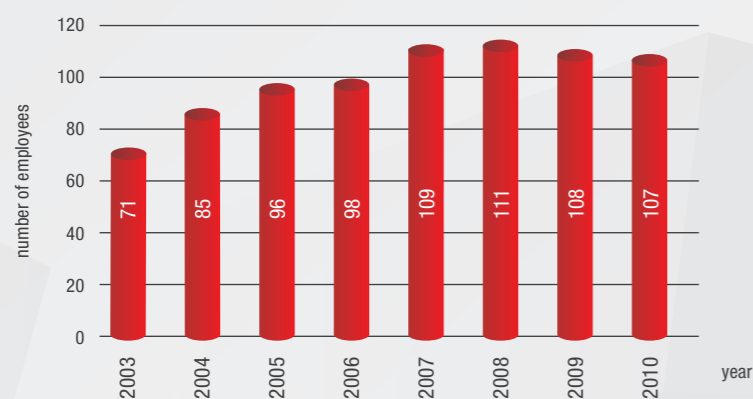
# \* HOW WE WORK WITH PEOPLE

As of December 31st 2010 TIPOS had 107 employees, one fewer than on the same date the previous year. The average age of employees in 2010 was 42.

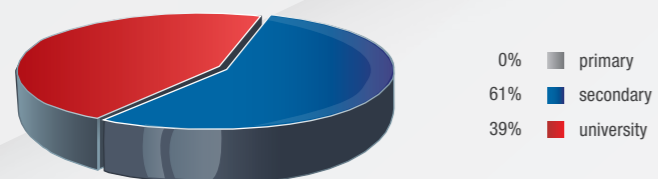
Of the total number of employees at the end of 2010, 50 were women and 57 were men. At the end of 2009, the company employed 54 women and 54 men.

During the course of 2010, 20 new employees started work here while 21 employees left the company. Two of the total number of employees were women on maternity leave.

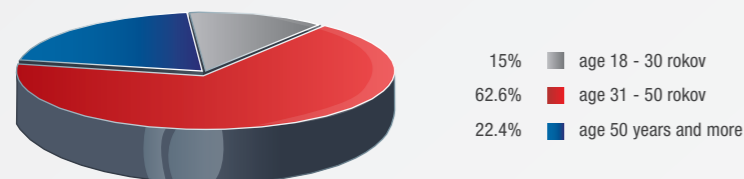
Number of employees:



Education breakdown of employees:



Age structure of employees:



## Education:

In 2010, as in the previous year, the company continued in encouraging its employees to gain further educational qualifications. In 2010, the company spent a total of 29,717.55 euro on educational programmes for their employees, an amount 6,469.68 euro higher than in 2009 (23,247.87 euro).

The following were organized:

- compulsory legal education
- specialist training courses, seminars
- language courses
- lectures and courses mainly economic in character and in response to new legislation

## Social policy:

The company's social policy concurs with the approved budget for the social fund for 2010. The amount of money drawn from the social fund in 2010 was 27,959.67 euro.

Money from the social fund was used to:

- subsidize employees' meals
- provide drinks during the summer months
- provide assistance to employees after exceptional events have occurred

In the area of staff care, over and above the social fund, an amount of 124,833.63 euro was also spent by the company on:

- supplementary retirement savings
- staff meals
- employee health service
- preventive healthcare for employees working at night
- preventive healthcare for other working employees with printed materials

The background is a composite image. The left side shows a low-angle, upward-looking view of a modern building's glass and steel facade, with a grid of faint, light gray squares overlaid. The right side is a white background with a similar grid of faint, light gray squares. A large, dark gray, angular geometric shape, resembling a stylized 'Z' or a series of connected planes, spans across the boundary between the two background images.

**\* WE STRIVE  
TO PLAY  
RESPONSIBLY**

# \* WESTRIVETOPLAY RESPONSIBLY

TIPOS, národná lotériová spoločnosť, a. s. has committed itself to running its games safely and to showing consideration to risk groups by aiming to eliminate any possible negative social effects caused by its games. Our aim is to make our games attractive and enjoyable for players at the same time as striving to keep our gambling environment a safe one and thereby minimize the negative influences on players which are associated with playing games of chance. Responsible playing thus involves the modern trend of using tools which serve to create a healthy gambling environment without addiction and pathological overplaying.

TIPOS is a full member of the European State Lotteries and Toto Association (EL) and of the World Lotteries Association (WLA). New programmes have been launched within these organizations to encourage responsible gambling which reflect a new global need to protect gamblers better and to raise their awareness and education.

In May 2007, TIPOS applied for the European Standards of Responsible Gambling and received them together with the other members of EL. In May 2009, TIPOS was awarded the first level of the international certificate for responsible gambling and then, after fulfilling the conditions, received the second level in July 2010 (certificate was awarded by the WLA).

TIPOS collaborates in programmes focussed on player protection and in projects encouraging responsible gambling. The company is committed to informing players about principles of responsible playing and possible risks associated with games of chance. It is also committed to providing practical advice on how to play safely, i.e. on keep one's gambling under control. The company works on activities which help gamblers understand the dangers of gambling, raise their awareness of the negative effects of games of chance and lead them towards acquiring a responsible approach to the activity.

TIPOS' priorities in this area are that:

- no minors play games of chance (only adults of 18 +);
- players gamble for fun and pleasure but not as a means of earning money;
- players are informed about the possible risks of games of chance;
- players are informed about means of prevention and help;
- players gamble responsibly.

Not only does TIPOS train its employees in Responsible Gambling but it also regularly educates and informs all its business partners. On the [www.tipos.sk](http://www.tipos.sk) webpages, adjustments have been made which provide players with a detailed breakdown of all the transactions carried out in their account. Players also have the opportunity to fill in two types of test assessing their level of responsibility when gambling. We have also taken measures to protect underage and other risk players.

Since 2007, TIPOS has been actively working with the civic group, the Slovak Association of Abstainers (Združenie abstinentov Slovenska - ZAS), which has long been dealing with problems of addiction including the influence of gambling on people. ZAS helps and advises people to play in moderation, responsibly and with self-control.

Although it tries to achieve the best economic results, TIPOS, as the national lottery company, also takes into account the social effects of its activities and strives to be a leader on the gambling market in the area of promoting responsible gambling.

**\* WHAT WE  
PLAN FOR YOU  
IN THE FUTURE**



# \* WHAT WE PLAN FOR YOU IN THE FUTURE/ *Plans and objectives for 2011*

2011 will be an important year for TIPOS in terms of further development in its ongoing conflict with the company Športka, a.s. We are confident that the result of this conflict will vindicate our standpoint, fully endorse the existence of the TIPOS National Lottery Company and have no negative impact on our present and future customers. As our economic results from the first quarter of 2011 suggest, economic indicators are slightly up on last year leading us to expect a continuation of the excellent results we have achieved in the last three years.

In the first half of 2011, the company is planning to present a basic strategic company document: A Conception of Company Development, in which the company's basic pillars, which are primarily orientated towards the customer, will be fully defined.

In 2010, the company gained the second level of the Responsible Gambling international certificate from the WLA (World Lottery Association). In 2011 we plan to continue our activities in this area and try to gain the third level of the certificate.

In terms of availability of our products, in 2011 we plan to finish expansion of our network of terminals and collection points so that an optimal level of penetration is reached and so that we can continue supporting new distribution channels such as the internet a SMS where products suitable for them are concerned.


In the field of popular number lotteries our company has planned several innovations for players this year. After a two-year break, we want to relaunch the popular premium LOTO game, with its attractive prizes, during the summer months. We also plan several innovations to our LOTO 5 from 35 game as well as to the KLUB KENO number lottery. All modifications made to number lotteries will be done in order to raise their competitiveness and popularity amongst players, as well as to raise our levies going into publicly beneficial projects.

In 2011 TIPOS, národná lotériová spoločnosť, a. s. plans to continue developing its successful internet lotteries activity in all its parts. During 2011 new game sites will be added. In the area of internet bets on sporting events – TIPKURZ.SK - we have prepared a whole range of new products in response to general developments in this area and will increase the range of different types and kinds of bets which can be made.

More and more we are focussing on individual care of players. In 2010, we created a new product: fixed-odds betting through short text messages with the commercial name TIPKURZ SMS. This newest product of ours has established itself strongly and is used mostly during major sporting events such as the Football World Cup and the 2011 World Hockey Championships.

As global trends indicate, the right aim of TIPOS in the area of instant lotteries is to progressively increase and optimize the nominal prizes of scratch cards in conjunction with the increase in overall winning cards and opportunities so that this product does not lose its attractiveness to players and offers them sufficient countervalue. In 2011 we plan to issue several modified versions of instant lotteries which were popular in the past and are considering the launch of some completely new elements, so-called extra games in new instant lotteries, for instance the 'second chance' game feature. Thanks to the outstanding success of the Christmas lottery card, we are planning in 2011 to launch an attractive new version of this seasonal lottery.



A background image showing a close-up of a hand holding a pen over a financial document with numbers, and a computer keyboard. A blue abstract graphic element, resembling a stylized arrow or bar chart, is overlaid on the image, pointing towards the right.

**\* BALANCE SHEET,  
STATEMENT OF PROFITS  
AND LOSSES,  
OVERVIEW OF CASH FLOW,  
OVERVIEW OF LONG-TERM  
PROPERTY MOVEMENT**

\* **BALANCE SHEET, STATEMENT OF PROFITS AND LOSSES, OVERVIEW OF CASH FLOW, OVERVIEW OF LONG-TERM PROPERTY MOVEMENT**

Balance sheet up to 31. 12. 2010

Marked as. a	ASSETS PAGE b	Line no. c	Current accounting period		Immediately preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
	<b>Total assets I.002+I.031+I.061</b>	<b>001</b>		52,767,940	44,768,850	35,611,884
				7,999,090		
<b>A.</b>	<b>Non-current assets I.003+I.012+I.022</b>	<b>002</b>		13,503,982	6,057,612	5,715,694
				7,446,370		
<b>A.I.</b>	<b>Total long-term intangible assets ( I.004 to 011)</b>	<b>003</b>		4,732,614	1,401,568	1,001,244
				3,331,046		
A.I. 1.	Organizational costs (011) - /071,091A/	004				
2.	Activated development costs (012) - /072,091A/	005				
3.	Software (013) - /073,091A/	006		2,779,631	199,805	177,567
				2,579,826		
4.	Appreciable rights (copyrights) (014) - /074,091A/	007		1,260,197	793,699	393,000
				466,498		
5.	Goodwill (015) - /075,091A/	008				
6.	Other long-term intangible assets (019.01X) - /079,091A/	009				
7.	Procured long-term intangible assets (041) - 093	010		692,786	408,064	430,677
				284,722		
8.	Provided prepayments on long-term intangible assets (051) - 095A	011				
<b>A.II.</b>	<b>Long-term tangible assets (I. 013 to 021)</b>	<b>012</b>		6,388,675	2,567,914	2,626,320
				3,820,761		
A.II. 1.	Land (031) - 092A	013		317,220	317,220	317,220
2.	Buildings (021) - /081, 092A/	014		2,793,332	1,211,130	1,362,067
				1,582,202		
3.	Separate moveables and sets of moveables (022) - /082, 092A/	015		3,125,595	914,106	904,269
				2,211,489		
4.	Areas for growing permanent vegetation (025) - /085, 092A/	016				
5.	Basic herd and draft animals (026) - /086, 092A/	017				
6.	Other long-term tangible assets (029, 02X, 032) - /089, 08X, 092A/	018				
7.	Procured long-term tangible assets (042) - 094	019		152,528	125,458	42,764
				27,070		
8.	Provided prepayments on long-term tangible assets (052) - 095A	020				

Marked as. a	ASSETS PAGE b	Line no. c	Current accounting period		Immediately preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
9.	Adjusting entry for property obtained (+/-097) +/- 098	021				
<b>A.III.</b>	<b>Long-term financial property (I.023 to 030)</b>	<b>022</b>		2,382,693	2,088,130	2,088,130
				294,563		
A.III.1.	Share securities and shares in daughter accounting unit (061) - 096A	023		2,382,693	2,088,130	2,088,130
				294,563		
2.	Share securities and shares in company with important influence (062) - 096A	024				
3.	Other long-term securities and shares (063,065) - 096A	025				
4.	Loans to accounting unit in consolidated whole (066A) - 096A	026				
5.	Other long-term financial assets (067A, 069, 06XA) - 096A	027				
6.	Loans repayable over a maximum of one year (066A, 067A, 06XA) - 096A	028				
7.	Procured long-term financial assets (043) - 096A	029				
8.	Provided prepayments on long-term financial assets (053) - 095A	030				
<b>B.</b>	<b>Current assets I.032 +I.040 + I.047+ I.055</b>	<b>031</b>		38,074,773	37,522,053	28,984,195
				552,720		
<b>B.I.</b>	<b>Inventories (I.033 to 039)</b>	<b>032</b>		235,799	170,556	202,666
				65,243		
B.I. 1.	Material (112,119,11X) - /191,19X/	033		235,799	170,556	202,666
				65,243		
2.	Unfinished production and semi-finished goods of own production (121, 122, 12X) - /192,193,19X/	034				
3.	Production to order with expected period of completion longer than one year 12X - 192A	035				
4.	Products (123) - 194	036				
5.	Animals (124) - 195	037				
6.	Goods (132,13X,139) - /196,19X/	038				
7.	Provided prepayments on supplies (314A) - 391A	039				
<b>B.II.</b>	<b>Long-term receivables (I.041 to 046)</b>	<b>040</b>		13,943,959	13,941,859	1,839,651
				2,100		
B.II. 1.	Commercial receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	041		6,639	6,639	52,059
2.	Receivables against daughter accounting unit and parent accounting unit (351A) - 391A	042				
3.	Other receivables within the consolidated whole (351A) - 391A	043				
4.	Receivables against partners, members and association (354A, 355A, 358A, 35XA) - 391A	044		2,100	0	
				2,100		

\* **BALANCE SHEET, STATEMENT OF PROFITS AND LOSSES, OVERVIEW OF CASH FLOW, OVERVIEW OF LONG-TERM PROPERTY MOVEMENT**

Marked as. a	ASSETS PAGE b	Line no. c	Current accounting period		Immediately preceding accounting period	
			1	Gross - part 1	Net 2	Net 3
				Correction - part 2		
5.	Other receivables (335A,33XA,371A,373A,374A,375A,376A,378A) - 391A	045				
6.	Deferred tax receivable (481A)	046	13,935,220		13,935,220	1,787,592
B.III.	Short-term receivables (I.048 to 054)	047	7,607,732		7,122,355	4,776,120
			485,377			
B.III.1.	Commercial receivables (311A,312A,313A,314A,315A,31XA) - 391A	048	4,352,027		3,866,650	3,199,494
			485,377			
2.	Receivables against daughter accounting unit and parent accounting unit (351A) - 391A	049				
3.	Other receivables within the consolidated whole (351A) - 391A	050				
4.	Receivables against partners, members and association (354A,355A,358A,35XA,398A) - 391A	051				
5.	Social insurance (336) - 391A	052				
6.	Tax receivables and subsidies (341,342,343,345,346,347) - 391A	053	11,193		11,193	1,115,067
7.	Other receivables (335A,33XA,371A,373A,374A,375A,376A,378A) - 391A	054	3,244,512		3,244,512	461,559
B.IV.	Financial accounts (I.056 to I.060)	055	16,287,283		16,287,283	22,165,758
B.IV.1.	Money (211, 213, 21X)	056	62,264		62,264	88,117
2.	Accounts in banks (221A,22X +/- 261)	057	15,100,019		15,100,019	22,077,641
3.	Accounts in banks with a commitment period of more than one year 22XA	058	1,125,000		1,125,000	
4.	Short-term financial property (251,253,256,257,25X) - /291,29X/	059				
5.	Procured short-term financial assets (259,314A) - 291	060				
C.	Time differentiation (I.062 to I.065)	061	1,189,185		1,189,185	911,995
C.1.	Long-term future costs (381A,382A)	062	15,480		15,480	177,753
2.	Short-term future costs (381A,382A)	063	1,169,381		1,169,381	710,862
3.	Long-term future revenues (385A)	064				
4.	Short-term future revenues (385A)	065	4,324		4,324	23,380

Marked as. a	EQUITY AND LIABILITIES PAGE b	Line no. c	Current accounting period 4	Immediately preceding accounting period 5
	Aggregate equity and liabilities I. 067 + I. 088 + I.119	066	44,768,850	35,611,884
A.	Equity I.068 + I.073 + I.080+ I.084 + I.087	067	-32,200,968	-44,281,642
A.I.	Total share capital (I.069 to 072)	068	365,133	365,133
A.I. 1.	Share capital (411 alebo +/- 491)	069	365,133	365,133
2.	Own share and own trading shares (-/-/252)	070		
3.	Change in share capital +/-419	071		
4.	Receivables for pledging equity (-/-/353)	072		
A.II.	Total capital funds (I.074 to 079)	073	16,597	16,597
A.II. 1.	Share premium (412)	074		
2.	Other capital funds (413)	075		
3.	Legal reserve fund (Indivisible fund) from capital deposits (417,418)	076	16,597	16,597
4.	Differences in valuation from repricing of property and liabilities (+/- 414)	077		
5.	Differences in valuation from capital shares (+/- 415)	078		
6.	Differences in valuation from repricing when merging, fusing and dividing (+/- 416)	079		
A.III.	Aggregate profit funds (I.081 to 083)	080	5,105,288	5,105,288
A.III. 1.	Legal reserve fund (421)	081	1,403,596	1,403,596
2.	Indivisible fund (422)	082		
3.	Statutory funds and other funds (423,427,42X)	083	3,701,692	3,701,692
A.IV.	Economic result of previous years I.085 + I. 086	084	-49,768,660	-57,437,935
A.IV. 1.	Undivided profit from previous years (428)	085	18,581,701	10,912,426
2.	Uncovered losses from previous years (-/-/429)	086	-68,350,361	-68,350,361
A.V.	Economic result for the accounting period after taxation +/- I.001 - (I.068 + I.073 + I.080 + I.084 +I.088 +I.119)	087	12,080,674	7,669,275
B.	Liabilities I.089 + I.094 + I.105 + I.115 +I.116	088	66,466,994	69,267,367
B.I.	Total reserves (I.090 to 093)	089	26,067,973	65,107,255
B.I. 1.	Long-term legal reserves (451A)	090		
2.	Short-term legal reserves (323A,451A)	091	188,686	174,652
3.	Other long-term reserves (459A,45XA)	092	14,201	13,328
4.	Other short-term reserves (323A,32X,459A,45XA)	093	25,865,086	64 919,275
B.II.	Total long-term liabilities (I.095 to I.104)	094	18,084,960	150,350
B.II. 1.	Long-term commercial liabilities (479A)	095	83,080	132,928
2.	Long-term non-invoiced deliveries (476A)	096		
3.	Long-term liabilities towards daughter accounting unit (subsidiary) and the parent accounting unit (471A)	097		
4.	Other long-term liabilities with consolidated whole (471A)	098		
5.	Long-term received prepayments (475A)	099		
6.	Long-term notes payable (478A)	100		
7.	Issued bonds (473A/-/255A)	101		
8.	Liabilities from social fund (472)	102	5,880	17,422

\* **BALANCE SHEET, STATEMENT OF PROFITS AND LOSSES, OVERVIEW OF CASH FLOW, OVERVIEW OF LONG-TERM PROPERTY MOVEMENT**

Marked as. a	EQUITY AND LIABILITIES PAGE b	Line no. c	Current accounting period 4	Immediately preceding accounting period 5
9.	Other long-term liabilities (474A,479A,47XA,372A,373A,377A)	103	17,996,000	
10.	Deferred tax liability (481A)	104		
B.III.	Total short-term liabilities (I.103 to I.111)	105	22,314,061	4,009,762
B.III. 1.	Commercial liabilities (321,322,324,325,32X,475A,478A,479A,47XA)	106	3,062,804	1,374,537
2.	Non-invoiced deliveries (326,476A)	107	86,328	11
3.	Liabilities towards daughter accounting unit and parent accounting unit (361A,471A)	108		
4.	Other liabilities within the consolidated whole (361A,36XA,471A,47XA)	109		
5.	Liabilities towards partners and association (364,365,366,367,368,398A,478A,479A)	110		
6.	Liabilities towards employees (331,333,33X,479A)	111	96,139	87,319
7.	Liabilities from social insurance (336,479A)	112	99,743	93,041
8.	Tax liabilities and subsidies (341,342,343,345,346,347,34X)	113	313,593	121,102
9.	Other liabilities (372A,373A,377A,379A,474A,479A,47X)	114	18,655,454	2,333,752
B.IV.	Short-term financial aid (241,249,24X,473A,-/255A)	115		
B.V.	Bank loans I.117 + I.118	116		
B.V. 1.	Long-term bank loans (461A,46XA)	117		
2.	Current bank loans (221A,231,232,23X,461A,46XA)	118		
C.	Total time differentiation (I.120 and I.123)	119	10,502,824	10,626,159
C. 1.	Long-term future expenses (383A)	120		
2.	Short-term future expenses (383A)	121	9,431,037	9,688,414
3.	Long-term future revenues (384A)	122		
4.	Short-term future revenues (384A)	123	1,071,787	937,745

Statement of profits and losses up to 31. 12. 2010

Marked as. a	Text b	Line no. c	Current accounting period 1	Immediately preceding accounting period 2
I.	Income from sale of goods (604)	01		
A.	Costs earmarked for procurement of sold goods (504,505A)	02		
+	Trade margin I.01-02	03		
II.	Production I.05+I.06+I.07	04	304,700,545	304,415,778
II. 1.	Income from sale of own products and services (601,602)	05	304,700,545	304,415,778
2.	Changes in state of intra-organizational inventories (+/- account group 61)	06		
3.	Activation (account group 62)	07		
B.	Production consumption I.09+I.10	08	46,500,785	48,543,269
B. 1.	Consumption of material, energy and other non-storable deliveries (501,502,503)	09	1,023,320	950,799
2.	Services (account group 51)	10	45,477,465	47,592,470
+	Added value I.03+I.04+I.08	11	258,199,760	255,872,509
C.	Total personal expenses (I.13 to 16)	12	2,725,936	2,418,764
C. 1.	Wage costs (521,522)	13	1,853,343	1,647,276
2.	Bonuses to members of company bodies and association (523)	14	137,972	100,830
3.	Social insurance costs (524,525,526)	15	623,380	589,301
4.	Social costs (527,528)	16	111,241	81,357
D.	Taxes and charges (account group 53)	17	69,697,618	29,187,215
E.	Amortization and adjusting entries for long-term intangible assets and long-term tangible assets (551)	18	1,030,504	983,922
III.	Revenue from sales of long-term assets and material (641,642)	19	32,313	38,346
F.	Residual price of sold long-term assets and sold material (541,542)	20	10,192	
G.	Creation and accounting of adjusting entries for financial property (+/-547)	21	9,858	-718,433
IV.	Other revenue from economic activity (644,645,646,648,655,657)	22	67,815	26,765
H.	Other costs of economic activity (543,544,545,546,548,549,555,557)	23	184,750,734	218,249,121
V.	Transfer of revenue from economic activity (-)(697)	24		
I.	Transfer of costs for economic activity (-)(597)	25		
*	Economic result from economic activity I.11-I.12-I.17-I.18+I.19-I.20+I.21+I.22-I.23+(-I.24)-(-I.25)	26	75,046	5,817,031
VI.	Income from sale of securities and shares (661)	27		
I.	Sold securities and shares (561)	28		
VII.	Revenue from long-term financial assets I.30+I.31+I.32	29		455,091
VII.1.	Revenue from securities and shares in daughter accounting unit and in company with important influence (665A)	30		455,091
2.	Revenue from other long-term securities and shares (665A)	31		
3.	Revenue from other long-term financial assets (665A)	32		
VIII.	Revenue from short-term financial assets (666)	33		
K.	Costs of short-term financial assets (566)	34		
IX.	Revenue from changes in price of securities and revenue from derivative operations (664,667)	35		
L.	Costs of changing price of securities and costs of derivative operations (564,567)	36		
M.	Creation and accounting of adjusting entries for financial property +/-565	37		
X.	Interest on revenue (662)	38	62,538	93,301
N.	Interest on costs (562)	39	15	24

\* BALANCE SHEET, STATEMENT OF PROFITS AND LOSSES,  
OVERVIEW OF CASH FLOW, OVERVIEW OF LONG-TERM  
PROPERTY MOVEMENT

Marked as. a	Text b	Line no. c	Current accounting period 1	Immediately preceding accounting period 2
XI.	Currency profits (663)	40	262	1,565
O.	Currency losses (563)	41	1,886	44,771
XII.	Other revenue from financial activity (668)	42		34
P.	Other costs of financial activity (568,569)	43	202,899	190,440
XIII.	Transfer of financial revenue -(698)	44		
R.	Transfer of financial costs -(598)	45		
*	Economic result of financial activity I.27-I.28+I.29+I.33-I.34+I.35-I.36-I.37+I.38-I.39+I.40-I.41+I.42-- -I.43+(-I.44)-(-I.45)	46	-142,000	314,756
**	Economic result of ordinary activity before taxation I.26+I.46	47	-66,954	6,131,787
S.	Income tax from ordinary activity I.49+I.50	48	-12,147,628	-1,537,488
S.1.	- owing (591,595)	49		
2.	- deferred (+/- 592)	50	-12,147,628	-1,537,488
**	Economic result of ordinary activity after taxation I.47-I.48	51	12,080,674	7,669,275
XIV.	Extraordinary revenue (account group 68)	52		
T.	Extraordinary costs (account group 58)	53		
*	Economic result of extraordinary activity before taxation I.52 - I.53	54		
U.	Income tax from extraordinary activity I.56+I.57	55		
U.1.	- owing (593)	56		
2.	- deferred (+/- 594)	57		
*	Economic result of extraordinary activity after taxation I.54 - I.55	58		
***	Economic result for the accounting period before taxation (+/-) [I.47 + I.54]	59	-66,954	6,131,787
V.	Transfer of shares to partners in the economic result (+/- 596)	60		
***	Economic result for the accounting period after taxation (+/-) [I.51 + I.58 - I.60]	61	12,080,674	7,669,275

Overview of direct-method cash flow - 2010

Name	Marked as	Current period	Last period
Cash flow from operational activity	A		
Income from sale of services (+)	A.4.	140,402,475	145,912,292
Expenses on procurement of materials, energy and other non-storable deliveries (-)	A.5.	-550,389	-651,197
Expenses on services (-)	A.6.	-26,165,717	-29,721,422
Personal expenses (-)	A.7.	-2,561,505	-2,073,602
Expenses on taxes and charges, excluding expenses on income tax from accounting unit (-)	A.8.	-51,866,189	-32,373,908
Other income from operational activities, except for those stated separately in other parts of the money flow overview (+)	A.15.	147,891	110,077
Other expenses on operational activities, except for those stated separately in other parts of the money flow overview (-)	A.16.	-63,966,709	-81,682,890
Cash flow from operational activity, excluding incomes and expenses stated separately in other parts of the money flow overview (+/-), (total of A.1. to A.16.)	A*	-4,560,143	-480,650
Received interest, excluding that included in investment activity (+)	A.17.	58,939	94,278
Expenses of interest paid, excluding that included in financial activities (-)	A.18.		
Income from dividends and other share profits, excluding those included in investment activities (+)	A.19.		
Expenses on paid dividends and other share profits, excluding those included in investment activities (-)	A.20.		
Cash flow from operational activity (+/-), (aggregate of A.1. to A.20.)	A**	-4,501,204	-386,372
Expenses on income tax of the accounting unit, excluding that included in investment activities or financial activities (-/+)	A.21.	-7,816	-596,590
Extraordinary income relating to operational activity (+)	A.22.		
Extraordinary expenses relating to operational activity (-)	A.23.	-641	-1,071
Net cash flow from operational activity (aggregate of A.1. to A.23.)	A	-4,509,661	-984,033
Cash flow from investment activity	B		
Expenses on procurement of long-term intangible assets (-)	B.1.	-899,363	-457,884
Expenses on procurement of long-term tangible assets (-)	B.2.	-516,168	-221,206
Expenses on procurement of long-term securities and shares in other accounting units	B.3.		
Income from sale of long-term tangible assets (+)	B.5.	58,325	47,370
Income from payment of long-term loans provided by accounting unit of another accounting unit which is part of the consolidated whole	B.8.		
Net cash flow from investment activity (aggregate of B.1. to B.20.)	B	-1,357,206	-631,720
Cash flow from financial activity	C.		
Extraordinary income relating to financial activity (+)	C.8.		
Extraordinary expenditure relating to financial activity (-)	C.9.		
Net cash flow from financial activity (total of C.1. to C.9.)	C.		
Net increase or net decrease of monetary means (+/-) (aggregate of A + B + C)	D.	-5,866,867	-1,615,753
State of monetary means and monetary equivalents at the start of the accounting period (up to 1.1.)	E.	22,148,778	23,807,542
State of monetary means and monetary equivalents at the end of the accounting period before calculating currency differences up to the day set for accounts closing (+/-)	F.	16,281,911	22,191,789
Currency differences factored into monetary means and monetary equivalents up to the day set for accounts closing (+/-)	G.	-1,571	-43,010
currency losses	G.1	-1,832	-44,571
currency gains	G.2	261	1,561
Balance of monetary means and monetary equivalents at the end of the accounting period with currency differences factored in up to the day set for accounts closing (+/-)	H.	16,280,340	22,148,779

\* BALANCE SHEET, STATEMENT OF PROFITS AND LOSSES,  
OVERVIEW OF CASH FLOW, OVERVIEW OF LONG-TERM  
PROPERTY MOVEMENT

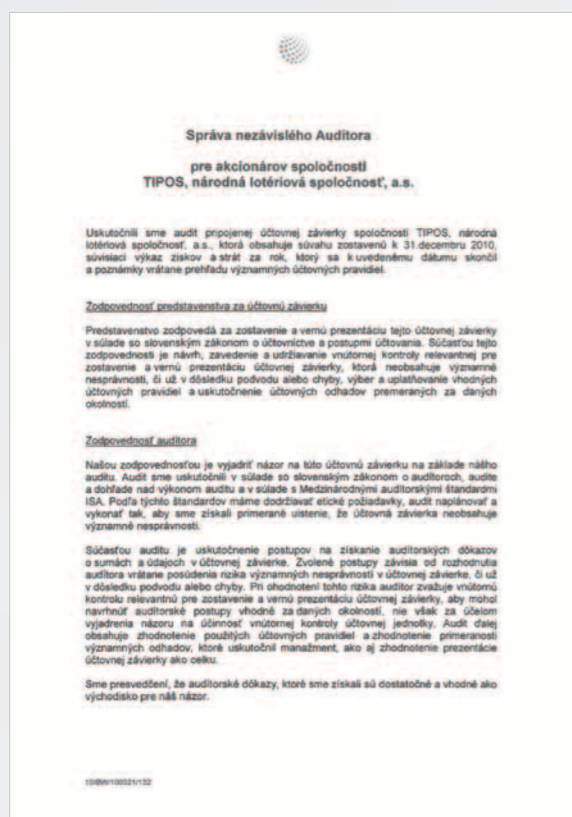
Name	Procurement price				Adjustments/Adjusting entries				Residual price		
	1/1/2010	Increases	Decreases	Move-ments	12/31/2010	1/1/2010	Increases	Decreases	Move-ments	12/31/2010	12/31/2009
Organizational costs											
Activated development costs											
Software	2,538,997	178,222	7,584	69,996	2,779,631	2,361,430	225,980	7,584		2,579,826	199,805
Appreciable rights (copyrights)	544,876	435,742		279,579	1,260,197	151,876	314,622			466,498	793,699
Goodwill											
Other long-term intangible assets											
Procured long-term intangible assets	715,399	326,962		-349,575	692,786	284,722				284,722	408,064
Provided prepayments on long-term intangible assets											
Total long-term intangible assets	3,799,272	940,926	7,584	0	4,732,614	2,798,028	540,602	7,584	0	3,331,046	1,401,568
Land	317,220				317,220					317,220	317,220
Buildings	2,793,332				2,793,332	1,431,265	150,937			1,582,202	1,211,130
Separate moveables and sets of moveables	3,254,793	325,827	488,189	33,164	3,125,595	2,350,524	349,154	488,189		2,211,489	914,106
Other long-term tangible assets											
Procured long-term tangible assets	69,834	115,858		-33,164	152,528	27,070				27,070	125,458
Provided prepayments on long-term tangible assets											
Total long-term tangible assets	6,435,179	441,685	488,189	0	6,388,675	3,808,859	500,091	488,189	0	3,820,761	2,567,914
Share securities and shares in personal control											
Share securities and shares in company with important influence	2,382,693				2,382,693	294,563				294,563	2,088,130
Other long-term securities and shares											
Loans of accounting unit in consolidated whole											
Total long-term financial assets	2,382,693	0	0	0	2,382,693	294,563	0	0	0	294,563	2,088,130
Total long-term assets	12,617,144	1,382,611	495,773	0	13,503,982	6,901,450	1,040,693	495,773	0	7,446,370	6,057,612
											5,715,694

Name	Procurement price				Adjustments/Adjusting entries				Residual price		
	1/1/2010	Increases	Decreases	Move-ments	12/31/2010	1/1/2010	Increases	Decreases	Move-ments	12/31/2010	12/31/2009
Organizational costs											
Activated development costs											
Software	2,551,257	26,805	39,665	600	2,538,997	2,070,175	330,920	39,665		2,361,430	177,567
Appreciable rights (copyrights)	396,771	232,163	84,058		544,876	92,070	143,864	84,058		151,876	393,000
Goodwill	188,520		188,520			188,520		188,520			304,701
Other long-term intangible assets											
Procured long-term intangible assets	301,111	414,887		-600	715,398	284,721				284,721	430,677
Provided prepayments on long-term intangible assets										0	
Total long-term intangible assets	3,437,659	673,855	312,243	0	3,799,271	2,635,486	474,784	312,243	0	2,798,027	1,001,244
Land											
Buildings	317,220				317,220						317,220
Separate moveables and sets of moveables	2,793,989		657		2,793,332	1,280,837	151,085	657		1,431,265	1,362,067
Other long-term tangible assets	3,575,062	553,545	876,561	2,747	3,254,793	2,869,033	358,052	876,561		2,350,524	904,269
Procured long-term tangible assets	29,817	42,764		-2,747	69,834	27,070				27,070	42,764
Provided prepayments on long-term tangible assets											
Total long-term tangible assets	6,716,088	596,309	877,218	0	6,435,179	4,176,940	509,137	877,218	0	3,808,859	2,626,320
Share securities and shares in personal control											
Share securities and shares in company with important influence	2,382,693				2,382,693	294,563				294,563	2,088,130
Other long-term securities and shares											
Loans of accounting unit in consolidated whole											
Total long-term financial assets	2,382,693	0	0	0	2,382,693	294,563	0	0	0	294,563	2,088,130
Total long-term assets	12,536,440	1,270,164	1,189,461	0	12,617,143	7,106,989	983,921	1,189,461	0	6,901,449	5,715,694
											5,429,451



**\* REPORT  
OF AN INDEPENDENT  
AUDITOR**

# \* REPORT OF AN INDEPENDENT AUDITOR



## Independent Auditor's Report for Shareholders of TIPOS, národná lotériová spoločnosť, a. s.

We have carried out an audit based on the accounts closing (financial statement) of the TIPOS, národná lotériová spoločnosť, a. s. which contains a balance sheet up to December 31st 2010, with statement of profits and losses for the year ending on the above date, and accompanying notes including an overview of important accounting rules.

### Responsibility of the board for the accounts closing

The board are responsible for the preparation and faithful representation of accounts closing in accordance with Slovak laws on book-keeping and accounting procedures. This responsibility includes: the proposal, implementation and maintenance of internal checks of the preparation and faithful representation of accounts which contain no serious inaccuracies either as a result of fraud or error; the choice and implementation of suitable accounting rules; and the undertaking of accounting estimates appropriate to the circumstances.

### Responsibility of the auditor

Our responsibility is to express our opinion of the accounts closing on the basis of our audit. This we carried out in accordance with the Slovak law on auditors, auditing and supervision of audits and with ISA international auditing standards. According to these standards, we have to fulfil ethical requirements and thus plan and carry out the audit so that we can be sufficiently sure the financial statement contains no serious inaccuracies.

Part of the audit is carrying out procedures to collect audit evidence of sums and data given in the financial statement. The procedures chosen are the decision of the auditor including assessment of the risk of serious inaccuracies in the statement either as a result of fraud or error. When evaluating such a risk, the auditor considers the internal check necessary for preparation and faithful representation of accounts closing so that s/he can propose auditor procedures suitable for the given circumstances but not so that s/he can express an opinion on the effectiveness of the internal check of the accounting unit. Further the audit contains an evaluation of the accounting

rules used as well, an evaluation of the accuracy of the key estimates made by the management and an evaluation of the presentation of the accounts closing (financial statement) as a whole.

We are confident that the audit evidence we have collected is sufficient and suitable as a basis for our opinion.

### Opinion

In our opinion the financial statement faithfully expresses in all key areas the financial situation of TIPOS, národná lotériová spoločnosť, a. s., up to December 31st 2010 and the result of its economic management for the year ending on that date. The statement complies with the Slovak law on accountancy and with Slovak accounting procedures.

### For closer attention

Without it having a bearing on our opinion, we would draw attention to point E(i) in the financial statement notes in which the company refers to the influence of the cancellation of the reserve on the company's accounts closing following a ruling made by the Slovak Supreme Court. As a result of its ongoing legal disputes, the company submitted a request for restructuring. This request was then retracted following a decision of the Constitutional Court to allow a deferment of the enforceability of the Supreme Court's ruling and of related rulings made by the lower courts. These circumstances together with other facts laid out in points G and O of the financial statement notes indicate a certain level of uncertainty about the future of the company.

Bratislava, 30.05.2011

VGD-AVOS AUDIT, s. r. o  
Moskovska 13, 811 08 Bratislava 1  
Business Register, entry no. 25893/B  
SKAU licence no. 269

Bart Waterloos  
Responsible Auditor  
SKAU licence no. 1029





**\* WHERE  
TO FIND US**



## \* WHERE TO FIND US / *Contacts*

TIPOS' annual report for 2010 is intended for company shareholders, business partners, employees and the wider specialized and general public. If you are interested, you can look at and download the current annual report, as well as annual reports from previous years, from our website at: [www.tipos.sk](http://www.tipos.sk) in section „O spoločnosti“ (About company).

### TIPOS, národná lotériová spoločnosť, a. s.

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TIPOS INFOLINK: 18 177, 18 277









# ANNEX TO THE ANNUAL REPORT 2010



# \* NOTES

## ON THE FINANCIAL STATEMENT COMPILED AS OF 31 DECEMBER 2010

### A. BASIC INFORMATION

#### 1. Commercial name and Company seat:

Commercial name of the company: TIPOS, národná lotériová spoločnosť, a.s. (hereinafter only the „Company“)

Company seat: Brečtanová ul. č. 1, Bratislava

Date established: 11 December 1992 by corporate indenture in accordance with the provisions §162, §163 and § 172 of the Commercial Code

Date recorded into the commercial register of District Court Bratislava I, division: Sa, tab number: 499/B: 28 January 1993

Identification number: 31 340 822

#### 2. Primary activities of the Company according to the statement from the commercial register:

- brokering of trade and services
- the purchase of goods for the purpose of selling them to end-users (retail)
- the purchase of goods for the purpose of selling them to other operators (wholesale)
- advertising activities,
- business consulting as permitted by an open trade license
- administrative work
- organizing training sessions, courses and seminars
- survey of the market and public opinion
- copying work
- the leasing of movables as permitted by an open trade license
- the leasing of non-movables associated with the provision of services other than basic services – acquisition activities
- the leasing of machines, devices, equipment and technological units in the form of a free trade licence
- keeping of accounts
- the activities of organisational, economic and accounting consultants
- operation of lottery games according to prov. § 4 par. 3 letters c), d) and e) Act no. 171/2005 Coll. on games of chance and on changes and supplements of some laws, as amended
- operation of games of chance through the Internet according to prov. § 3 par. 2 letter f) Act no. 171/2005 Coll. on games of chance and on changes and supplements to some laws, as amended
- carrying out of business activities associated with the operation of games of chance according to prov. § 53 par. 1 of Act no. 171/2005 Coll. on games of chance and on changes and supplements to some laws, as amended: - participation in the establishment and operation of games of chance according to the relevant law in trading companies in the Slovak Republic; - activities of organisational and economic consultants in the area of operation of games of chance according to Act of the NR SR no. 171/2005 Coll. on games of chance and supplements to some laws, as amended; - the provision of brokerage services for companies doing business in the field of games of chance
- the provision of brokerage services for companies doing business in the field of games of chance

#### 3. Average number of employees

In the year 2010 the Company had on average 107 employees, 5 of whom were employee managers. As of 31. 12. 2010 the company had a total of 107 employees. In 2009 the Company had on average 106 employees, 6 of whom were employee managers, and as of 31. 12. 2009 there were a total of 108 employees on record.

#### 4. Legal reason for compiling the financial statement

The financial statement of the Company as of 31 December 2010 is compiled as a regular financial statement according to § 17 par. 6 of Act no. 431/2002 Coll. on accounting, as amended (hereinafter only the “ accounting law”) for the accounting period from 1 January 2010 to 31 December 2010.

#### 5. Date of approval of the financial statement for the previous accounting period

The General Meeting approved on 14 May 2010 the financial statement for the company for the previous accounting period.

#### 6. Unlimited liability

The accounting entity is not an unlimited liability company belonging to other accounting entities.

## B. COMPANY BODIES AND SHAREHOLDER

### 1. Company bodies

General Meeting: Ministry of Finance of the Slovak Republic (hereinafter only the "MF SR") carries out the rights and duties of the Slovak Republic as the only shareholder in the Company.

#### Board of Directors:

JUDr. Ing. Miloš Ronec – chairman, originated 29. 9. 2010 (current)  
Ing. Günther Furin – member, originated 2. 8. 2010, vice-chairman, originated 11. 8. 2010 (current)  
Ing. Milan Homofa – member, originated 2. 8. 2010 (current)  
JUDr. Jozef Bannert – member, originated 2. 8. 2010 (current)  
Ing. Katarína Štefaničková – member, originated 21.10.2010 (current)  
Ing. Mário Schwab – member, originated 2. 8. 2010, function ended 21. 10. 2010  
Ing. Stanislav Žiačik – predseda, originated 2. 8. 2010, ended 29. 9. 2010  
Ing. Milan Homofa – chairman, originated 14. 7. 2010, ended 2. 8. 2010  
Ing. Peter Kapusta – chairman of the board of directors and general director, originated 8. 11. 2006, ended 14. 7. 2010  
Ing. Ján Barczy – member, originated 8. 11. 2006, ended 3. 4. 2008, vice-chairman originated 3. 4. 2008, ended 14. 7. 2010  
JUDr. Milan Knop – member, originated 8. 11. 2006, ended 14. 7. 2010  
PhDr. Ladislav Kriška – member, originated 20. 3. 2008, ended 14.7.2010  
Ing. Ivan Litvaj – member, originated 8. 11. 2006, ended 14. 7. 2010

#### Supervisory board:

Ing. Ján Štefanek – member, originated 8. 6. 2010 (current)  
Ing. Veronika Manduchová – member, originated 7. 7. 2010 (current)  
Ing. Peter Malík – chairman, originated 2. 8. 2010 (current)  
Ing. Robert Hulák – member, originated 21. 10. 2010 (current)  
Bc. Roman Foltin – member, originated 21. 10. 2010 (current)  
Ing. Günther Furin – chairman, originated 14. 7. 2010, ended 2. 8. 2010  
Ing. Miloslav Marek – member, originated 17. 6. 2005, ended 17. 6. 2010  
JUDr. Roman Ožvold – chairman, originated 8. 11. 2006, ended 14. 7. 2010  
Mgr. Miloš Prelec – member, originated 8. 6. 2005, ended 8. 6. 2010  
Ing. Tomáš Richter – member, originated 8. 11. 2006, ended 14. 7. 2010  
Ing. Vladimír Štríc – vice-chairman, originated 8. 11. 2006, ended 14. 7. 2010

#### General director:

Ing. Peter Kapusta until 14. 7. 2010  
Ing. Milan Homofa from 14. 7. 2010 to 2. 8. 2010  
Ing. Stanislav Žiačik from 2. 8. 2010 to 29. 9. 2010  
JUDr. Ing. Miloš Ronec since 29. 9. 2010

### 2. Company shareholder

The Slovak Republic, represented by the MF SR, is the only shareholder of the Company written into the records of the registered securities kept by the Central Securities Depository of the Slovak Republic, a. s.

Seat: Štefanovičova 5, Bratislava.  
Portion of share capital: 100 %  
Share capital of the Company: 365 133,11 euro

## C. CONSOLIDATED UNIT

The company CASINOS SLOVAKIA a. s., with its seat at Miletičova 1, 821 08 Bratislava is included in the consolidated financial statement of the company TIPOS, národná lotériová spoločnosť, a. s., and the consolidated financial statement for the group is compiled by the company TIPOS, národná lotériová spoločnosť, a. s.  
The consolidated financial statement is located in the Commercial Registry of District Court Bratislava I.

## D. ADDITIONAL INFORMATION IN THE NOTES

The company keeps accounts in the system of the original accounts and observes the principles and procedures presented in Act no. 431/2002 Coll. on accounting and other generally binding legal provisions.

## E. ACCOUNTING METHODS AND ACCOUNTING PRINCIPLES

### a) The basis for compiling the financial statement

The financial statement of the Company was compiled on the assumption of continuous duration of its activities in accordance with the law on accounting valid in the Slovak Republic and with the consequent processes of accounting. The Company operates, on the basis of individual licences issued by the MF SR, number lotteries and games of chance operated through the Internet, i.e. games of chance making up the state lottery. The period of validity for an individual licence for a number lottery is stipulated as until 15. 12. 2015. The period of validity for an individual licence for games of chance operated through the Internet is stipulated until 31. 12. 2015.

The subject lottery and Internet games represent well-established, successful and, with the betting public, popular and in-demand types of games. The validity of the original licence ended in 2010. The Company submitted in sufficient time an advance request to the MF SR so that the permanent, relevant administrative body according to Act no. 171/2005 Coll. on games of chance and on changes and supplements to certain other laws, as amended, may award new individual licences for the operation of games of chance so that they could continue to be operated for a period of five additional years. The MF SR consented to the request.

Since 1. 1. 2009 Company accounts have been kept in the euro currency. The Company applied accounting methods and general accounting principles consistent with previous accounting periods. For calculation of comparable data from the Slovak crowns to euro for the accounting period immediately preceding, an exchange rate of 30.1260 was used.

### b) Long-term intangible and long-term tangible assets

Long-term assets purchased are valued at their cost of acquisition, which includes the price for which the assets were acquired and costs associated with their acquisition (tariffs, preparations, assembly, insurance, etc.).

The value of the acquired long-term tangible assets which is used is lowered by depreciation for the amount of the corresponding deterioration.

Long-term tangible assets are depreciated according to a depreciation plan which was compiled on the basis of an assumed period of its use corresponding to the consumption of the future economic usefulness of the assets. Depreciation begins on the first day of the month following the property's being put into use. Assets which are assigned to the first day of the month begin to depreciate immediately in the given month. With regard to long-term tangible assets whose acquisition price is 1,700 euro or lower, they are accounted as inventories and their putting into use was accounted directly into consumption (§ 13 par. 7 of MF SR measure no. 23054/2002-92-Accounting procedures). Furthermore, they are recorded in the operational records of the user programme „assets“.

The assumed period of use, the method of depreciation and the depreciation rate are presented in the following table:

	Assumed period of use in years	Method of depreciation	Annual depreciation rate in %
Buildings	20	linear	5.0
Independent movable assets			
Machines, devices and equipment	4 - 6	linear	25.0- 16.7
Transport vehicles	4	linear	25.0
Inventory	6 - 12	linear	16.7- 8.3

On the basis of a professional estimate of the market price for the property (building) on Brečtanova ul. no. 1 which was developed by the 1st national auction company, s. r. o., and on the basis of "Expert assessment no. 24/2004" prepared by a construction expert, the Company had already posted an adjusting entry of 331,939 euro in 2003. In 2010 this adjusting entry still remained on the books, because the reasons for its decrease, or cancellation, are not known. With regard to the unfiled tangible asset, which represents an unrealized project for reconstruction of the real estate property which houses the Company seat, an adjusting entry is created in 100% of the amount 27,070 euro. The adjusting entry had already been created back in 2006. Company management has still not decided about eliminating it.

Long-term intangible assets are amortised according to an amortisation plan which was compiled on the basis of the assumed period of their use corresponding to the consumption of future economic uses of the assets. Amortisation begins on the first day of the month following the putting of the assets into use. Assets which are assigned to the first day of the month begin to amortise immediately in the given month. Long-term intangible assets whose acquisition price is 2,400 or lower were not assigned to long-term intangible assets and are accounted for in account 518 – Other services – a special analytical account according to the individual subjects.

With regard to uncategorised software, in 2006 an adjusting entry was created for 284,721 euro in view of its assumed deletion from the account for acquisition of intangible assets in other years. At the same time, in 2007 an adjusting entry was created regarding software for fixed-odds betting for the amount of 476,811 euro due to its assumed lack of use in additional years; company management has not yet decided on its deletion.

In 2010 there was no movement of adjusting entries in accounts in relation to unfiled software and regarding software for fixed-odds betting.

Assumed period of use, method of amortisation and the amortisation rate are presented in the following table:

	Assumed period of use in years	Method of amortisation	Annual amortisation rate in %
Software	2 - 4	linear	50 - 25
Appreciable rights (license)	4 - 5	linear	25 - 20

Buildings and properties in Bratislava and Banská Bystrica which the Company records in the accounts are the subject of a right of lien which originated on the foundation of the Contract on the organising of a right of lien concluded between the Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, and the company TIPOS, národná lotériová spoločnosť, a. s., from the day 6 October 2010.

#### c) Securities and shares

Securities and shares are valued upon their acquisition with the acquisition price, that is, including the costs associated with the acquisition.

In 2010 we recorded an adjusting entry regarding financial assets which represents the share of TIPOS in the company CASINO SLIAČ SLOVAKIA, joint-stock company in liquidation, for the amount of 294,563 euro. This 100% adjusting entry was created back in 1999 and in 2002. The Company has a 51% share in this company.

The value of the shares in the subsidiary company CASINOS SLOVAKIA a. s. is 2,088,130 euro. The Company has a 51.316% share in this company. CASINOS SLOVAKIA a. s., will be included into the consolidated unit TIPOS.

The Company does not account for the change in value of the securities and shares which form a share on the basis of the share capital in the accounting unit, for which the accounting unit is the parent accounting unit, or in which the accounting unit has a significant share.

#### d) Inventories

Purchased inventories are valued by the acquisition price, which includes the price paid for acquiring the property and the costs associated with the acquisition (preparation, insurance, provisions, etc.). The Company accounts inventories using the A-method, and this therefore defines the accounting procedures. The storage of inventories is valued by a weighted arithmetic mean. The specific types of "inventory" are instant lotteries. The storage price (in bonded and sales stocks) is set on the basis of the invoiced price and the supplied amount. A primary record (storage) is kept in the ITVS system from the supplier GTECH and is processed by a professional strategy and sales as a storage record by means of primary documents (receipt, issue, back revenues). Unsold lots are recorded in storage as lots prepared for disposal, which is carried out with participation of the supervisory body, which then makes a record of the disposal.

The invoiced costs for production of lots are allocated as pro-rated in the accounting depending on the sale of the lots. For planned unsold lots an adjusted entry is created depending on the sale of individual issues of lots in the current year.

#### e) Outstanding receivables

Outstanding receivables, upon their origin, are valued with a nominal value. An adjusting entry is created in relation to doubtful and irrecoverable outstanding receivables, where a risk of the irrecoverability of the receivable exists.

The primary portion of outstanding receivables are those against agents who carry out activities through an agent's contract with a strictly stipulated period of validity from the weekly settling of sales for agent activities. An adjusting entry is created in relation to doubtful outstanding receivables beyond the payment deadline toward agents who have an insufficient payment discipline while carrying out agent services. Such outstanding receivables are legally resolved after the deadline for payment.

#### f) Financial accounts

Financial accounts are made up of cash, the remaining balances on bank accounts and short-term term accounts, and the risk of a change in value of these assets is negligibly low, or non-existent.

#### g) Future expenses

Future expenses are shown in the amount which is necessary for maintaining the principles of material and time connections with the accounting period.

#### h) Adjusting entries

Adjusting entries are created on the basis of the principles of carefulness, if within reason the lowering of the value of an asset versus its valuation in the accounting can be assumed. An adjusting entry is accounted in the sum of the reasonable assumed lowering of the value of an asset against its valuation in the accounting.

#### i) Reserves

A reserve is a liability representing an existing obligation of the Company which has originated from past events and the economic benefit of which will likely decrease in the future. Reserves are liabilities with an undefined time limit or amount and they are assessed with an estimate of the sum necessary for fulfilling the existing obligation as of the day on which the financial statement is compiled.

The creation of a reserve is accounted on the generally relevant expenses account to which the liability pertains. The use of a reserve is accounted as a debit to the generally relevant account of reserves with a correlating record on behalf of the generally relevant account for liabilities. The dissolution of an unnecessary reserve or any part of it is accounted by the opposite accounting record as was accounted with the creation of the reserve.

A reserve for bonuses, rebates, discounts, and including the purchase price for refunds, is created as a reduction of originally achieved revenues with a correlating record on behalf of the account of the reserves.

The Company registers legal reserves as well as other reserves in accordance with valid accounting and tax provisions.

It accounted the legal reserves in accordance with tax provisions in connection with the payment of wages for unused holiday pay, with compensation for verification of the financial statement for 2010 and with the annual report for 2010.

The Company accounted other reserves mainly in connection with back revenues from instant lotteries, which were issued to agents for sale, accounted into sales from instant lotteries and which agents did not sell, that is, which they returned as back revenues from lots. The reserve for back revenues from lots is created on the basis of a professional estimate of strategy and sales in connection with the planned sales of individual types of instant lotteries in 2010 and 2011. The reserve for winnings from the sale of lots was accounted by an estimate depending on the successful sale of specific instant lotteries in 2010.

As a consequence of the decision of the Appellate Senate, the reserve for the lawsuit was reduced by 14,122,409.21 euro (425,451,700 Sk of capital), because this sum became a liability.

Because it can be assumed that the Company will have to pay the court costs, a reserve was accounted for the court costs for the lawsuit for the amount of a cancelled liability, which is 2,752,759.66 euro. Even though the Appellate Senate on a number of points substantially identified with, or partially identified with, the objections of the general procurator, it can be assumed that the defendant will pay the court costs because the court did not dispute the origin of the claim but only its amount. The amount of the reserve for such court costs is difficult to estimate, but it can be expected that the costs will be higher than was last acknowledged. Because it is not possible to make a sufficiently exact estimate of how the court costs will increase, the reserve was created for the last known amount acknowledged by the court. The increasing of court costs by the appeal process and by new substantiation in court will have an impact on the costs for the company at the time of the final decision of the court, and it is reasonable to expect that they will have a negative impact on the company assets. The Company accounted into the expenses for creation of the reserve interest from arrears to the day 31. 12. 2010. The Appellate Senate repealed the decision in the part of acknowledged interest from arrears. In justifying judgement no. 1MObdov/22/2008 regarding the objection of the General Procurator, by which he objects to the incorrect legal judgment of the amount of interest from arrears, the court of appeals states that it considers this objection to be partially justifiable. With reference to the overall incomprehensibility of the statement regarding interest on arrears in the challenged rulings, the Appellate Senate states that in terms of the level of interest, the conclusions of the court cannot be more closely scrutinized. Despite this fact, the appeals court expressed the opinion that so long as the lower courts judged interest from arrears according to provisions of the Commercial Code, they acted properly in doing so. For this reason it is necessary to accept a method of calculating interest from arrears and to include in the reserve such interest from arrears pertaining to the capital 14,122,409.21 euro set according to the provisions of the Commercial Code from the origin of the claim until 31. 12. 2010. For calculation of interest from arrears the rate presented in verdict no. 30bo 141/2007-1236 of the Supreme Court of the Slovak Republic was used.

In other parts it was necessary to cancel the reserve, because the judgment of the Appellate Senate pointed to its impact on the value of know-how and thus also on the amount of the reserve created for unauthorised use of know-how and the amount of illegal enrichment. The objection of the General Procurator to the incorrect judgment of the level of the claim for unjust enrichment was accepted in its full range, i.e. the Appellate Senate considered it as reasonable. In the years 1996 to 2005 the respondent, according to the court, benefited through unfair activities, but the know-how, which in part belonged to the plaintiff, was not the only prerequisite for the making of profit from the operation of number lotteries. It further states that prior to the disputed period, the respondent undoubtedly already had certain knowledge and experience. On the basis of this it is possible to contest the amount of the sum which represents the assets in the case of use of know-how, and thus it is possible to also contest the amount of interest from arrears pertaining to this. Determining what measure of awareness the Company had in the years 1996 – 2005 is not possible to clearly judge without the opinion of experts in the relevant field. The risk following from the legal dispute in this case is lower than was the judicative sum in decision 30bo 141/2007-1236, i.e. 19,180,376.38 euro. We assume that the sum will be lower, because the Company has operated number lotteries since 1993; therefore it is apparent that by 1996 it had built up sufficient awareness, knowledge and skill such that it was not reliant on the use of another's know-how. At the same time it is necessary to point out the fact that the Company did purchase some services which are associated with the operation of number lotteries from other suppliers which had worked on the games of chance market for an even longer time.

The Company submitted a complaint to the Constitutional Court of the Slovak Republic in which it stated the breaching of certain fundamental rights and freedoms and at the same time proposed a deferment of the executability of ruling 1MOboV/22/2008, as well as the rulings of the lower courts. Acceptance of the complaint by the Constitutional Court supports the Company's approach in relation to updating the amount of the reserve. More detailed information about the constitutional complaint is presented in part O. on page 20.

#### j) Liabilities

Liabilities upon their origin are valued with a nominal value. If during inventory it is determined that the sum of liabilities is different than their amount in the accounting, the liabilities are listed in the accounting and are valued in this form in the financial statement.

#### k) Employee benefits

Wages, pension and insurance fund levies, holiday pay, supplementary pension insurance and other non-monetary benefits are accounted in the accounting period in which Company employees use them. The Company accounts them in part as drawing from the social fund on the basis of its approved budget, and in part they are accounted in costs for the current year on the basis of valid legal and internal provisions.

#### l) Payable income tax

After modification of the financial result prior to taxation by additional and deductible entries, the tax base was calculated and for the year 2010 represented a tax loss. The following indicators have the largest share in the tax loss:

- a negative financial accounting result,
- the creation of reserves which are not taxably acknowledged expenses (pension benefits, estimate for winnings paid out, estimate for back revenues from instant lotteries, etc.),
- the posting of an extraordinary levy for the amount of 40,000,000 euro in accordance with Act no. 171/2005 Coll. on games of chance, where only the paid portion of the extraordinary levy for the amount of 20,000,000 euro is taxable,
- the creation of adjusting entries in regard to outstanding receivables and inventories which are not taxable expenditures,
- gifts provided,
- the cancellation of reserves and adjusting entries which were not taxable expenditures at the time of their creation,
- drawing of reserves for the payment of damages for unauthorised use of verbal protective trademarks on the basis of the appeals court for the amount of 14,122,409.21 euro.

#### m) Deferred income tax

Deferred income tax results from:

- differences between the accounted value of an asset and the accounted value of liabilities shown on the balance sheet and their tax basis,
- the possibilities for redeeming a future tax loss, under which is understood the possibility of deducting a tax loss from the tax base in future,
- possibilities for carrying over unused tax deductions and other tax claims to future periods.

Deferred income taxes result from the differences which for the most part correspond with entries influencing the tax base, especially the difference between the value of the accounted extraordinary levy and its taxable portion (to the amount paid)

and redemption of a loss from past accounting periods. A deferred tax liability is accounted only to such a level that it will probably balance out possible temporary differences towards a future tax base. With calculation of deferred tax, a rate of income tax is used that can be assumed will be paid at the time of balancing out the deferred tax, i.e. 19%.

#### n) Future expenditures and future revenues

Future expenditures and future revenues are shown for the amount which is necessary for observing the principles of material and time associations with the accounting period as well as observing the principles of caution in accounting.

The Company accounts for claims for winnings which follow from each drawing of lots and which are calculated from gaming funds for the game plan of individual number lotteries according to Act no. 171/2005 Coll. on games of chance and changes and supplements of some laws, as amended. Accumulated Jackpots, which originate according to the rules presented in the gaming plan for number lotteries, represent the primary portion. Another important entry for future expenditures is future expenditures for levies from instant lotteries, with which the levies are paid after completion of the entire period of sale of the instant lottery.

The Company accounts future revenues on its accounts by prepaid deposits which will be a component of future gaming capital.

#### o) Operative leasing

Property acquired in the form of operative leasing is accounted to expenditures evenly during the duration of a leasing contract.

#### p) Foreign currencies

Property and liabilities expressed in foreign currencies (except advance payments received and provided) are calculated in euro by the reference exchange rate set and declared by the European Central Bank or by the National Bank of Slovakia on the day preceding the day on which the accounting case took place or on the day up to which the financial statement is compiled. Exchange rate differences that arise are accounted with an impact on the economic result.

#### q) Revenues

Sales for own performance and services in connection with Games of chance do not contain any value-added tax. Sales are accounted monthly as of the last day of the month.

Sales from number lotteries and expenditures for winnings are accounted on the basis of "Protocols from lotteries". Detailed regulations for calculation of gaming capital and prize capital from lotteries are found in the gaming plan for number lotteries ratified by the MF SR.

Sales from instant lotteries and expenditures on winnings from instant lotteries are accounted for monthly on the basis of an automatised output from the online processing of deposits received and winnings paid out. The basis for the monthly accounting is weekly invoiced deposits and winnings for agents as stipulated in the agent contract.

A special category is the accounting of sales and expenditures for winnings of games of chance operated through the Internet, such as Internet betting like TIPKURZ.SK, Tipclub, e-CASINO, e-ŽREBY, e-KLUB KENO. The foundations are received deposits and winnings paid out, accounted monthly according to their primary recording kept by experts in IT and Internet games. Game plans for individual games of chance are compiled in accordance with Act no. 171/2005 Coll. on games of chance and on changes and supplements to certain laws, as amended.

## F. ASSETS

### 1. Long-term intangible assets and long-term tangible assets

An overview of the movement of long-term intangible and long-term tangible assets from 1 January 2010 to 31 December 2010 is presented in an independent document.

A significant item of increase is made up of the acquisition of motor vehicles for the amount of 309,639 euro, the acquisition of licences for advertising campaigns for products for the amount of 715,321 euro and software (the Live-Betting module for TIPKURZ.SK) for the amount of 169,895 euro. The largest decrease is the sales of motor vehicles for the amount of 355,995 euro. Long-term assets are insured in case of damage caused by theft, natural disaster, insurance of motor vehicles, insurance covered damage up to 10,830,511 euro (2009: 10,830,511 euro), from this the highest entry is insurance of non-movable and movable property 5,154,230 euro, inventory for the amount of 1,450,000 euro, personal items of employees 16,597 euro, money and securities for the amount of 199,164 euro and electronic equipment for the amount of 1,673,506 euro.

Intangible property whose acquisition price (or equity costs) does not exceed 2,400 euro is accounted directly into expenses and represented, as of 31 December 2010, the amount 8,371 euro. Comparable data from 2009 is 11,954 euro. Tangible property whose acquisition price (or equity costs) does not exceed 1,700 euro is accounted directly into costs and represented, as of 31 December 2010, the amount 121,250 euro. Comparable data from 2009 is 38,785 euro.



## 2. Long-term financial assets

The amount of equity capital in the company CASINOS SLOVAKIA a. s. Bratislava and CASINO SLIAČ SLOVAKIA, joint-stock company in liquidation as of 31 December 2010 and the economic result of the individual companies for the 2010 accounting year together with the comparison of these data with the previous accounting years is presented in the following table. The company CASINOS SLOVAKIA a. s., Bratislava confirmed that the financial statement for 2010 has already been verified by an auditor.

Name	Portion of share capital %	Economic result		Equity capital		Accounting value shown on balance sheet	
		2010	2009	2010	2009	2010	2009
CASINOS SLOVAKIA a. s. Bratislava	51.316	-1,153,179	-873,726	2,653,336	3,806,516	2,088,130	2,088,130
CASINO SLIAČ SLOVAKIA, akciová spoločnosť v likvidácii	51.00					0	0

No change in the value of long-term financial assets occurred during the course of the year.

The company CASINO SLIAČ SLOVAKIA, a joint-stock company in liquidation, entered into liquidation on the basis of a decision of an extraordinary General Meeting which took place on 21. 2. 2000. This legal form continues to exist. The last financial statement of this company is compiled as an exceptional financial statement as of 17 May 2000. In the final conclusions of the auditors is the opinion that the exceptional financial statement does not faithfully express its property, financial situation and economic result.

Shares of the company CASINOS SLOVAKIA a. s., Bratislava are the subject of a right of lien, which originated on the basis of Contracts on arranging of a right of lien closed between the Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, and the company TIPOS, národná lotériová spoločnosť, a. s., from the day 6 October 2010. The company CASINOS SLOVAKIA a. s., has a long-term unfavourable trend in the economic result of the company and therefore in February 2011 the Board of Directors approved the strategic intent to sell shares. More detailed information on the sale of shares is presented in point O. on page 20.

## 3. Inventories

Specific types of inventories are instant lotteries. Records of such lotteries are kept in accordance with the internal directive "on the system and responsibility for transactions associated with the movement of lots". Regarding the method of their valuation, it is stated in part E. point d) Inventories. The Company shows adjusting entries regarding inventories for reason of expected non-sales of lots, which will be returned from agents as unsold lots, as well as unopened lots which will be the subject of destruction under the guise of a supervisory body and according to the law on games of chance.

The development of adjusting entries in the course of the accounted period is presented in the following table (in €):

	State as of 31.12.2009	Production	Reduction/ Dissolution	State as of 31.12.2010
Adjusting entries in relation to lotteries	126,522	65,243	126,522	65,243
Total	126,522	65,243	126,522	65,243

## 4. Outstanding receivables

The development of adjusting entries in the course of the accounted period is depicted in the following table (in €):

Name	State as of 31.12.2009	Production	Reduction/Cancellation	State as of 31.12.2010
Outstanding receivables	477,619	33,804	23,946	487,477
Total	477,619	33,804	23,946	487,477

The creation of an adjusting entry follows mainly from outstanding receivables after the payment deadline against agents, namely for the amount of 25,595 euro, and against commissioners for the amount of 8,209 euro. The company considers the mentioned adjusting entry also in the sense of tax laws, as well as in connection with posted deferred tax. The mentioned residual adjusting entries as of 31. 12. 2010 coincides with a long-term adjusting entry of 2,100 euro, which represent an adjusting entry for a loan to CASINO SLIAČ SLOVAKIA, joint-stock company in liquidation, created back in 2008.

The age structure of receivables is presented in the following table (in €):

	31. 12. 2010	31. 12. 2009
Long-term outstanding receivables	13,943,959	1,841,751
Receivables from business to the payment deadline	6,639	52,059
Other receivables	2,100	2,100
Taxable receivables	13,935,220	1,787,592
Short-term receivables	7,607,732	5,251,639
Short-term receivables from business	4,352,027	3,675,013
-receivables to payment deadline	3,853,060	3,076,251
-receivables after payment deadline	498,967	598,762
Other short-term receivables	3,244,512	461,559
Taxable receivables	11,193	1,115,067

Long-term taxable receivables represent posted deferred income tax.

Short-term outstanding receivables are mainly represented by receivables from business contact with trading partners according to agent contracts, with regard to which the Company in justifiable cases created adjusting entries.

### Other short-term outstanding receivables:

Costs for legal representation - the Supreme Court of the Slovak Republic, as the court of appeal, in part of the finding regarding payment of court costs repealed decision NS SR 30bo 141/2007-1236 and decision 29Cb 1/2000-1117 of the District Court in Bratislava, i.e. cancelled the Company's liability to pay court costs. On the basis of the above-mentioned, the Company posted an outstanding receivable against the company LEMIKON LIMITED for the amount of 2,752,759.66 euro, which corresponds to the amount paid for court costs.

Unpaid installment dividends from the company CASINOS SLOVAKIA a. s. for the amount of 455,091 euro. Company management does not consider this outstanding receivable as a risk and decided not to create an adjusting entry in relation to this receivable, because it involves a receivable against a company in which the accounting unit owns a majority share. The difference between the acquisition price of the investment in the company CASINOS SLOVAKIA a. s. and the share in equity capital in this company represents 726,544 euro.

Tax receivables for the year 2010 are made up of selected withholdings for the amount of 11,193 euro. In 2009 tax receivables were for the amount of 1,115,067 euro, which represented the sum of overpayments for DPPO, VAT and taxes on motor vehicles. In 2010 the Company used this overpayment for 2009 for payment of VAT and payment of advance taxes on motor vehicles.

## 5. Deferred tax liabilities

A calculation of deferred tax liabilities is presented in the following table (in €):

Text	31. 12. 2010	31. 12. 2009
Temporary differences between accounted value of assets and liabilities and their tax basis, from this:		
- unredeemed tax loss	26,710,831	7,672,583
- long-term assets	485,344	490,814
- outstanding liabilities	202,662	246,606
- inventories	65,243	126,522
- reserves	25,879,185	793,003
- unpaid commissions to agents	0	78,850
- unpaid extraordinary levy	20,000,000	0
Total	73,343,265	9,408,378
Tax rate	19%	19%
Deferred tax liability	13,935,220	1,787,592

The change in deferred tax liabilities is presented in the following table (in €):

State as of 31 December 2009	1,787,592
State as of 31 December 2010	13,935,220
Change	
from this	
-posted as a liability	12,147,628

## 6. Financial accounts

Money in the cash-desk (account 211) and accounts in banks (account 221, 261) are shown as financial accounts. The Company can freely access money in banks, with the exception of short-term deposits and collateral monetary resources on behalf of the MF SR for reason of financial guarantees for the amount of 1,602,500 euro with a binding period shorter than one year, and for the amount of 1,125,000 euro with a binding period of longer than one year, for operation of instant lotteries in accordance with the law on games of chance.

Accounts:

211: ZS =	71,138	KZ =	55,321
213: ZS =	16,979	KZ =	6,943
221: ZS =	18,526,427	KZ =	15,656,059
261: ZS =	3,551,214	KZ =	568,960
Total:	22,165,758		16,287,283

## 7. Accruals

Individual entries or accruals are presented in the following table (in €):

Name	31. 12. 2010	31. 12. 2009
Future expenses:		
Insurance	36,045	21,861
others	1,133,336	689,001
<b>Total short-term</b>	<b>1,169,381</b>	<b>710,862</b>
<b>Total long-term</b>	<b>15,480</b>	<b>177,753</b>
<b>Future short-term incomes</b>	<b>4,324</b>	<b>23,380</b>

Other future costs predominantly represent accrual costs for advertising Company products and promotion of its trade name. Future incomes are accrual interests for bank accounts as of 31. 12. 2010 and anticipated incomes from mobile phone operators for provided services. The Company does not show any long-term future incomes.

## G. EQUITY AND LIABILITIES

### 1. Equity

An overview of equity in the course of the accounting period is presented in the following table (in €):

Name	State as of 31. 12. 2009	Increase	Decrease	Shift	State as of 31. 12. 2010
Basic capital	365,133				365,133
Legal reserve fund from capital deposits	16,597				16,597
Legal reserve fund	1,403,596				1,403,596
Statutory fund and other funds	3,701,692				3,701,692
Undivided profit from previous years	10,912,426			7,669,275	18,581,701
Unpaid loss from previous years	-68,350,361				-68,350,361
Economic result for the current accounting period	7,669,275	12,080,674		-7,669,275	12,080,674
<b>Total</b>	<b>-44,281,642</b>	<b>12,080,674</b>		<b>0</b>	<b>-32,200,968</b>

The Company equity is made up of 11 common shares in the name in booked form with a nominal value for one share of 33,193.918874 euro, recorded into the commercial register. All shares are connected with equal rights for the shareholder. The state of the equity ascertained from the accounting as of 31. 12. 2010 for the amount of -32,200,968 euro was influenced in 2010 by the positive economic result for the accounting period for the amount of 12,080,674 euro, from this: deferred income tax – an outstanding tax receivable from deferred tax worth 12,147,628 euro. The economic result prior to tax thus represented -66,954 euro. The change in equity was caused by the accounting of the reserve for the lawsuit, which is described in detail in part E. letter i) note, and the posting of the exceptional levy, see part I. point 2nd note.

The state of equity ascertained from the accounting as of 31. 12. 2009 for the amount of -44,281,642 euro was influenced in 2009 by the positive economic result for the accounting period for the amount of 7,669,275 euro, –from this: deferred income tax – an outstanding tax receivable from deferred tax worth 1,537,488 euro. The economic result prior to taxation represents 6,131,787 euro.

In view of the facts that the Company is capable of meeting all monetary liabilities and the value of outstanding liabilities does not exceed the value of its assets, the conditions of Act no. 7/2005 Coll. on bankruptcy and restructurization and on changes and supplements to some laws, as amended for fulfillment of the fundamentals of bankruptcy are not satisfied, but it is in a state of threatened bankruptcy. More detailed information regarding the measures following from the law on bankruptcy and restructurization are presented in part O. on page 19.

The share of profit for the current period for share capital: year 2010: 33.09; year 2009: 21.00.

The accounting profit for 2009 was re-posted for undivided profit from past years for the amount of 7,669,275 euro in accordance with the decision of the General Meeting from the day 14. 5. 2010.

The statutory body proposes re-posting the account profit for the amount of 12,080,674 for 2010 for undivided profit from past years for the amount of 12,060,000 euro and to the social fund for the amount of 20,674 euro.

### 2. Reserves

An overview of reserves is presented in the following table (in €):

Name	State as of 31. 12. 2009	Creation	Use/cancellation	State as of 31. 12. 2010
Reserve for unused holiday, including social security	81,314	80,732	81,314	80,732
Reserve for un-invoiced supplies		4,000		4,000
Reserve for financial statement and annual report	93,338	103,954	93,338	103,954
<b>Legal short-term reserves total</b>	<b>174,652</b>	<b>188,686</b>	<b>174,652</b>	<b>188,686</b>
Reserve for trade	13,328	3,546	2,673	14,201
<b>Other long-term reserves total</b>	<b>13,328</b>	<b>3,546</b>	<b>2,673</b>	<b>14,201</b>
Reserves for return of lots	442,015	415,188	442,015	415,188
Reserve for paying out winnings	337,659	893,744	337,659	893,744
Reserve for lawsuit	64,139,513	8,242,474	47,825,935	24,556,052
Other reserves	88	14		102
<b>Other short-term reserves</b>	<b>64,919,275</b>	<b>9,551,420</b>	<b>48,605,609</b>	<b>25,865,086</b>
<b>Total reserves</b>	<b>65,107,255</b>	<b>9,743,652</b>	<b>48,782,934</b>	<b>26,067,973</b>

The reserve for the lawsuit is described in detail in part E. Letter i) of the notes.

Other reserves are recorded for interests from financial collateral against agents per the agent contracts.

### 3. Liabilities

Structure of liabilities according to the residual due period is presented in the following table (in €):

	31. 12. 2010	31. 12. 2009
Liabilities to the due date	22,314,061	4,009,762
<b>Short-term liabilities total</b>	<b>22,314,061</b>	<b>4,009,762</b>
Long-term liabilities total from this:		
with a payment term of 1-5 years	18,084,960	150,350
with a payment term of over 5 years	8,104,960	150,350
	9,980,000	

The increase in liabilities is caused by the posting of an extraordinary levy towards the MF SR for the amount of 40,000,000 euro. From this 20,000,000 euro was paid in 2010 and the MF SR allowed us to make payment of the second part of this levy for the amount of 20,000,000 euro in installments from 31. 1. 2011 to 31. 12. 2020. We are recording the annual installment for the extraordinary levy for the amount of 2,004,000 euro, which we will pay in 2011, as a short-term liability and we are recording the remaining part for the amount of 17,996,000 euro in the long-term liabilities.

#### Other short-term liabilities:

Payment of damages for unauthorised use of verbal protected trademarks (capital) - the Supreme Court of the Slovak Republic, acting as the court of appeal, decided that it rejects the exceptional claim of the general procurator in part aimed against the decision of the first degree court, by which the Company was obliged to pay to the plaintiff 14,122,409.21 euro. Payment of damages for the unauthorised use of protected trademarks for the amount of 14,122,409.21 euro (425,451,700 Sk capital) on the basis of the decision of the court of appeals becomes a liability, because the amount as well as the term of payment is known. As of 31. 12. 2010 the reserve for the legal dispute was reduced by this sum and it was accounted as a liability against the company LEMIKON LIMITED.

Non-invoiced contracts from advertising for the amount of 1,063,800 euro.  
The company does not record any liabilities payable after the deadline.

#### 4. Social fund

The creation of and drawing on the social fund in the course of the accounting period is presented in the following table (in €):

Name	2010	2009
State as of 1 January	17,422	37,214
Creation for debit costs	16,418	8,685
Creation for profit	0	0
Drawn	27,960	28,477
State as of 31 December	5,880	17,422

In view of the fact that for the year 2009 the Company made a profit and had fulfilled all tax and levy obligations, it created a mandatory allocation for the amount of 1% in accordance with § 3 par.1 letter a) of the Act on the social fund no. 152/1994 as amended. For this reason the creation of a social fund from costs for the amount of 16,418 euro for the year 2010 is higher than it was in 2009.

#### 5. Accruals

The structure of accruals is presented in the following table (in €):

	31.12.2010	31.12.2009
Future expenditures total	9,431,037	9,688,414
unpaid winnings from a claim on winnings in 2010	7,374,231	7,217,259
expenditures for levies on instant lotteries	1,792,105	2,067,859
various	264,701	403,296
Future revenues	1,071,787	937,745

Future expenditures represent various short-term accruals invoiced from the companies GTECH Corporation and Omega Plus s. r. o. for services which were offered in the last betting week, i.e. at the turn of 2010 to 2011, invoiced in 2011.

Future revenues represent the amount pre-paid for sales from number lotteries in 2011.

## H. REVENUES

### 1. Sales for own operation and goods

Revenues from operation of games of chance and other activities (in €):

Revenues from games of chance	31.12.2010	31.12.2009
LOTO	78,401,143	86,053,079
JOKER	6,284,646	5,942,880
LOTO 5 z 35	2,303,031	1,983,580
KENO 10	26,710,410	25,630,199
KLUB KENO	28,558,307	28,558,994
EUROMILIÓNY	14,291,831	8,569,778
Internet games	106,936,610	113,754,466
TIPKURZ.SK	17,860,476	17,343,075
TIPKURZ SMS	397,414	0
Instant lotteries	21,238,897	14,484,036
<b>Revenues from games of chance</b>	<b>302,982,765</b>	<b>302,320,088</b>
Other revenues	1,717,780	2,095,690
<b>Total revenues</b>	<b>304,700,545</b>	<b>304,415,778</b>

Other revenues – non-lottery activities representing services provided for mobile phone operators – the companies T-Mobile Slovensko, a. s. and Orange Slovensko, a. s. in connection with the charging of credits for mobile telephones.

### 2. Other revenues from economic activities

An overview of other significant revenues from economic activities is presented in the following table (in €):

Name	31.12.2010	31.12.2009
revenues from the sale of property and material	32,313	38,346
other revenues	67,815	26,765
<b>Total</b>	<b>100,128</b>	<b>65,111</b>

Other revenues are represented mainly by revenues from penalties against agents for late payment, per the agent contracts, and payments for insured events.

### 3. Financial revenues

An overview of financial revenues is presented in the following table (in €):

Name	2010	2009
Interests	62,538	93,301
Dividends	0	455,091
Exchange rate profits – realized	262	1,565
Other financial revenues	0	34
<b>Total</b>	<b>62,800</b>	<b>549,991</b>

## I. COSTS

### 1. Material costs and costs for the provision of services.

An overview of material costs and costs for the provision of services is presented in the following table (in €):

Name	2010	2009
Material costs	1,023,320	950,799
Services:		
- costs for online processing	14,089,230	14,582,361
- commission to collectors	15,944,844	15,858,204
- production and transmission of relations and information	1,979,502	2,502,265
- advertising	11,631,071	13,198,762
- leasing	223,611	211,590
- audit, consulting and legal services	483,204	310,101
- others	1,126,003	929,187
<b>Total services</b>	<b>45,477,465</b>	<b>47,592,470</b>

In other services the expenses mainly accounted are for repair and maintenance, travel, expenses for representation, maintenance of software and intangible assets whose acquisition price does not exceed 2,400 euro.

For a provisional audit including the creation of a reserve for verification of individual and consolidated financial statement for year 2010 the Company posted 79,429 euro. The Company paid the auditing company Deloitte Advisory, s. r. o. for a forensic audit (in relation to the course of activities associated with the legal dispute) 25,016 euro.

### 2. Other expenses for economic activities

An overview of other significant costs expended according to the law on games of chance and other costs from economic activities are presented in the following table (in €):

Name	2010	2009
costs for winnings	212,724,953	217,858,455
levies from games of chance	29,668,015	29,160,283
gifts	220,000	320,000
others	12,885,938	363,087
<b>Total</b>	<b>255,498,906</b>	<b>247,701,825</b>

Other expenses are made up primarily of:

- The extraordinary levy in accordance with Act no. 171/2005 Coll. on games of chance and on changes and supplements of some laws as amended, for the amount of 40,000,000 euro
- Depreciation to the amount of 1,030,504 euro
- Reserve for the lawsuit

- Expenses for court costs

The court repealed the decision in which it acknowledged to the proposer the payment of court costs of 82,929,637.60 Sk (2,752,759.66 euro). The lower court will decide on court costs, and therefore the Company accounted the reduction in expenses for court costs, which were posted in the expenses for the year 2008 namely for the amount of 2,752,759.66 euro. From the decision of the court it follows that the first degree court will decide regarding court costs, whose amount will correspond to already admitted court costs and costs for the appeal process. The assessment of the creation of a reserve for court costs is expected minimally on the level which was acknowledged. For this reason the Company accounted the creation of a reserve for court costs of 2,752,759.66 euro.

- Repeal of the decision in matters of interest from arrears

The appeals court partially admitted the objection of the general procurator in relation to the calculation of interest for arrears. In this part it repealed the decision and returned the affair for further proceedings. As justification it is possible to assume that the calculation of interests from arrears will be governed by the provisions of the Commercial Code. Interest from arrears from judicative capital of 14,122,409.21 euro calculated as of 31. 12. 2008 is for the amount of 16,313,577.70 euro. Interest

from arrears calculated as of 31. 12. 2010 represents a portion of 21,803,292.47 euro. Because the Company in 2009 did not adjust the amount of the reserve for interest from arrears, in 2010 it posted the difference in interests from arrears for the amount of 5,489,714.77 euro.

With regard to the rejection of the value of the know-how and unjustified enrichment, it is not possible to calculate interest from arrears, therefore, the Company cleared part of the reserve in the amount 14,523,149.48 euro.

- The repeal of the decision in the matter of valuation of know-how and issuing of unreasonable bonuses for the amount of 577,828,019 Sk (19,180,376.39 euro)

The appeals court acknowledged the objection of the general procurator in relation to the value of know-how and the amount of unjust enrichment as predominantly reasonable. In this part it repealed the decision and returned the affair to further legal proceedings. Objections in relation to the amount of both fulfillments determined by experts are of such character that it is impossible to anticipate the amount to be admitted. It is rationally possible to assume that the sum will be lower, than that originally acknowledged and therefore the Company posted a reduced reserve for the amount of 19,180,376.39 euro.

### 3. Financial expenses

An overview of financial expenses is presented in the following table (in €):

Name	2010	2009
interests	15	24
insurance	52,636	62,364
bank fees	150,263	128,076
exchange rate losses - realized	1,886	44,771
<b>Total</b>	<b>204,800</b>	<b>235,235</b>

## J. INCOME TAXES

The economic result in the amount -66,954.20 euro was modified by imputable items for the amount of 29,940,558.53 euro and deductible items in the amount 48,911,852 euro. After bearing in mind the added and deductible items, the Company shows a tax loss of 19,038,247 euro. For this reason the Company did not account for payable income tax and accounted a tax receivable from deferred taxes for the amount of 12,147,628 euro.

Imputable items in accordance with Act no. 595/2003 Coll. on income taxes are: the creation of adjusting entries, the creation of reserves, gifts, expenses for representation. The tax loss is mostly comprised of the negative accounted economic result, the creation of reserves which are not taxable expenses, the posting of the extraordinary levy of 40,000,000 euro and payment of the extraordinary part of the levy for the amount of 20,000,000 euro in accordance with Act no. 171/2005 Coll. on games of chance, the creation of adjusting entries in relation to receivables and inventories, which are not taxable expenses, the provision of gifts and the cancellation of reserves and adjusting entries, which at the time of creation were not taxable expenses and the drawing of reserves for payment of damages for unauthorised use of verbal protected trademarks on the basis of the appeals court for the amount of 14,122,409.21 euro.

The changeover from theoretical income taxes to shown income taxes is presented in the following table (in €):

Approval of taxation	2010			2009		
	Tax base	Tax	Rate	Tax base	Tax	Rate
Pre-tax economic result	-66,954	0	100	6,131,787		100
from this theoretical tax at 19%	0	-12,721	19		1,165,040	19
Non-taxable expenses (permanent differences)	275,164	52,281	-0.18	425,605	80,865	1.32
Revenues from tax liabilities (permanent differences)	-3,105	-590	0,00	-481,517	-91,488	0,00
Impact of deferred tax receivable not shown.	-64,139,992	-12,186,598	0,00	-14,167,917	-2,691,904	-43.90
<b>Total tax shown</b>	<b>-63,934,887</b>	<b>-12,147,628</b>	<b>18.82</b>	<b>-8,092,042</b>	<b>-1,537,488</b>	<b>-23.58</b>

Payable tax		0		0	
Deferred tax		-12,147,628		-1,537,488	
<b>Total tax shown</b>		<b>-12,147,628</b>		<b>-1,537,488</b>	

## K. DATA FOR SUB BALANCE SHEET ACCOUNTS

The Company excluded a receivable of ALDYSOFT, s. r. o. from the sub balance sheet record. This was assigned to the sub balance sheet record on the basis of a finding in the name of the Slovak Republic from 28. 12. 2001 for the amount of 531,420 euro. This exclusion was carried out on the basis of a resolution of District Court Bratislava II č. k. O Er 793/02 from the day 13. 12. 2010, by which the act was stopped.

In 2010 the Company asked the MF SR for permission to pay the extraordinary levy in installments; such permission was granted. The Company guarantees the unpaid part of the extraordinary levy with its own assets. On the sub balance sheet accounts are recorded assets which are not shown on the equity accounts, but are the subject of a right of lien, which originated on the basis of a Contract on the organisation of a right of lien closed between the Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, and the company TIPOS, národná lotériová spoločnosť, a. s., from the day 6 October 2010.

The first part of the subject right of lien is made up of protected trademarks, which were in past accounting periods included in direct expenses (not by means of depreciation). The protected trademarks represent a value of 2,990,000 euro, which was determined on the basis of expert assessment prepared by the company Patria, s. r. o. Žilina.

The second part is made up of a database of agents and players which the company uses for its basic activities and which it has built up over a number of years. The databases were evaluated on the basis of expert assessment prepared by the company Patria, s. r. o. Žilina:

The database of agents represents a value of 6,768,874 euro,

The database of players represents a value of 5,345,507 euro.

The assets are recorded in the sub balance sheet accounts for the reason that they economically influenced the economic result for past accounting periods but were used as a deposit of major value.

## L. OTHER ASSETS AND EQUITY AND LIABILITIES

The Company assessed the Agreement on settlement and on the transference of know-how closed with the company LEMIKON LIMITED from the day 19. 11. 2008. The Company on one hand questions the validity of the relevant agreement; however, at the same time it is necessary to say that if the mentioned agreement is valid, then the company LEMIKON LIMITED has withdrawn from it. Because fulfillment offered for an invalid legal process or for a legal reason which is no longer applicable is unjust enrichment, the Company considers the monetary sum for the amount of 400,000,000 Sk, which represents 13,277,567.55 euro, as an outstanding receivable toward the company LEMIKON LIMITED. In regard to the mentioned capital it is owed interest in a total amount of 10% per annum from this sum from the day 3. 2. 2009 until the day paid. Because this involves an uncertain receivable, the Company has not posted it.

In view of the fact that a number of areas of Slovak tax law (e.g. legislation with regard to a transferred valuation) have until now not been sufficiently confirmed in practice, an uncertainty exists regarding how the tax bodies will apply them. The measure of this uncertainty cannot be quantified and it only expires when a legal precedence or the official interpretation of the relevant bodies becomes available. Company management is not aware of any circumstances which would have as a consequence the origin of a future major expense.

## M. INCOMES AND ADVANTAGES OF MEMBERS OF THE STATUTORY, SUPERVISORY AND OTHER BODIES OF THE COMPANY

Remuneration for members of the Company's Board of Directors for their activities on behalf of the company in the following accounting period was 72,042 euro (2009: 56,248 euro) and remuneration for members of the Supervisory Board was 65,930 euro (2009: 44,581 euro).

## N. BUSINESS RELATIONS OF THE COMPANY AND RELATED ENTITIES

In the course of the accounting period the Company had transactions with the following related entities: the Slovak Republic (tax offices as the relevant bodies of administration for handling taxes and levies into the state budget), CASINOS SLOVAKIA a. s.

### Slovak Republic

The Company has a monthly obligation to hand over a levy from the operation of games of chance into the state budget. In 2010 the total sum paid for levies was 29,666,237 euro. In accordance with amended Act no. 171/2005 Coll. on games of chance the Company accounted an extraordinary levy of 40,000,000 euro.

Transactions with related entities following from income taxes are presented in point J. of these notes.

Transactions with related entities following from value-added tax represents 2,529,562 euro and other indirect taxes total 1,058,675 euro.

### CASINOS SLOVAKIA a. s.

Accumulated losses in the company CASINOS SLOVAKIA a. s. reached as of 31. 12. 2010 a value of 2,027,000 euro. The Board of Directors of the company CASINOS SLOVAKIA a. s. discussed this state at its meeting on 31. 1. 2011 and subsequently with company shareholder. Because the company CASINOS SLOVAKIA a. s. has a long-term unfavourable trend of development in its economic result, shareholders accepted the strategic aim to sell shares. More detailed information on the sale of shares is presented in point O. on page 20.

The Company does not record any other business relations of allied persons.

## O. NEW FACTS AND EVENTS ARISING BETWEEN THE DAY OF ACCOUNTS CLOSING AND THE DAY OF THEIR FINALIZATION

### Proposal for permission for restructuring

In March 2011, before receiving news of the decision of the Slovak Supreme Court, the company commissioned a restructuring assessment report to find out whether the company was bankrupt or threatened with bankruptcy. Another question this report had to address was whether restructuring before bankruptcy would be advantageous or not. The legal entity recorded in the list of administrators (further only "administrator") had access to provisional financial statements up to 31. 12. 2010 and 31. 1. 2011 which were finalized in March 2011. On the basis of these submitted documents, the administrator declared that the Company

- is not and has not been late in settling its liabilities,
- as of 31. 1. 2011 has liabilities amounting to a sum of 91,399,461.67 euro and
- included in the overall liabilities is a reserve for fulfillment from the ongoing legal suit of 65,389,058.48 euro.

Based on this, the administrator stated that the Company is not bankrupt. The potential overall liabilities emerging from the legal dispute are equal to 65,389,058.48 euro, the Company being directly confronted with an enforceable liability of 14.2 mil. euro in terms of capital and about 19 mil. euro in terms of equipment. Currently the overall value of assets fit for covering liabilities is 32,963,875.09 euro. On the basis of this, the administrator states that the Company is threatened with bankruptcy. In point 5.3. of the assessment report there is thus the statement that the administrator recommends restructuring. The administrator explains this assertion in detail in point 5.4. of the assessment and states that the Company has the potential to retain the major part of its operations and this by implementing essential measures aimed at saving money and revitalizing the company. The information used in the processing of the restructuring report reflected the state of the reserves for the legal suit before reception of the decision of the Appellate Senate.

Restructuring assessment 2/2011 of 28. 3. 2011 was debated at the board meeting of 29. 3. 2011. The board decided that in accordance with § 111 par. 2 of Act no. 7/2005 Coll. on Bankruptcy and Restructuring, they would ask the shareholder to agree with submission of the proposal for permission for restructuring. The proposal was debated by the supervisory board and passed at the general meeting of 30. 3. 2011. The Slovak Ministry of Finance, as the only shareholder, agreed with the action proposed by the board and so a proposal for permission for restructuring was submitted at the District Court, Bratislava I. The court decided on 5. 5. 2011 to start restructuring proceedings, which it announced in Commercial Bulletin no. 91B of 12. 5. 2011. Restructuring proceedings began on 13. 5. 2011. The information given is taken from restructuring assessment no. 2/2011.

Under the influence of actual events occurring after processing of the restructuring assessment report, the Company requested an updating of restructuring assessment report no. 2/2011. The ensuing appendix no. 1 of 16. 5. 2011 to the restructuring assessment stated a change in the value of accounting reserves, and also stated that through partial acknowledgement of the claim of the LEMIKON LIMITED company by the decision of the Supreme Court and successful deferment of the enforceability of this decision, there is now no immediate danger of bankruptcy for which restructuring would be immediately necessary. On the basis of this statement, the Company has retracted its request for permission for restructuring proceedings. The court accepted the retraction and published its decision to halt restructuring proceedings in the Commercial Bulletin of 25. 5. 2011.

## Sale of CASINOS SLOVAKIA a. s. shares

In response to the long-term downward trend in the economic results of the CASINOS SLOVAKIA a. s. company, various steps were considered and assessed before the strategic decision was made to sell all of its shares. In accordance with company regulations, the Slovak Ministry of Finance was informed of this strategy by a letter of 1. 2. 2011. The Slovak Ministry of Finance then approved this decision.

### Crediting of an outstanding receivable by a unilateral legal act

On 26. 4. 2011 the Company acceded to a unilateral credit toward the company LEMIKON LIMITED. In the mentioned credit, it exerted a claim for the unjust enrichment with a total amount of 13,277,567.55 euro and interest from arrears with total value of 10% per annum from this sum from the day 3. 2. 2009 until payment is made. The Company makes claim to this sum on the basis of the fact that it questions the validity of the Agreement on settlement and transfer of know-how from 19. 11. 2008, which is described in more detail in part L. on page 18. At the same time the Company exerted a claim for the provision of unjust enrichment in the sum of 2,752,759.66 euro, because in its part dealing with court costs, Supreme Court ruling 1 MObdoV 22/2008 corresponded, or partially corresponded with the objections of the General Procurator and in this part, revoked the challenged ruling. For this reason, the Company is recording a receivable which is more closely described on page 11 in 'Other short-term receivables'. LEMIKON LIMITED and its legal representative have been informed in writing about the calculation of these receivables.

### Filing a complaint at the Slovak Constitutional Court

Through its legal representative, the Company filed a complaint at the Slovak Constitutional Court in which it objected to a violation of the basic right to legal protection stated in article 46.1 of the Slovak Constitution, of the basic right to not be removed from the jurisdiction of one's law-assigned judge according to article 48.1 of the Slovak Constitution and article 38.1 of the Charter of Fundamental Rights and Basic Freedoms, and of the right to fair legal proceedings according to article 6.1 of the Convention on Protection of Human Rights and Basic Freedoms, violations committed through Supreme Court ruling 1 MObdoV 22/2008 of 30th November 2010. The complaint also proposed a deferment of the enforceability of the stated ruling as well of associated rulings made by the lower courts. The Constitutional Court accepted the submitted complaint and permitted a deferment of the enforceability of the Supreme Court ruling as well as of associated rulings made by the lower courts.

## R. OVERVIEW OF CASH FLOW UP TO 31ST DECEMBER 2010

The company has published an overview of cash flow using the direct method as an appendix to these notes.

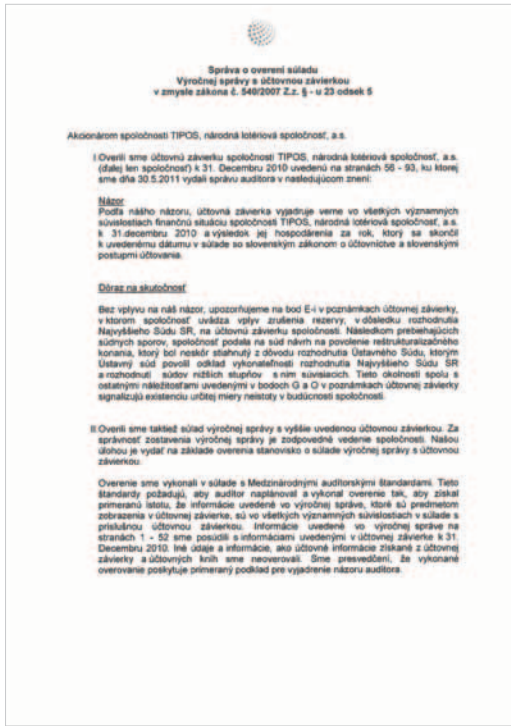
The structure of cash flow and cash equivalents:

#### Accounts:

211: ZS =	71,138	KZ =	55,321
213: ZS =	16,979	KZ =	6,943
221: ZS =	18,526,427	KZ =	15,656,059
261: ZS =	3,551,214	KZ =	568,960
Total:	22,165,758		16,287,283

The total of the balances corresponds with the state of monetary resources and monetary equivalents at the beginning and the end of the accounting period in the Cash flow report without stamps. (account 213)

# \* REPORT ON VERIFICATION OF CONCORDANCE BETWEEN THE ANNUAL REPORT AND THE FINANCIAL STATEMENT



Report on verification of concordance between the Annual Report and the financial statement in accordance with Act no. 540/2007 Coll. § 23 par. 5

I. We have verified the financial statement of TIPOS, National Lottery Company, a.s. (further only 'company') up to December 31st 2010 and given on pages 56-93, and on 30.5.2011 have issued an auditor's report as follows:

Opinion

In our opinion the financial statement faithfully expresses in all key areas the financial situation of TIPOS, National Lottery Company, a.s. (further only 'company') up to December 31st 2010 and the result of its economic management for the year ending on that date. The statement complies with the Slovak law on accountancy and with Slovak accounting procedures.

For closer attention

Without it having a bearing on our opinion, we would draw attention to point E(i) in the financial statement notes in which the company refers to the influence of the cancellation of the reserve on the company's accounts closing following a ruling made by the Slovak Supreme Court. As a result of its ongoing legal disputes, the company submitted a request for restructuring. This request was then retracted following a decision of the Constitutional Court to allow a deferment of the enforceability of the Supreme Court's ruling and of related rulings made by the lower courts. These circumstances together with other facts laid out in points G and O of the financial statement notes indicate a certain level of uncertainty about the future of the company.



II. We have also verified the concordance of the annual report with the abovementioned financial statement. The company management is responsible for the accuracy of the report while our task is to issue our standpoint on the concordance of the annual report with the financial statement following this verification.

We have carried out this verification in accordance with international auditing standards. These require the auditor to plan and carry out verification so that s/he is sufficiently assured that the information given in the annual report, which is the subject of presentation in the financial statement, is consistent in all key areas with the relevant financial statement. We have assessed all information given in the annual report (pages 1-52) alongside the information given in the financial statement of December 31st 2010. We have not verified other information such as accounting data collected from the financial statement and accounts books. We are confident that the verification carried out fully enables the auditor to express his opinion.

In our opinion, the accounts information given in the annual report corresponds in all key areas with that given in the abovementioned financial statement.

Bratislava, 31.05.2011

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Business Register, entry no. 25893/B  
SKAU licence no. 269

Bart Waterloos  
Responsible Auditor  
SKAU licence no. 1029

