

annual report **2007**



TIPOS, národná lotériová spoločnosť, a.s., at first sight

(TIPOS, national lottery company, Inc.)

	2005	2006	2007
Gross wagers in SKK	3,800,064,713	5,015,217,877	7,694,866,427
Paid out prizes in SKK ¹	2,086,641,347	3,229,005,158	5,165,998,225
Share of prizes in%	54.91	64.38	67.14
Levies from games in SKK	592,212,556	589,780,587	812,123,135
Profit after taxation in SKK	148,306,631	223,554,985	279,532,811
Number of employees	96	98	109
Number of active outlets ²	1,667	1,694	2,075
Number of active terminals ²	1,697	1,725	2,128

¹ Paid out prizes including extraordinary prizes and prizes in studio games.

² Number of active outlets and terminals as of 52 week of given year.

content

06	Foreword of the Chairman of the Board of Directors and the General Director
10	Company profile
12	Mission, vision and aims
14	Company management and leadership
16	Organizational structure
20	Fifteen years having been successful on the market
22	Report of the Board of Directors on the results for 2007
	– Financial results for 2007
	– Levies from gambling games
	– Paid out prizes
	– Business partners and customers
	– Humanitarian activities, sponsoring
	– Personnel policy
	– Social responsibility
48	Product portfolio
80	Regular individual financial statements
116	Auditor's report
120	Intentions for 2008
122	Contacts

06 – *Foreword of the Chairman of the Board of the Directors and the General Director*

Dear Ladies and Gentlemen,

2007 was a breaking year for our company concerning all the significant indicators and I can say that it was an exceptional year. TIPOS, national lottery company, Inc., reached the best historical results ever, relating to the levies into the state budget, sales, profit and player's prizes, in the continuously growing market of gambling games in our country. After the levy duty decreased in 2006 from 2005 to the SKK 589 million, in 2007 we managed to levy SKK 812 million. Thereby we have met the main targets of the company – to create effective resources in order to provide beneficial services such as provision of health care, social care, humanitarian help, creation, development, protection and renewal of cultural values, support of artistic creation and cultural activities, education and training, development of sport, creation and protection of living environment and protection of people's health.



Ing. Peter Kapusta

*The Chairman of the Board of Directors
and the General Director*

TIPOS, national lottery company, Inc.

The company reached SKK 7.7 billion in sales that accounts for the increase of SKK 2.6 billion and we paid out prizes to our players to the value of SKK 5.16 billion. These results have been reached mostly due to the number lotteries with sales of SKK 4.37 billion. History has proved that focusing on number lotteries, especially on our flagship, LOTO game, was the right decision. The LOTO game recorded during the summer premium period the exceptional increase of wagers and during the year we reached in this game the two historically highest prizes over SKK 100 million. There was also an increase of sales in internet games, internet betting for sport events and in instant lotteries. The high rate of success was gained particularly through the Christmas ticket lottery and its share of sale in the overall emission reached 99%.

One of the most important factors which enabled us to obtain such outstanding results is the change of marketing philosophy of the company. It was caused by the direct marketing support of particular company products in order to make them more attractive for our players. The modernization and improvement of on-line net with almost 500 new terminals and widening the cooperation with operators of fixed-odds betting have also contributed to the successful year of the company.

However, in the last year we had to take some unpopular but necessary steps. As in other European countries, after eleven years of operating, the very popular TIPOS-BINGO game reached the last stage of its life-cycle in Slovakia. Despite the canceling of the studio game in mid 2007 we couldn't prevent the decrease of players and sales and we came to difficult decision to discontinue the game.

Due to low sales and unprofitability we finalized the operation of fixed-odds betting by our daughter company TIPKURZ, Inc. This company was bought in 2005 from the company SPORTKA, Inc., on the base of inconsistent analysis not considering all costs. Focusing on fixed-odds betting is not in the line with the aims of national lottery company on the market of gambling games.

An unpleasant heritage from the past is an eight years ongoing law-suit with the company SPORTKA, Inc., which nowadays, after unfavorable result for TIPOS, national lottery company, Inc., depends on the resolution of the Supreme Court of SR.

From the international point of view, it is very important that the company TIPOS as a member of the international association of European Lotteries, enrolled to the European standard of responsible gambling in May 2007. We have managed to implement into practice the content and principles of this document.

In conclusion let me say thanks to our players, agents and business partners. My biggest thanks go to TIPOS employees who helped to make the right decisions and the achievements couldn't have been reached without them. I believe that a big supply of products and services will remain the best choice for players also in 2008. We have set up ambitious aims for this year and we hope to meet them.





10
Company profile

10 *_ Company profile*

Registered company name:	<i>TIPOS, národná lotériová spoločnosť, a.s.</i>
Legal form:	<i>Incorporation</i>
Registered office:	<i>Brečtanova 1, 830 07 Bratislava 37</i>
Identification number:	<i>31340822</i>
Incorporation date:	<i>11. December 1992</i>
Share capital:	<i>SKK 11,000,000</i>
Number of shares:	<i>11 pieces</i>
Form and kind of shares:	<i>booked registered shares</i>

Business activity:

- intermediation of trade and services,
- purchase of goods for purpose of selling it to the end user (retail),
- purchase of goods for purpose of selling it to other operators (wholesale),
- promotional activities,
- business advisory in the extend of free trade,
- administrative work,
- organization of trainings, courses and seminars,
- survey of the market and public opinion,
- copy work,
- rent of res mobiles in the extent of free trade,
- rent of estate property providing others than basic services – supplying activities,
- rent of machines, devices, equipment and technological units in the extent of free trade,
- accounting service,
- activity of organizational, economic and accounting advisors,
- operation of lotteries under the provision § 4 pr. 3 sec. c), d) and e) Act No. 171/2005 Coll. on gambling games the change and amendments of some Acts,
- operation of internet gambling games under the provision § 3 section 2 letter f) Act No. 171/2005 Coll. on gambling games the change and amendments of some Acts,
- Practice of an entrepreneurial activities related to the operation of gambling games under the provision § 53 section 1 Act No. 171/2005 Coll. on gambling games the change and amendments of some Acts: - participation in the foundation and operation of gambling games under relevant Act in the trade companies of Slovak Republic, activities of organizational and economic advisors in the field of the gambling games operation under the Act No. 171/2005 Coll. on gambling games the change and amendments of some Acts, providing of mediatory service for companies acting in the field of gambling games sector.

The field of gambling games and the status, rights and duties and particular products of the company TIPOS, national lottery company, Inc., (further only 'TIPOS' or 'company TIPOS') are revised in the Act No. 171/2005 Coll. on gambling games the change and amendments of some Acts in valid wording.

In 2007 the company operated the state lotteries and instant lotteries.

The company was doing its main business activities based on the individual licenses issued by the Ministry of Finance of the Slovak Republic for particular lotteries and gambling games operated per internet.

Lotteries:

- _ number lotteries,
- _ special bingo TIPOS-BINGO,
- _ particular emission of instant lotteries.

Through its property share in the companies CASINOS SLOVAKIA, Inc., and TIPKURZ, Inc., the company TIPOS provided also the gambling games in the casino and betting games.



12 *_Mission, vision and aims*

Mission

"The mission of our company is to bring happiness to our players and enjoy together with them the success. Through the prizes of our games we help them to fulfill their dreams and hopes. We bring the joy to our players when they win but also an enjoyment and thrill from the result expectations and from the game itself.

Our attitude to the players is responsible and we try to create and maintain the safe playing environment with an effort to avoid any kinds of negative effects."

Vision

"The company TIPOS, national lottery company, Inc., also in last year repeatedly proved its position of a leader in the field of gambling games being a quality and effective operator in the Slovak Republic. The vision of the company is to maintain this positive trend furthermore and through new innovative ideas and quality services keep the games attractive for a player.

The company TIPOS reacts in a sensitive way to customer needs and fast growing gambling game market. We will continuously follow the development of gambling games on Slovak market and abroad and we will consider the expectations and wishes of our players at creation and innovation of our products."

Aims

“The key aim of TIPOS is, through the games, to collect effectively financial means and return them to the society in the form of levies into the state budget as well as through the various sponsoring and charity activities. The levy duty is the essential point of our existence and therefore it should be dominant over other economic parameters such as sales and profit”.

Our principles

To be stable and trustful against our players and partners.

To improve continuously.

Work as a team.

To think in behalf of a customer.

To innovate our products, not to stay still.

Protect our players against addiction.



14 *Company Management and Leadership*

General Meeting

is the supreme body of the company. The Slovak Republic, represented by the Ministry of Finance of the Slovak Republic, is the only shareholder of the company TIPOS, national lottery company, Inc., registered in the evidence of booked securities in the Central Depository of Securities SR, a.s.

Board of Directors

is the statutory body of the company, it manages its activities, represents the company and decides about all company matters excepting decisions which are made by the General Meeting.

The Chairman of the Board

Ing. Peter Kapusta

The Vice chairman of the Board

Ing. Stanislav Fuňa

Members of the Board

Ing. Ivan Litvaj

JUDr. Milan Knop

Ing. Ján Barczy

Supervisory Board

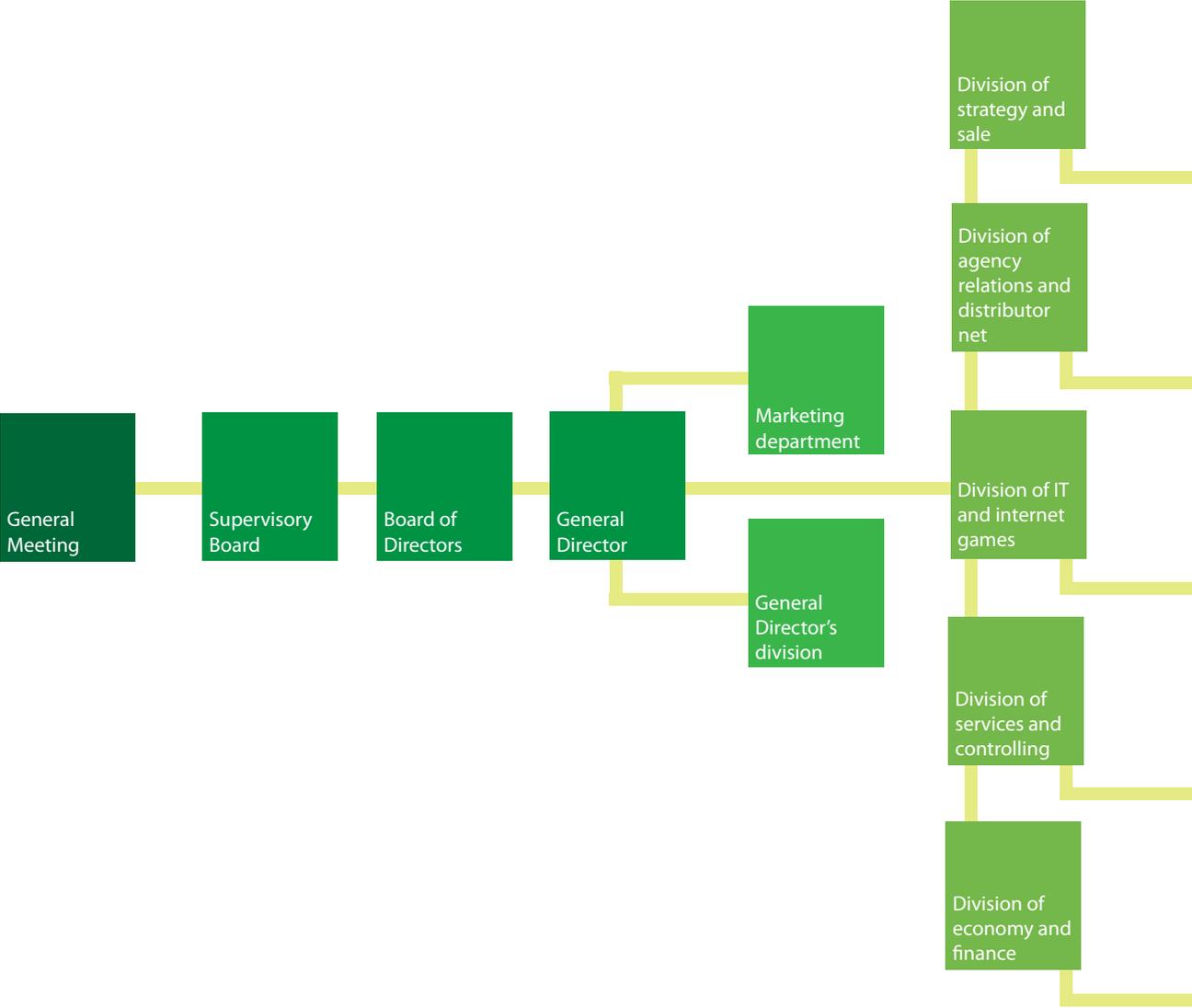
is the control body of the company. It supervises the performance of the Board of Directors and entrepreneurial activity of the company. The results are reported to the General Meeting.

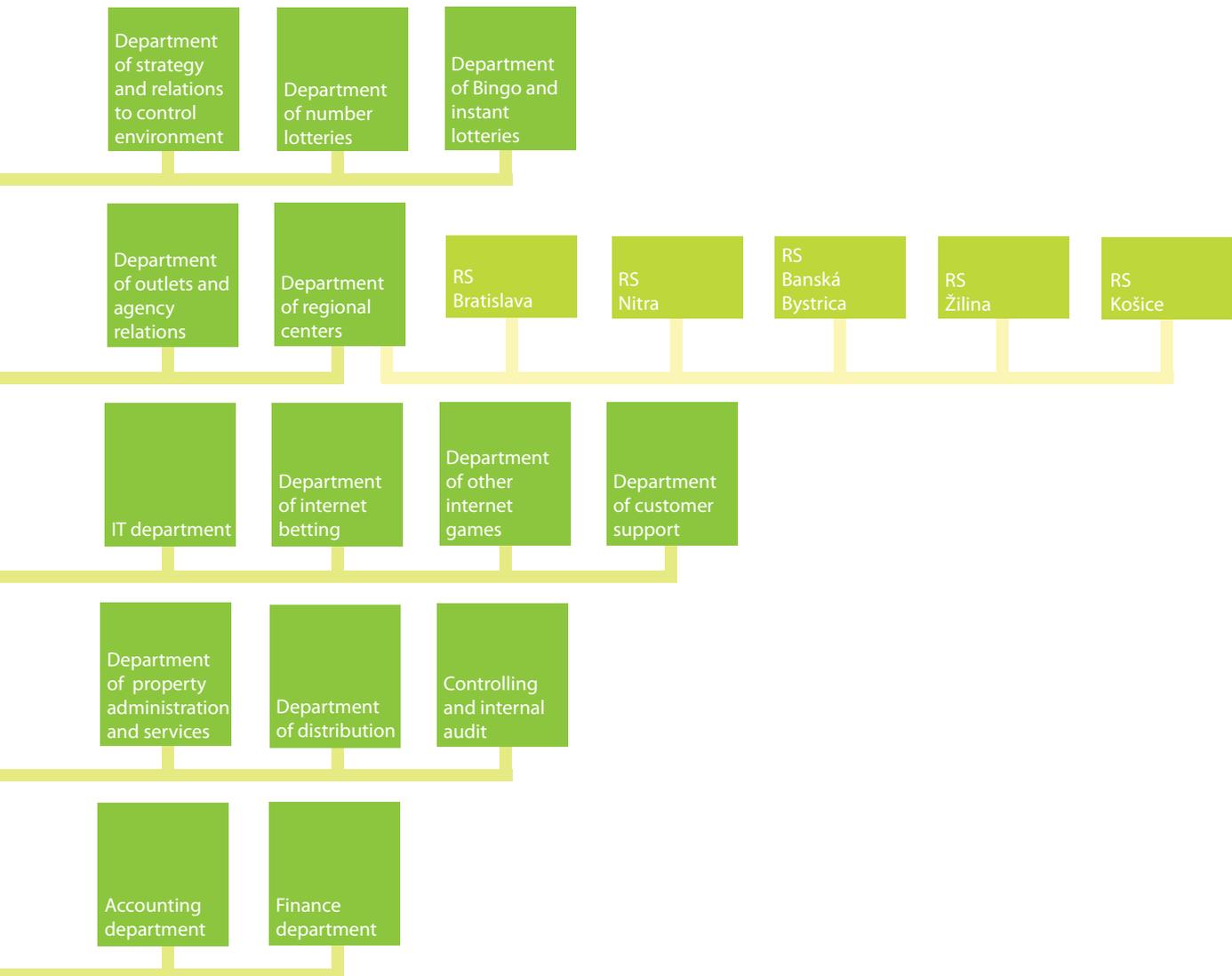
The Chairman of the
Supervisory Board
JUDr. Roman Ožvold

The Vice chairman
of the Supervisory Board
Ing. Vladimír Štríc

Members
Ing. Tomáš Richter
Mgr. Miloš Prelec
Ing. Miloslav Marek

16_ Organizational structure









20
*Fifteen years having
been successful on the market*

20 *_Fifteen years having been successful on the market*

TIPOS, national lottery company, Inc., has been doing business in the field of gambling games already for 15 years. During this period it has built up a status of trustful entrepreneurial subject and belongs among successful European lottery companies. Due to a systematic development of the company, during the existence of TIPOS, there have been several organizational and personnel changes which resulted into prosperous company operating in the field of gambling games in Slovakia.

Nowadays portfolio of offering games and services meets the needs of all segments of inhabitants and tries to reflect dynamically growing market and to implement changing needs of players into its products.

During 15 years of existence, our company "has produced" hundreds of new millionaires and in Slovakia are now lot of small or big happy winners.

The company TIPOS during its existence has generated and levied into state budget and for the costs of state supervision the amount bigger than SKK 6.4 billion; the substantial part of these resources was redistributed to support sport, culture and other generally beneficial services.

The company TIPOS during the given period has built the biggest trade network to operate the gambling games in our country. At the end of 2007 the number of trade and sales outlets on line reached 2,075 throughout Slovakia and this number is still growing.

The company TIPOS for 15 years of activity has built the consolidated structure of property from the point of assets, liabilities, share capital and appropriate capital equipment.

The company TIPOS has gone through a lot of technical and technological changes during those years, we can mention mainly the implementation of accepting bets by the system on line in cooperation with the company GTECH Slovakia. This step made significantly easier to accept bets and pay out the prizes and brought the player's confidence and good reputation of TIPOS.

An important breaking point in the development of games was launching internet betting. Growing of internet provided new opportunities for operating different kinds of games other than number lotteries and these are especially betting for sport events and casino games.

Definitely the most successful game in the history of TIPOS has been LOTO game (until 1. Oct. 2002 SPORTKA) with overall wagers more than SKK 14.1 billion.

The company TIPOS for 15 years has received from players the wagers in the amount of more than SKK 40 billion and all paid out prizes in all games overreached the amount of SKK 22 billion.

The company TIPOS has sponsored a lot of quality projects in the field of sport, culture, health care and education and supported many charity organization.

The company TIPOS during 15 years of its activity has become the member of international organizations associating the lottery companies and it cooperates actively to coordinate international matters in the field of gambling games.



22 _ Report of the Board of Directors on the results for 2007

Financial results for 2007

REVENUES

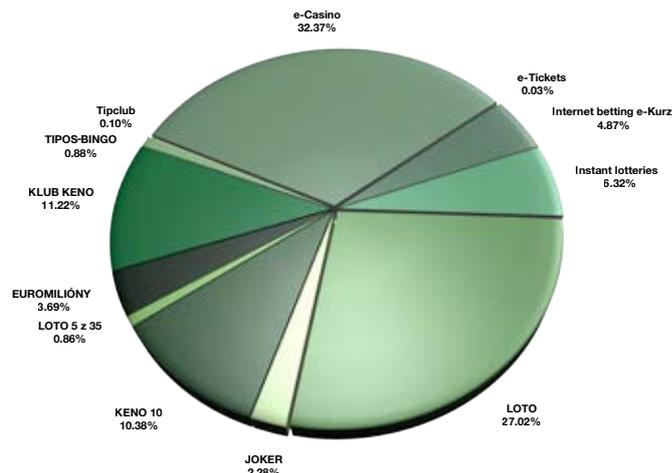
The company revenues reached the amount of SKK 7,809,941,000 which, in comparison with 2006, represents an increase by 51.53% and hereby we overreached planned revenues for 2007 by 37.60%.

SALES

The sales from gambling games account for 98.46% from overall company revenues. In 2007 they reached the amount of SKK 7,689,862,000 which represents an increase by 52.98% against 2006 and an increase by 37.74% against planned sales.

Sales structure from gambling games in SKK	2007	2006	Abs. 07-06	Relat.% 07/06
NUMBER LOTTERIES	4,366,541,075	3,138,065,669	1,228,475,406	39.15%
LOTO	2,245,932,636	1,417,538,448	828,394,188	58.44%
JOKER	169,807,560	102,243,600	67,563,960	66.08%
KENO 10	774,428,995	674,955,335	99,473,660	14.74%
LOTO 5 of 35	63,766,364	54,982,576	8,783,788	15.98%
EUROMILIÓN	275,655,720	156,223,400	119,432,320	76.45%
KLUB KENO	836,949,800	732,122,310	104,827,490	14.32%
TIPOS-BINGO	65,016,575	89,195,100	-24,178,525	-27.11%
INTERNET GAMES	2,424,122,085	1,030,224,028	1,393,898,057	135.30%
e-Tipos	82,995	2,140,760	-2,057,765	-96.12%
e-Keno	78,685	140,320	-61,635	-43.92%
e-Fish	97,090	275,800	-178,710	-64.80%
e-Island	60,300	609,400	-549,100	-90.11%
e-KLUB KENO	7,213,680	6,920,430	293,250	4.24%
e-Casino	2,414,514,155	1,020,136,538	1,394,377,617	136.69%
e-Tickets	2,075,140			
Mobil loto	40	780	-740	-94.87
Internet betting e-Kurz	362,757,820	326,501,840	36,255,980	11.10%
INSTANT LOTTERIES	471,424,389	450,512,120	20,912,269	4.64%
TOTAL	7,689,861,944	5,034,498,757	2,655,363,187	1.63

a proportion of particular games in total sales from gambling games



From the global point of view the 2007 we can describe as a year of number lottery LOTO and a year of internet games. The growth of the most popular game LOTO by more than 58% year-on-year represents a unique result which was caused mainly by premium game within the period from 26 July to 23 September 2007 in the amount of SKK 50 million. JACKPOTS of LOTO game reached during that time and afterwards very high level and for the first time in the history of the company they crossed the limit of SKK 100 million. A lot of players with high and frequent bets was typical for that period of a year and consequently there were records in weekly wagers and following fast rolling up JACKPOTS.

A substantial growth of sales was recorded with the additional number lottery JOKER which was by more than 66% in comparison with 2006. It was caused by deliberate link with the basic LOTO game when the premium prize in LOTO game was bounded with the bet for JOKER game.

The biggest growth of sales was recorded with the game EUROMILIÓNY which reached the sum of SKK 275 million. This result was caused by the growing popularity of this game among our players and non-stop accumulated JACKPOT which approached the sum of SKK 79.6 million as of 52 betting week in 2007. The sales grew also with the number lotteries LOTO 5 from 35 and both lotteries keno type – KENO 10 and KLUB KENO. In KENO 10 in 20th betting week there was possibility to bet on KENO PLUS number which brought significant increase of wagers and average bet value of this game.

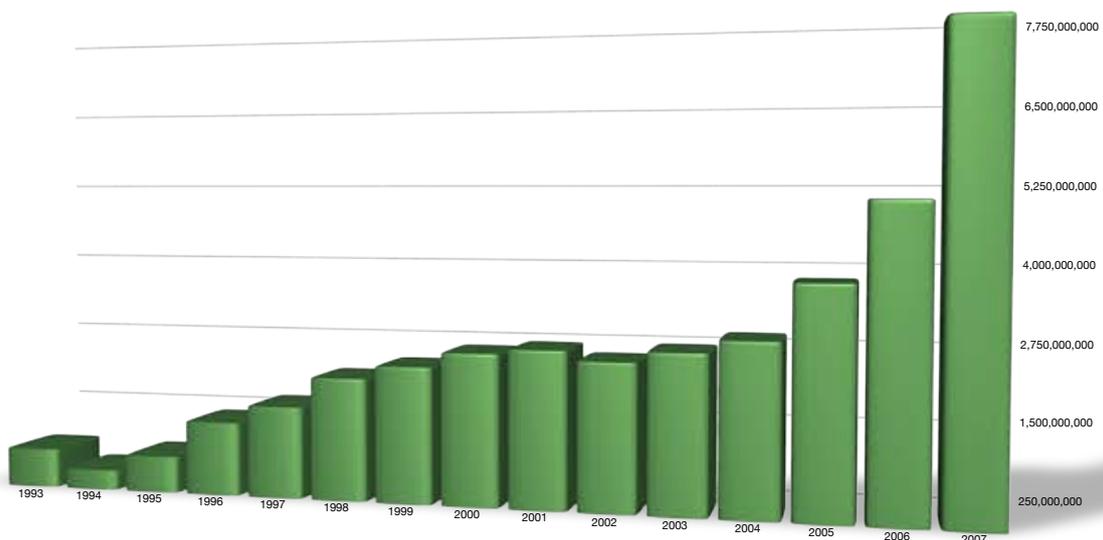
We recorded the decrease of sales with the game special bingo TIPOS-BINGO already fourth year non-stop. The sales of this game in the amount of SKK 65 million account for the second lowest figure since launching this game on the market. The game in 2007 showed continuously falling number of players there was a loss in comparison sales/costs and also in comparison with the plan of sales. After many successful years of operating but also unsuccessful last four years there was a decision made to discontinue the game at the end of 2007.

Internet games recorded a huge growth in 135.3% up to the sales in the amount of SKK 2.42 billion. This record growth was mainly caused by internet block e-Casino and its casino games such as e- Roulette, e-Blackjack, e-Poker, internet wining machines and multipoker game e-Texas Hold'em Poker. A new block of scratch tickets "e-Tickets" found its supporters in 2007. It is provided per internet and it was launched in 45th betting week. Internet betting for sport events and social events e-Kurz reached a year-on-year growth by more than 11%.

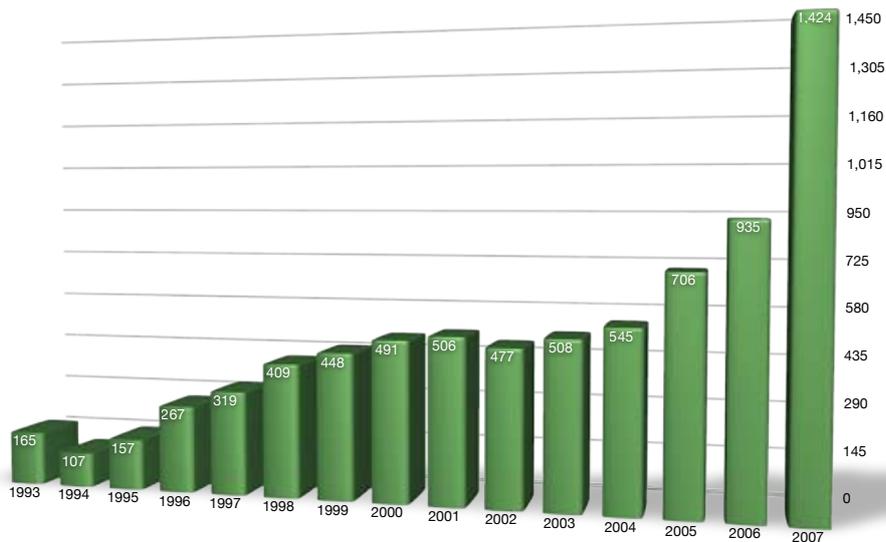
Instant lotteries continued in positive trend also in 2007. It was mainly due to the sale of key and favorite lotteries Lucky 7 and Pig in Rye and the most successful sale of occasional lottery Christmas Lottery in our history. The success of Christmas Lottery sale crossed 99% from gross wagers which means a really good result concerning the lottery with such big nominal value. An average price of a ticket, thanks to successful Christmas Lottery, rose to the amount of SKK 21.4.

GROSS WAGERS

The overall development of gross wagers of all gambling games is very favorable. Especially in last three years this growth has been very dynamic which was caused by the significant rise of company products.



In 2007 the total yearly average wager per inhabitant per on line and off line system of sale and per internet crossed the limit SKK 1,000 and reached the sum of SKK 1,424.



COSTS

The company costs in the amount of SKK 7,455,702,000 were higher against the 2006 by 52.96% and in comparison with the plan by 34.19%. In total statements the increase of costs by SKK 2,581,261,000 in comparison with 2006 represents mainly the increased costs for prizes by SKK 2,008,526,000 that accounts for 78% from overall increase of the costs in 2007.

The costs for prizes were in the amount of SKK 5,227,061,000 that represents 70% from overall company costs. Generally higher winning rate was influenced by the premium prize in terms of game plans as well as by rising proportion of internet games in all gambling games.

The second biggest costs item is the legal levies from gambling games. The company levied to state SKK 812,123,000 which represents 11% of total costs.

Further costs directly relating to the operation of gambling games (services of GTECH Slovakia company for on-line processing of number lotteries, special bingo and instant lotteries, fees for relating services and other direct costs) represented 16% from total costs.

ECONOMIC RESULT

The economic result of the company in 2007 is profit in the amount of SKK 279,533,000. This result can be considered as one of the best economic result in the history of the company.

FINANCIAL SITUATION

The company financial situation is good. The company met all its levy duties against the state such as levies from gambling games, income tax, value added tax, insurance and other legal duties on time. Similarly it fulfilled all its commitments against winners, suppliers, employees and shareholder. Liquidity coefficient proves the solvency and financial independence of the company without a loan burden.

ASSETS

The company assets rose by SKK 349,228,000. Non-current assets decreased by SKK 47,276,000. Current assets rose by SKK 382,582,000 the biggest growth was recorded with financial accounts. Purchasing of non-current assets accounts for SKK 24,427,000. Non-current financial assets account for netto SKK 45,412,000. In comparison with 2006 it decreased by SKK 23,218,000.

CAPITAL INTEREST

In 2007 the company had capital interest in these companies:

CASINOS SLOVAKIA, Inc., with share of capital 51.32% in monetary term
SKK 35,412,000.

CASINO SLIAC SLOVAKIA, Inc., in liquidation with share of capital 51% in monetary term
SKK 8,874,000, with value adjustment SKK 8,874,000.

Kasíno Inovec Ltd., with share of 10%.

TIPKURZ, Inc., with share of capital 100%, in monetary terms SKK 23, 218,000.

SHARE CAPITAL

Share capital and liabilities in 2007 in comparison with 2006 rose by SKK 203,333,000 influenced by economic result for 2007 and by allocation of the economic result for 2006 in terms of shareholder decision.

LIABILITIES

The company liabilities (including reserves) rose by SKK 57,399,000 out of that the reserves decreased by SKK 2,763,000 and short term liabilities rose by SKK 59,485,000.



28 *_ Report of the Board of Directors on the results for 2007*

Levies from gambling games

Total volume of levies from gambling games (levy duty) into state budget of the Slovak Republic accounts for the sum of SKK 812.123 million that represents a volume bigger than in 2006 by SKK 222.343 million. Expressed in percentage there is an increase by 37.7%. In comparison with approved plan the levies were crossed by 35.13%.

Our company has been for a long time the biggest contributor into a state budget out of all operators of gambling games in Slovakia.

Levy structure from gambling games in SKK, 000	2007	2006	Abs. 07-06	Relat.% 07/06
NUMBER LOTTERIES	743,413	531,488	211,925	39.87%
Special bingo TIPOS-BINGO	2,571	3,571	-1,000	-28.00%
INTERNET GAMES	17,749	8,640	9,109	105.43%
Internet betting e-Kurz	11,791	10,678	1,113	10.42%
INSTANT LOTTERIES	36,599	35,403	1,196	3.38%

The biggest share of all levies were reached by number lotteries. The levies account for 91.54% from total company levies. LOTO game levy represented the sum of SKK 382,698,000.

Paid out prizes

The 2007 was a record year in the company from the point of view of a prize pool and volume of paid out prizes to our players. During the whole year there were paid out more than 34 million prizes in the amount of SKK 5.165 billion including prizes in studio games and extraordinary prizes.

Prize pool structure in SKK, 000	2007	2006	Abs. 07-06	Relat.% 07/06
NUMBER LOTTERIES	2,109,088	1,572,994	536,094	34.08%
Special Bingo TIPOS-BINGO	26,673	48,662	-21,989	-45.19%
INTERNET GAMES	2,358,385	998,223	1,360,162	136.26%
Internet betting e-Kurz	319,088	287,931	31,157	10.82%
INSTANT LOTTERIES	287,698	267,786	19,912	7.44%

The structure of really paid out prizes shows ,that against the previous year, the biggest growth of paid out prizes were recorded by internet games. This very high year-on-year growth of prizes in internet games segment resulted into sharp growth of wagers in e-Casino games. The games of the block reached almost 97.3% winning rate (a ratio of paid out prizes and wagers). Internet casino games represent the standard winning rate resulting from the character of these games.

Also number lotteries recorded the growth of prize volume more than 34%. In 2007 there was a prize claim for 26 prizes higher than SKK 1 million in total sum over SKK 440 million. LOTO game was the most progressive and we paid out for prizes more than SKK 1,073 million. All prizes over SKK 10 million were paid out particularly in LOTO game. Individual high of a prize crossed the limit of SKK 100 million the first time in the history of the company especially thanks to LOTO game two times, at the beginning of September when a happy winner got the prize in the amount of SKK 101, 205, 756 and in November in the amount of SKK 102, 248, 696.

The most significant decrease of prize pool was recorded by the game TIPOS-BINGO. This decrease is consistent with the decrease of wagers of this game during the whole year. Continuously decreasing interest in this type of game, low sales and non-profitability of the game resulted in a decision to finalize its operation as of 25 Dec. 2007.

Bigger winning rate against the last year was recorded by internet betting e-Kurz the volume of paid out prizes rose by SKK 31 million in total and as well the instant lotteries.

The highest prizes in 2007 (over SKK 1 mil.)

rank	Name of a game	Prize in SKK
1	LOTO	102,248,696
2	LOTO	101,205,756
3	LOTO	85,410,699
4	LOTO	43,271,868
5	LOTO	14,399,117
6	LOTO	13,863,406
7	LOTO	13,258,315
8	LOTO	12,861,386
9	LOTO	11,889,890
10	LOTO	8,233,190
11	ZLATÝ DÁŽĎ	8,000,000
12	LOTO	5,008,135
13	ZLATÝ DÁŽĎ	4,000,000
14	JOKER	3,564,840
15	TIPOS-BINGO	2,642,058
16	LOTO	2,591,223
17	JOKER	2,580,310
18	LOTO 5 z 35	2,529,512
19	JOKER	2,307,835
20	JOKER	2,191,010
21	TIPOS-BINGO	1,795,004
22	LOTO 5 z 35	1,766,967
23	JOKER	1,709,755
24	JOKER	1,480,975
25	JOKER	1,313,390
26	JOKER	1,313,390
27	JOKER	1,225,465
28	KENO	1,000,000



Prizes in 2007 in LOTO game significantly influenced the historical chart of the highest prizes of our company.

10 highest prizes in the history of TIPOS					
rank	prize	game	Year	Betting period	Region
1.	SKK 102,248,696	LOTO	2007	46. week-Wednesday	Prešov
2.	SKK 101,205,756	LOTO	2007	36. week-Wednesday	Bratislava
3.	SKK 90,297,864	LOTO	2005	23. week-Sunday	Bratislava
4.	SKK 85,410,699	LOTO	2007	37. week-Sunday	Bratislava
5.	SKK 65,322,478	LOTO	2006	37. week-Sunday	Trnava
6.	SKK 64,696,874	LOTO	2005	2. week-Wednesday	Košice
7.	SKK 59,997,470	LOTO	2005	26. week-Sunday	Košice
8.	SKK 54,416,962	LOTO	2006	49. week-Wednesday	Nitra
9.	SKK 43,966,706	LOTO	2004	48. week-Sunday	Košice
10.	SKK 43,271,868	LOTO	2007	18. week-Sunday	Košice



32 – Report of the Board of Directors on the results for 2007

Business partners and customers

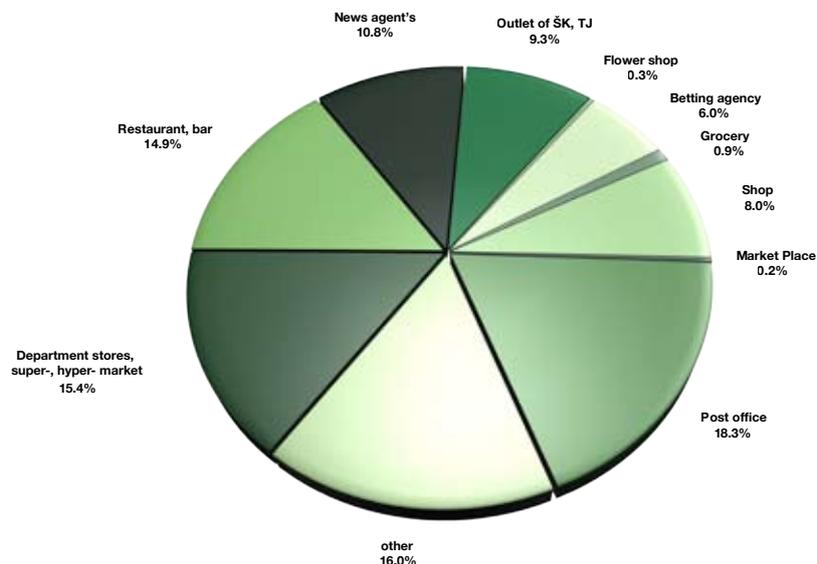
Business network of on line sales outlets

In 2007 business network of outlets operating through agency contracts was broadened by one third of new terminals and extensive building of new outlets. At the beginning of a year 500 ISYS terminals were replaced by new type of ALTURA terminals followed by the change of technology of their communicating network based on IP connecting. Consequently since May the systematic gradual broadening of on-line network started and from 1,700 terminals they reached the number of 2,200 terminals in the whole Slovakia. These conditions represent the ratio index one active terminal on-line per 2,450 inhabitants is comparable with most lottery developed European countries. Status coefficients of business network in Slovakia are given in the table:

Status coefficients of business network of on-line sales outlets	As of 52 week 2007	As of 52 week 2006
Number of active terminals	2,128	1,725
Number of active sales outlets	2,075	1,694
Number of active agents	1,183	1,030
Number of terminals with access to KLUB KENO	2,008	1,705
Number of terminals with access to TICKETS on-line	1,995	1,618
Number of terminals with recharging credit EASY	2,016	1,725
Number of terminals with recharging credit PRIMA	2,016	1,725

We manage to fulfill the main targets - to broaden business network, to approach sales outlet to a player by building new outlets in new shopping centers, hyper and supermarkets, to provide effective sales outlets in the most possible number of towns with over 3,000 inhabitants. There is minimum one on line sales outlet (mostly two or more) in each shopping center in Slovakia. At the same time we increased the number of sale outlets in villages with population between 2,000 up to 3,000 for 142 villages (84% covering by terminals for this level of occupancy) and in villages with population between 1,000 up to 2,000 for 302 villages (54% covering). Mostly the sales outlet in this kind of villages is situated in the Post office.

New fashion of spending time in entertaining and shopping centers and good localization of our terminals was reflected in total sales which is proved by following graph showing the share of sales according to the type of outlet.



The overall market share of department stores and shopping centers in total yearly sales of on-line sales outlets rose significantly from 11.9% last year into 15.4% this year. The share of outlets in news agent's rose year-on-year considerably from 8.2% into 10.8%. There was slight increase of share in restaurants, bars and clubs and outlets of agents who operate fixed-odds betting. The market share of Post offices fell down slightly year-on-year from 19.4% into 18.3% despite the high number of terminals in Post offices and sales outlets of SK an TJ.

At the end of 2007 the company had valid agency contracts with 1,183 legal entities and natural persons and civil associations.

Important agents and their sales in 2007:

r.	Agent	No. of terminals in a year	TOTAL SALES in SKK, 000	TOTAL SALES 07-06 In SKK, 000	Sales from gambling games In SKK, 000	% on sales total	Sales of non-lottery products In SKK, 000	Average for active week and terminal in SKK
1.	SLOVENSKÁ POŠTA, a.s.	424	1,116,908	220,249	932,630	18.2%	184,279	51,692
2.	GECO TABAK, s.r.o.	24	197,671	78,174	151,745	3.2%	45,926	162,552
3.	FORMULA - tip, s.r.o.	83	130,950	-81,921	107,000	2.1%	23,950	50,214
4.	DOMINO L&K, s.r.o.	11	112,048	30,151	94,155	1.8%	17,835	198,002
5.	MACEGA MILOŠ, Ing. M+M	12	100,777	48,380	76,130	1.6%	24,647	165,347
6.	GG TABAK BARCZI, a.s.	17	95,524	34,465	74,089	1.6%	21,435	112,169
7.	FORMULA plus, s.r.o.	53	70,903	70,903	60,378	1.2%	10,525	67,742
8.	TIPKURZ, a.s.	36	64,092	-	51,404	1.0%	11,368	81,983
9.	V-TIP, s.r.o.	9	62,879	-8,177	55,871	1.0%	6,946	176,161
10.	ŠK MOTOTURISTA KOŠICE	12	58,968	2,805	47,779	1.0%	10,445	97,514
11.	TOPAS, spol. s r.o.	11	52,550	19,619	38,978	0.9%	13,572	95,424
12.	KÜRTHYOVÁ MAGDALÉNA	10	49,549	209	39,493	0.8%	9,916	95,701
13.	NOVOTNÝ VLADIMÍR	5	41,547	34,825	35,200	0.7%	6,041	170,642
14.	MEDIAPRESS Bratislava, s. r.o.	7	41,338	15,277	33,100	0.7%	8,239	113,568
15.	TJ DRUŽBA PIEŠŤANY	7	37,718	6,093	33,026	0.6%	4,324	103,621

The structure of important agents changed last year. SLOVENSKÁ POŠTA, a.s., Banská Bystrica has remained for a long time the biggest business partner.

Their total sales rose year-on-year by more than SKK 220 million (24.6%) and they crossed the limit of SKK 1 billion. They strengthened their position by market share of 18.2% and by the growth of terminals from 88 pieces to 424 pieces during the year. In the sector of instant lotteries sale the Slovak Post office maintains the unreachable level with 57% share of total sale of scratch tickets of TIPOS company.

During the year the agency contracts with agents FORMULA-tip, s.r.o., and TIPKURZ, a.s., were finalized due to an expiration of their entrepreneurial activities. A part of their outlets were transferred to other agents via agreements and another part gradually ended. Some sales original outlets were taken over by FORMULA plus, s.r.o. At the same time, based on separate agency contracts with important operators of fixed-odds betting on the Slovak market, we installed terminals in their betting agencies in the second half of the year. From long term vision we can expect at these sales places a positive synergic effect of current offer of fixed-odds betting, lotteries and games of TIPOS at one stable place. Through these changes the companies NIKE, s.r.o., (65 terminals at the end of 2007), FORMULA SK, a.s., (36) and TIPSPORT SK, a.s., (8) are getting into the group of the most important business partners of our company. During the year the group of agents MEDIAPRESS (BRATISLAVA, s.r.o., POPRAD, s.r.o. a LUČENEC, s.r.o.) increased.

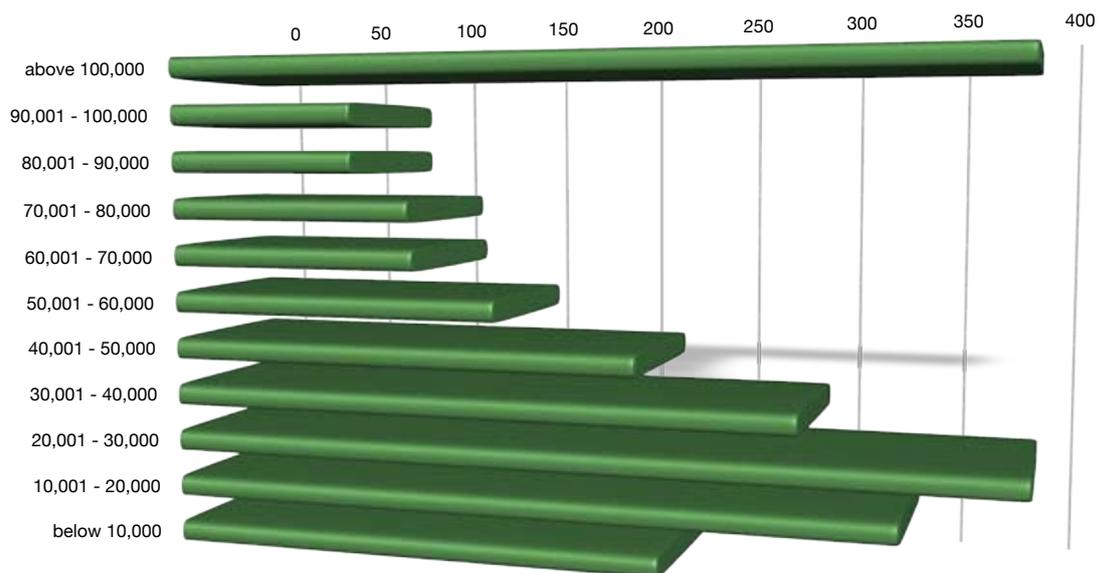
The sales of long time stable and successful other significant agents (GECO TABÁK, s.r.o., DOMINO L&K, s.r.o., MACEGA MILOŠ, Ing. M+M, GG TABAK BARCZI, a.s., MACEGA MILOŠ, Ing. M+M (+ 98%), BARCZI, spol. s r.o., ŠK MOTOTURISTA KOŠICE, TOPAS, spol. s r.o., NOVOTNÝ VLADIMÍR a pod.) also increased considerably year-on-year. The all group of 15 biggest agents reached the sales over SKK 2.233 billion altogether which represents over 36% share of total sales in on line sales outlets.

A global effectively of particular sales outlets and terminals during the year was influenced by two factors – exceptionally high weekly sales in LOTO game due to premium game reaching 100 million JACKPOTS and obvious growth of installed terminals in new sales outlets (by 403 more terminals at the end of 2007 against 2006). On the one hand there was a growth of terminals with average weekly sales more than SKK 100,000 by 72% to 384 terminals, on the other hand the number of terminals with average weekly sales under SKK 10,000 doubled in new sales outlets. Total average sales per active terminal and week in the whole sales net in SR reached the point of SKK 57,000.

Balance indicators of on-line sales outlets	2007	2006
Number of active terminals during a year	2,406	1,725
Number of active terminal/week during a year	96,341	87,614
Average sales together for active terminal and active week in SKK	56,731	50,807
Number of terminal with average weekly sales SKK 100 000 and more	384	223
Number of terminals with average weekly sales SKK 10 000 and less	229	114

A histogram of effectively of all active terminals during a year shows an obvious increase of weekly sales relating with number of terminals, which promises favorable conditions for stability and effectively of sales outlets into future.

TIPOS, V-TIP, s.r.o., Saratovská 28, Bratislava, became the most effective terminal of a year which during 31 active weeks in a year reached the average sales almost SKK 430,000.



TOP 15 MOST EFFECTIVE TERMINALS IN 2007

Sales outlet	Address	town	SALES TOGETHER	Number of weeks	Average sales per week
ZBERŇA TIPOS, V-TIP, S.R.O.	Saratovská 28	Bratislava 4	13,270,818	31	428,091
POŠTA 1 LIPTOVSKÝ MIKULÁŠ	M. M. Hodžu 3	Liptovský Mikuláš	18,386,862	52	353,594
ZBERŇA TIPOS, DOMINO L&K, S.R.O.	Zvolenská cesta 8, HM TESCO	Banská Bystrica	18,246,070	52	350,886
ZBERŇA TIPOS, NOVOTNÝ VLADIMÍR	Trolejbusová 1, HM TESCO	Košice 1	17,571,132	52	337,906
ZBERŇA TIPOS, V-TIP,S.R.O.	Panónska cesta 25, HM TESCO	Bratislava 5	17,421,532	52	335,029
11! ŠPORT PUB	Cintorínsky rad 11	Šamorín	8,398,300	26	323,012
ZBERŇA TIPOS, DOMINO L&K, S.R.O.	Kamenné nám. 1, OD TESCO	Bratislava 1	16,529,739	52	317,880
GECO TABAK	Moyzesova ul. OD KAUFAND	Poprad	16,418,826	52	315,747
GECO TABAK	Ivánska cesta 12, AVION	Bratislava 2	16,054,173	52	308,734
POŠTA 1 MICHALOVCE	Štefánikova 1	Michalovce	15,792,083	52	303,694
ZBERŇA TIPOS, DOMINO L&K, S.R.O.	Zlaté piesky, HM TESCO	Bratislava 2	15,751,239	52	302,908
POŠTA 1 SPIŠSKÁ NOVÁ VES	Štefánikovo nám. 7	Spišská Nová Ves	15,629,927	52	300,576
POŠTA 1 PREŠOV	Masarykova 2	Prešov	15,496,232	52	298,004
TRAFIKA MEDIAPRESS BRATISLAVA	Vajnorská ul.100, Polus City Center	Bratislava 3	15,275,920	52	293,768
ZBERŇA PEVNÁ TRENČÍN	ul. Gen. L. Svobodu 1	Trenčín	15,252,118	52	293,310

The all 384 terminals operating with average sales over SKK 100,000 per week reached sales together of SKK 2.837 billion and the share of total yearly sales on-line is over 46%. It is an obvious trend that the highest post in the chart of effectivity is reached by the sales outlets situated in shopping centers, hypermarkets and supermarkets throughout Slovakia.

Top chart of effectivity, with coefficient of average sales per active terminal and active week in 2007, was occupied by PEVNÁ ANNA with one active terminal in street Gen. L. Svobodu 1, Trenčín with yearly average weekly sales of over SKK 293,000. Other positions were held by long time agents with successful sales outlets. Up to 136 agents were working with the average weekly sales per terminal more than SKK 100,000.

TOP 15 BEST AGENTS ACCORDING TO AVERAGE SALES ON ACTIVE WEEK AND ACTIVE TERMINAL

Agent	Number of terminals	Number of terminals/weeks	SALES TOGETHER	Average sales per terminal and week	Sales fro gambling games	SALES fro recharging
PEVNÁ ANNA	1	52	15,252,118	293,310	11,099,883	4,147,460
Tabak land, s.r.o.	1	52	14,897,043	286,482	11,132,773	3,764,270
SCHLEIFER Roland - ROLANDO	2	104	25,539,160	245,569	21,748,650	3,790,510
BARUS PETER	1	52	11,865,581	228,184	9,681,781	2,183,800
PETTINGEROVÁ IVETA - PLUTO	2	104	21,297,561	204,784	16,311,221	4,986,340
TJ RAPID BRATISLAVA	3	156	31,655,198	202,918	29,731,706	1,828,730
BENKO JOZEF - BESPO	2	104	20,638,312	198,445	18,448,398	2,137,830
DOMINO L&K, s.r.o.	11	537	112,047,847	198,002	94,154,941	17,835,450
ANTALOVÁ Ivana	1	24	4,750,774	197,949	4,508,284	242,490
MIX TIP, s.r.o.	2	52	10,017,012	192,635	8,682,312	1,334,700
ČAŇOVÁ BEÁTA	2	104	19,888,309	191,234	14,125,859	5,762,450
A.B.ZRTV Piešťany	3	156	29,422,220	188,604	26,413,801	2,973,990
TJ AC NITRA	2	104	19,341,077	185,972	12,885,480	6,452,950
MIKOLÁŠOVÁ Daniela	1	31	5,736,250	185,040	4,148,542	1,559,900
V-TIP, s.r.o.	9	345	62,879,270	176,161	55,871,259	6,945,520

From regional point of view sales together rose against last year in all regions of SR steadily with the growth of 30%.

Region	SALES for inhabitant	Number of terminals	SALES TOGETHER	Number of weeks	Average sales for terminal and week	Sales growth 2007-2008	Growth index
BRATISLAVA	1,838	316	1,110,111,651	12,494	78,762	273,117,524	1.33
TRNAVA	1,411	314	781,940,038	13,177	52,407	190,790,177	1.32
TRENČÍN	1,052	285	642,621,215	11,032	52,689	155,105,728	1.32
NITRA	1,081	357	775,434,291	14,285	47,594	150,824,648	1.24
ŽILINA	915	271	637,580,439	10,718	51,922	147,004,538	1.3
BANSKÁ BYSTRICA	1,031	325	687,608,220	12,750	45,041	152,275,865	1.28
PREŠOV	873	256	695,007,559	10,037	55,297	171,392,135	1.33
KOŠICE	1,051	293	809,159,663	11,883	59,585	183,297,948	1.29

In fact the same trend of fast-growing sales we recorded in all regions of the Slovak Republic. Each of 89 regions reached year-on-year growth in sales and the first positions were occupied by the strongest "lottery" regions. The sales of smaller regions (Senec, Turčianske Teplice, suburb of Košice, Stropkov) however grew year-on-year more dynamically with index 1.45.

15 TOP REGIONS

region	Average sales per inhabitant	Number of terminals	SALES TOGETHER	Average sales per terminal and week	Salas from gambling games	Sales from recharging	Index of sales growth 2007/2006
District Bratislava II	2,241	68	244,317,736	86,593	205,616,801	38,496,480	1.28
District Žilina	1,306	82	205,044,935	56,405	157,483,770	47,395,130	1.28
District Nitra	1,212	74	198,801,944	59,255	152,663,954	45,894,800	1.23
District Dunajská Streda	1,751	68	197,842,761	66,331	150,883,777	46,524,330	1.32
District Bratislava V	1,599	46	195,090,087	85,918	156,478,489	38,485,410	1.33
District Košice I	2,663	41	183,762,238	89,498	154,030,657	29,406,170	1.18
District Prievidza	1,194	90	168,381,517	48,018	133,794,835	32,281,180	1.35
District Galanta	1,763	66	167,517,869	54,859	129,699,370	37,268,360	1.32
District Trnava	1,308	73	167,397,016	48,355	134,027,330	32,856,130	1.36
District Prešov	989	44	160,276,853	76,960	127,008,977	32,362,600	1.33
District Nové Zámky	1,004	77	150,562,193	44,206	124,586,354	25,428,280	1.2
District Bratislava III	2,417	43	149,848,536	77,392	125,402,503	24,147,620	1.31
District Banská Bystrica	1,329	55	148,894,138	56,501	130,063,504	18,423,580	1.23
District Poprad	1,398	49	146,755,202	67,991	112,927,492	33,569,830	1.37



40 *_ Report of the Board of Directors on the results for 2007*

Humanitarian activities, sponsoring

The company TIPOS, national lottery company, Inc., every year levies into the state budget the legal levy from gambling games which reached the record SKK 812 million in 2007. These financial means are further allocated to beneficial activities. Except these obligations, the company TIPOS sponsored also various projects from the sphere of sport, culture, education and health care. We aim to support meaningful and socially beneficial projects and we choose them responsibly and thoughtfully.

In sport, the company TIPOS cooperating with SZHL supported Slovnafť Extraliga in ice hockey. This sport event is the most watching thing in Slovakia. We contributed money to other significant ice-hockey activities: we supported the winning club of Extraliga 2006/2007 as well as the young hockey generation up to 20 years old.

There were more sport events which we contributed to such as: International tennis tournament, International race of dog-teams in Donovaly, competitions of martial arts and motor-race sport.

The company TIPOS through the sponsoring supported different great cultural social projects, the International film festival in Bratislava belongs to one of the most important. International film festival in Bratislava has represented Bratislava since 2000 between European film festivals. Our financial means helped to organize various musical events and concerts and also to perform the exhibition of fine art. TIPOS has also contributed to reconstruction and renewal of Slovak historical memorials.

In the frame of charity our company supported several civil associations and foundations and through their projects tried to help the most harmful part of inhabitants. The biggest proportion of financial means went to organizations helping people who suffered of cancer. Particular projects were aimed to help people with cancer of colon and to buy devices for oncology surgery. Except mentioned activities the company helped to other associations and foundations helping sportsmen after accidents or young people from weak social environment.

The company TIPOS also supported Konto Nádeje (Hope Account) at the launch of new studio game THE RIGHT NUMBER. All the money collected during the pilot program by famous TV people were given to Konto Nádeje (Hope Account) by check.

The part of the revenue from the Christmas Lottery also went to a charity purposes. The financial means were given to association which deals with sick children having been in hospital for a long time and it helps to bring them joy, laughter and good time.



42 *_Report of the Board of Directors on the results for 2007*

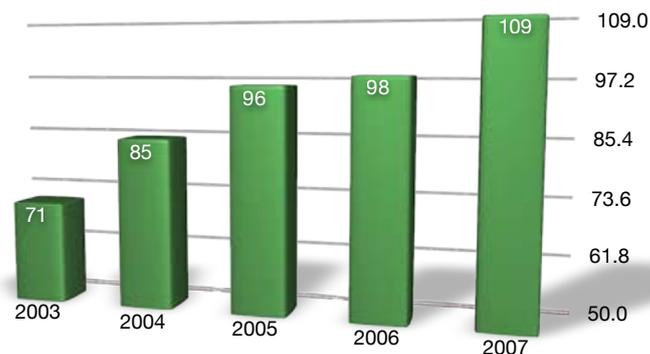
Personnel policy

The personnel policy and human resources represent one of the most important corporate pillars of our company and it is the reason why we are successful on the market. We try to pay a big attention to all needs of our employees, whether working or free time.

There were 109 employees in TIPOS in 2007. In comparison with previous year there is an increase of 11 employees which accounts for 11.2%

The average age of the employees stayed stable at 42.4 in 2007

Development of number of employees



There were 55 women and 54 men out of all employees at the end of a year. In the previous year the company employed 48 women and 50 men.

A new organizational structure of the company was approved in 2007 and 21 new employees were hired. 10 employees finished their working contract as of 31 Dec. 2006.

An average counted number of employees as of 31 December 2007 is 103.

Education

In 2007 the company supported deliberately the qualification of its employees and realized the education in SKK 771,000.

The personality growth was supported by :

- English language courses,
- professional trainings,
- lectures and courses in economy at home or abroad,
- internal trainings for company employees.

Social policy

The company TIPOS provides a wide range of social benefits for its employees and every employee can choose a package of services. In social policy the company followed the social budget for 2007. We spent from social fund SKK 1,561,794 which represents in average SKK 14,328 per company employee.

The social fund was spent for following activities:

- catering of employees,
- drinking regime in summer months,
- additional pension savings,
- allowances on holiday,
- allowances for culture,
- exceptional events,
- preventive health care.

The employees can provide sport activities free of charge in selected sport centers and visit our own training and recreational center in Banská Bystrica.

SKK 1,797,505 was paid out from the company costs for employee's care which is in average SKK 16,491 per an employee and this was used for:

- additional pension savings,
- preventive health care.

44 *_Report of the Board of Directors on the results for 2007*

Social responsibility

The company TIPOS, national lottery company, Inc., signed the document European standards of responsible gaming at the International Congress of European Lotteries held in Budapest on 24 May 2007.

Trough the European standards of responsible gaming the lottery companies try to create the safe playing environment and to avoid any negative impacts on the society especially between risky groups of inhabitants. All members of EL are supposed to accept those standards and implement their basic principles in 2008.

The main target of European standards of responsible gaming is to create, support and implement educational and preventive programs considering the risky factors directly relating to gambling games. The European lotteries are interested especially in eliminating the possible negative impact on the company, particularly risky group of people, in an effort to implement the principles of responsible gaming.

The company TIPOS started the cooperation with the Association of abstinent of Slovakia in order to meet the basic principles of this document. The cooperation resulted into working out a Test of responsible gaming that is available on internet portal www.tipos.sk.







48
Product portfolio

48 _ Product portfolio

WAGERS TOTAL

Gross wagers in the history of the company according to games and sales of non-lottery products:

year	NUMBER LOTTERIES OF LOTO type	NUMBER LOTTERIES OF KENO type	BETTING GAMES / Special BINGO	INTERNET GAMES	INSTANT LOTTERIES total	TIPOS GROSS WAGERS – GAMBLING GAMES total	NON-LOTTERY PRODUCTS total
1993	857,508,411		23,133,642			880,642,053	
1994	565,107,580		7,818,496			572,926,076	
1995	725,227,007	115,027,475				840,254,482	
1996	543,414,262	835,796,065	55,612,980			1,434,823,307	
1997	556,977,010	818,052,175	274,394,620		70,920,860	1,720,344,665	
1998	797,002,275	937,428,985	265,065,220		208,749,640	2,208,246,120	
1999	824,365,685	955,892,690	202,714,420		434,586,000	2,417,558,795	
2000	1,049,433,789	934,313,300	196,442,200		473,916,000	2,654,105,289	
2001	1,010,763,447	943,416,210	190,040,470		589,784,000	2,734,004,127	
2002	977,820,434	1,005,761,900	163,124,880		432,774,000	2,579,481,214	
2003	1,027,683,862	1,136,341,290	203,983,810		377,839,500	2,745,848,462	175,690,250
2004	1,238,630,162	1,190,228,280	162,216,850		357,814,000	2,948,889,292	362,568,240
2005	1,800,454,066	1,315,896,185	125,626,025	223,280,265	358,426,500	3,823,683,041	476,506,410
2006	1,730,988,024	1,407,077,645	89,195,100	1,356,725,868	472,334,000	5,056,320,637	1,061,363,680
2007	2,755,162,310	1,611,378,795	65,016,575	2,786,878,815	485,119,000	7,703,555,495	1,273,823,300
together	16,460,538,324	13,206,610,995	1,993,433,150	4,366,884,948	4,262,263,500	40,320,683,055	3,349,951,880

LOTO

Launch date : 15. April 1957

Short description:

- number lottery LOTO type 6 out of 49;
- drawing of winning numbers of 1-st and 2-nd draw is organized two times per week on Wednesday and Sunday (before 27 week 1999 only on Sunday);
- 6 winning numbers are drawn and one additional number out of total 49 numbers;
- gross wagers are composed of a multiple of accepted bets and a price for one bet;
- a price of a wager for one bet on both 1-st and 2-nd draws (double bet) is SKK 20 (before 36 weeks 2007 it was SKK 16);
- a prize pool is 50% of the gross wagers of a given game for particular betting period, it is divided by equal ratio for prize pool of 1. and 2. draw;
- a prize pool is divided into a winning sums for particular winning categories as follows (since 32 week 2000);

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 1-st winning category, into the betting period when the prize in 1-st winning category is reached. Since 32 week 2000 is JACKPOT guaranteed in minimum SKK 3 million;
- since 1. October 2002 the name of the lottery changed from SPORTKA into LOTO;
- since 2003 a premium game relating to last winning number of JOKER was introduced;
- since November 2004 accepting bets per internet.

LOTO	2006	2007
Wagers in SKK, 000	1,417,538	2,245,933
% share in total wagers	28.00	29.15

JOKER



Launch date: 1992

Short description:

- a bet on the last six digits of ticket number, additional game bounded to number lottery LOTO;
- drawing is organized 2 times per week on Wednesday and Sunday (before 27 week 1999 only on Sunday);
- gross wagers are composed of a multiple of accepted bets and a wager price for one bet;
- a wager price is SKK 10;
- a prize pool is 50% of gross wagers for corresponding betting period;
- a prize pool is divided into winning sums for particular categories as follows:

Category	Number of matched digits	Distribution of prize pool
I.	6	<i>A rest of total sum allocated for prizes min. SKK 200,000</i>
II.	5	SKK 100,000
III.	4	SKK 10,000
IV.	3	SKK 1,000
V.	2	SKK 100

- JACKPOT - shifting of accumulated funds, allocated for the 1-st winning category, into the betting period when the prize in 1-st winning category is reached;
- since 1 October 2002 the name of the number lottery SANCA was changed into JOKER;
- since February 2006 accepting bets per internet.

JOKER	2006	2007
Wagers in SKK, 000	102,244	169,808
% share in total wagers	2.00	2.20

LOTO 5 z 35



Launch date: 1967

Short description:

- _ a number lottery of LOTO type with playing matrix 5 of 35;
- _ drawing is organized once per week on Sunday, 5 winning numbers are drawn;
- _ gross wagers are composed of a multiple of accepted bets and a price for one bet;
- _ a price of a wager for one bet is SKK 10 (before 36 week 2007 SKK 8);
- _ a prize pool is 50% of gross wagers for corresponding betting period;
- _ a prize pool is divided into winning sums for particular winning categories as follows:

Category	Number of matches	Distribution of a prize pool
III.	3	Fixed prize SKK 100
II.	4	50% from the rest of prize pool
I.	5	50% from the rest of prize pool

- _ JACKPOT – shifting of accumulated funds, allocated for the 1-st winning category, into the betting period when the prize in 1-st winning category is reached;
- _ since 1 October 2002 the name of number lottery MATES changed into LOTO 5 of 35;
- _ since November 2004 accepting bets per internet.

LOTO 5 of 35	2006	2007
Wagers in SKK, 000	54,983	63,766
% share in total wagers	1.10	0.83

EUROMILIÓN / EUROMILLIONS



Launch date: 2004

Short description:

- a number lottery of loto type with powerball and playing matrix 7 of 35 and 1 of 5;
- drawing is organized once per week on Friday;
- 7 loto numbers are drawn and 1 powerball winning number;
- gross wagers are composed of a multiple of accepted bets and a price for one bet;
- a price of a wager for one bet is SKK 40;
- a prize pool is 50% of gross wagers for corresponding betting period;
- a prize pool is divided into winning sums for particular winning categories as follows:

Category	Number of matches	Distribution of prize pool
1 category	7 + 1	18%
2 category	7 + 0	4%
3 category	6 + 1	4%
4 category	6 + 0	5%
5 category	5 + 1	5%
6 category	5 + 0	5%
7 category	4 + 1	7%
8 category	4 + 0	13%
9 category	3 + 1	16%
10 category	0 + 1	23%

- JACKPOT – shifting of accumulated funds, allocated for the 1-st winning category, into the betting period when the prize in 1-st winning category is reached;
- since November 2004 accepting bets per internet.

EUROMILIONS	2006	2007
Wagers in SKK, 000	156,223	275,656
% share in total wagers	3.10	3.58

KENO 10



Launch date: 20 November 1995

Short description:

- _ a number lottery of KENO type, a player bets 1 up to 10 numbers out of 80;
- _ drawing is organized every day in a week (till the end of April 1999 without Sunday), 20 winning numbers are drawn;
- _ in May 2007 a bet KENO PLUS number was launched, a player bets that 1 of his bet numbers will be drawn as a last of drawn winning numbers;
- _ a price of a wager is minimum SKK 5 or its multiples up to value SKK 100, at KENO PLUS total wager for one bet is always double of chosen wager, half of total wager is a wager for bet without KENO PLUS and half is a wager for a bet on KENO PLUS;
- _ a prize is given by combination of bet numbers, matches and wager;
- _ since November 2004 accepting bets per internet.

Number of matches	Number of bet numbers																			
	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	2006	2007
Wagers in SKK, 000	674,955	774,429
% share in total wagers	13.40	10.05

KLUB KENO



Launch date: 6 October 1997

Short description:

- _ a number lottery of KENO type, a player bets 1 up to 7 numbers out of 80, drawing of winning numbers is organized every 5 minutes during the betting day which is every day of a week;
- _ at each drawing 20 winning numbers are drawn;
- _ minimum wager is SKK 10 and its multiples up the value of maximum wager SKK 60;
- _ a prize is given by combination of bet numbers, matches and wager.

	Number of bet numbers						
Number of matches	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	2006	2007
Wagers in SKK, 000	732,122	836,950
% share in total wagers	6.91	10.86

TIPOS-BINGO



Launch date: 24 October 1996

Discontinuance date: 25 December 2007

Short description:

- a game of special bingo type based on combination of 25 numbers of number line 1-75;
- drawing is organized once a week and it is broadcasted on TV on Tuesday;
- gross wagers are composed of aggregate wagers accepted in the corresponding betting period;
- a wager for one playing board is SKK 25 (till 18 Sept. 2003 – SKK 20);
- a prize pool is 55% from gross wagers (till 16 week 2000 50%) for corresponding betting period and there are winning categories as follows:

Category	Distribution of prize pool
Four corners	20%
Diagonals	5%
JACKPOT	18%
TIPOS-BINGO	15%
Prizes for studio players	15%
Lucky line (since 2000)	27%

- on 15 May 2007 the studio TV game and winning categories Prizes for players and Lucky line were canceled. Since then winning categories have been as follows:

Category	Distribution of prize pool
Four corners	20%
Diagonals	10%
JACKPOT	40%
TIPOS-BINGO	30%

- JACKPOT is shifted to following week in a case nobody wins and stop ball for JACKPOT is fixed as 48th drawn number (till 16 week 2000 the stop ball was moveable).

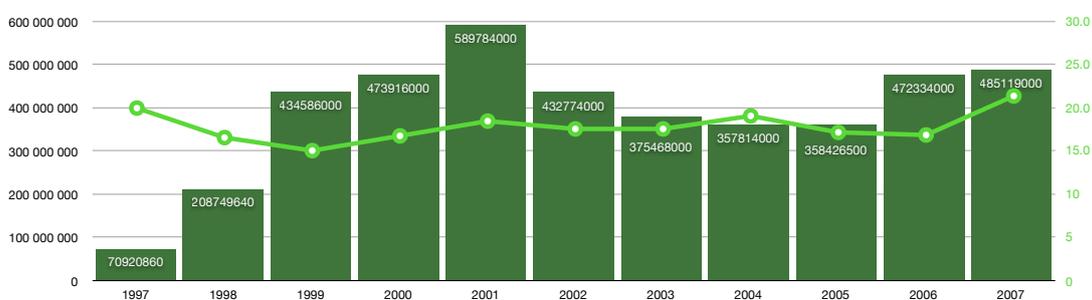
TIPOS-BINGO	2006	2007
Wagers in SKK, 000	89,195	65,017
% share in total wagers	1.80	0.84

INSTANT LOTTERIES

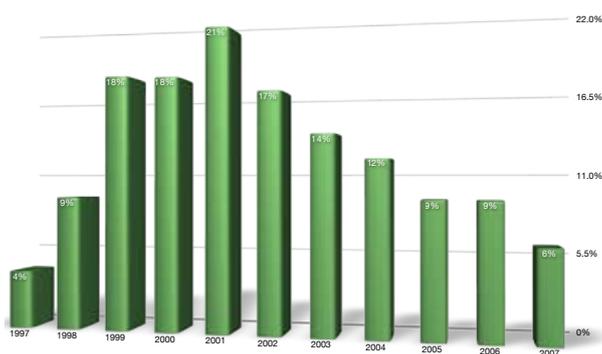
TIPOS, national lottery company, Inc., started operation of instant lotteries in 1997. Since then there have been emitted 44 emissions of instant lotteries in our company. In 2007 28.82 million of scratch tickets were sold that represents the third highest figure in the history of sold tickets at all.

Total wagers of instant lotteries reached SKK 485.119 million in 2007 which means the second best result after 2001. Year-on-year wagers rose by 2.7%.

Development of wagers of instant lotteries and average price of a real ticket is shown on the graph:



The share of instant lotteries wagers in total wagers of all TIPOS's lotteries and games has been falling since 2001. It is caused mainly by broadening of product portfolio with new products such as internet games and also by growing wagers of all our gambling games.



In 2007 the sale of instant lotteries, started during 2006 or 2005 continued: ŠŤASTNÁ 7 #53 (LUCKY 7), PRASA V ŽITE #61 and #66 (PIG IN RYE), SRDCOVÉ ESO (HEART ACE), MUCHOTRÁVKA (TOADSTOOL) and ZLATÝ DÁŽĎ (GOLD RAIN).

There were launched new lotteries in 2007: RUŽA, (ROSE) PRASA V ŽITE #74 (PIG IN RYE), KRAVIČKA (COW), SPRÁVNE ČÍSLO (RIGHT NUMBER), ŠŤASTNÁ 7 #72 (LUCKY 7) and VIANOČNÁ LOTÉRIA (CHRISTMAS LOTTERY).

ŠŤASTNÁ 7 #53 / LUCKY 7 #53

Period of sale: 2 May 2005 – 1 May 2007

Ticket price: SKK 10

Volume of emission: 16,000,000 pieces

Description:

- a scratch lottery with instant cash prizes;
- a scratch ticket contains one playing board covered by latex scratch layer;
- a prize is determined by three identical symbols in numbers;
- on a ticket is possible to win SKK 10; 20; 50; 100; 500; 1,000 or premiums SKK 77; 777; 7,777 and 77,777.

LUCKY 7 #53	2006	2007
Wagers in SKK	72,016,000	20,024,000
% share in total wagers	1.42	0.26



PRASA V ŽITE #61, #66, #74 / PIG IN RYE #61, #66, #74

Period of sale:	#61 6 Feb. 2006 – 5 Feb. 2007
	#66 25 Sept. 2006 – 24 Sept. 2007
	#74 4 June 2007 – 3 June 2008
Ticket price:	SKK 10
Volume of emission:	#61 14,000,000 pieces
	#66 10,000,000 pieces
	#74 10,000,000 pieces

Description:

- _ an instant lottery in five colour mutations ;
- _ three emissions of this lottery were being sold during 2007;
- _ a ticket contains one playing board covered with scratch layer;
- _ a prize is determined by three identical symbols in prize value;
- _ instant prizes are as follows: SKK 10; SKK 30; SKK 100; SKK 500; SKK 1,000;
- _ a ticket with three symbols of " a pig head" gets the highest possible instant prize in value of SKK 100,000.

PIG IN RYE #61, #66, #74	2006	2007
Wagers in SKK	146,352,000	121,394,000
% share in total wagers	2.89	1.58



SRDCOVÉ ESO #62 / HEART ACE #62

Period of sale: 3 April 2006 – 2 April 2007

Ticket price: SKK 20

Volume of emission: 6,000,000 pieces

Description:

- _ an instant lottery with a motive of cards;
- _ a prize is determined by three identical symbols in prize value;
- _ on a ticket it is possible to win SKK 20; 100; 500; 200,000;
- _ a ticket with a joker symbol wins the bonus SKK 1,000.

HEART ACE #62	2006	2007
Wagers in SKK	41,810,000	7,576,000
% share in total wagers	0.83	0.10



MUCHOTRÁVKA #63 / TOADSTOOL #63

Period of sale: 29 May 2006 – 28 May 2007
Ticket price: SKK 20
Volume of emission: 5,000,000 pieces

Description:

- _ a scratch lottery with a motive of funny mushroom;
- _ a prize is determined by three identical symbols in prize value;
- _ with a ticket it is possible to win SKK 20; 100; 500; 1,000 and top prize 200,000.

TOADSTOOL #63	2006	2007
Wagers in SKK	30,554,000	8,822,000
% share in total wagers	0.60	0.11



ZLATÝ DÁŽĎ #64 / GOLD RAIN #64

Period of sale: 21 Aug. 2006 – 20 Aug. 2007
Ticket price: SKK 30
Volume of emission: 8,000,000 pieces

Description:

- an instant lottery with an additional TV game;
- a ticket contains one playing board;
- a prize is determined by three identical symbols in prize value;
- with a ticket it is possible to win in cash SKK 30; 50; 100; 500 or drawing to participate in TV game GOLD RAIN;
- players who were drawn take part in TV game GOLD RAIN and they can win high prizes;
- broadcasting of TV game GOLD RAIN is organized once per week on Sunday evening.

GOLD RAIN #64	2006	2007
Wagers in SKK	67,908,000	60,489,000
% share in total wagers	1.34	0.79



RUŽA #71/ ROSE #71

Period of sale: 22 Jan. 2007 – 21 Jan. 2008

Ticket price: SKK 20

Volume of emission: 5,000,000 pieces

Description:

- an instant lottery in four colour mutations;
- a prize is determined by three identical symbols in prize value;
- instant prizes in following values: SKK 20; 50; 100; 500; 10,000;
- a ticket with three symbols of a rose gets the highest possible instant prize SKK 100,000;
- probability to win is 1:2.55.

ROSE #71	2007
Wagers in SKK	56,764,000
% share in total wagers	0.74



ŠŤASTNÁ 7 #72 / LUCKY 7 #72

Period of sale: 2 April 2007 – 1 April 2008
Ticket price: SKK 10
Volume of emission: 10,000,000 pieces

Short description:

- _ another mutation of successful instant lottery Lucky 7;
- _ a ticket of an instant lottery contains one playing board;
- _ a prize is determined by three identical symbols in prize value;
- _ on a ticket is possible to win SKK 10; 20; 50; 100; 500; 1,000 or premium prizes SKK 77; 777; 7,777 and 77,777.

LUCKY 7 #72	2007
Wagers in SKK	60,556,000
% share in total wagers	0.79



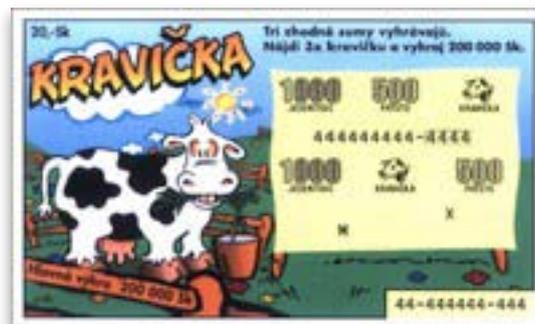
KRAVIČKA #73 / COW # 73

Period of sale: 14 May 2007 – 13 May 2008
Ticket price: SKK 20
Volume of emission: 5,000,000 pieces

Description:

- _ an instant lottery with a motive of animal;
- _ a ticket contains one playing board covered by scratch layer;
- _ a prize is determined by three identical symbols in prize value;
- _ instant prizes are as follows: SKK 20; 50; 100; 500; 1,000 and 5,000;
- _ a ticket with three symbols of "a cow" gets the highest possible instant prize in value of SKK 200,000.

COW #73	2007
Wagers in SKK	40,458,000
% share in total wagers	0.53



SPRÁVNE ČÍSLO #75 / THE RIGHT NUMBER #75

Period of sale: 13 Aug. 2007 – 12 Aug. 2008

Ticket price: SKK 30

Volume of emission: 8,000,000 pieces

Description:

- _ an instant lottery with an additional TV game;
- _ a ticket contains one playing board covered with scratch layer;
- _ instant prizes in value of SKK 30; 50; 100 and 5,000 are paid out at the place of sale;
- _ with a ticket it is possible to win a prize in cash or taking part in TV game THE RIGHT NUMBER;
- _ players who were drawn take part in TV game and they can win high prizes and accumulating JACKPOT;
- _ broadcasting of TV game THE RIGHT NUMBER is organized once per week on Sunday evening.

THE RIGHT NUMBER # 75	2007
Wagers in SKK	29,781,000
% share in total wagers	0.39



VIANOČNÁ LOTÉRIA #76 / CHRISTMAS LOTTERY #76

Period of sale: 1 Oct. 2007 – 31 Dec. 2007

Ticket price: SKK 100

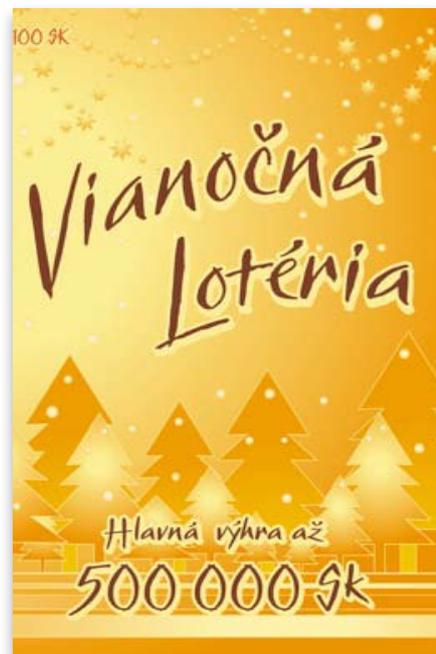
Volume of emission: 800,000 pieces

Description:

- _ an occasional short term instant lottery;
- _ a ticket is like Christmas greeting with dedication;
- _ a playing board consists of 24 stars covered by scratch layer;
- _ one winning symbol is hidden under each star;
- _ a prize is determined by set up number of identical symbols according to the clue in following table:

Number of symbols	Prize
7 x star	SKK 500,000
6 x bell	SKK 100,000
5 x snow drop	SKK 10,000
4 x Christmas tree	SKK 5,000
3 x house	SKK 2,000
3 x gift	SKK 1,000
3 x candle	SKK 500
3 x snowman	SKK 300
3 x sledge	SKK 200
3 x Santa Claus	SKK 100

CHRISTMAS LOTTERY# 76	2007
Wagers in SKK	79,210,000
% share in total wagers	1.03



INTERNET GAMES

Launch date: 1 October 2002

Description :

- _ internet (gambling) games are operated only per internet and only on official web side www.tipos.sk;
- _ to play internet games a player is registered compulsory and consequently the operator creates his playing account on the registration and payment portal where from he pays for wagers into internet games and where he is paid out his prizes;
- _ transfer of financial means from playing account into his personal bank account is done by a player through standard commercial banks;
- _ types and kinds of internet games:
 - _a internet games e-KURZ
 - _b internet games TIPCLUB
 - _c internet games e-CASINO
 - _d internet games e-TICKETS

A. e-KURZ

- an internet fix-odds betting for sport and social events;
- a game was launched on February 2005, till December 2005 the name was TIPKURZ.

Wagers and prizes of an internet game e-KURZ:

e-KURZ	2006	2007
Wagers in SKK	326,501,840	362,752,820
Prizes in SKK	287,931,104	319,088,033
Share in prize%	88.19	87.96

B. Tipclub

e-KENO

- launched on October 2002;
- a number lottery, a player bets 10 numbers, 20 numbers are drawn out of 80;
- a bet is done manually from playing board or automatically by random, drawing of numbers is done by generator of random numbers;
- a wager is 5 points (SKK) for one bet and a drawing is limited by the amount on the playing account;

Prize table:

Number of matches	Prize
4	SKK 5
5	SKK 10
6	SKK 50
7	SKK 100
8	SKK 500
9	SKK 5,000
10	SKK 50,000

Wagers and prizes of an internet game e-KENO:

e-KENO	2006	2007
Wagers in SKK	140,320	78,685
Prizes in SKK	55,870	32,625

e-TIPOS

- launched in October 2002;
- a game with symbols aiming to reach 2 or 3 identical symbols respectively;
- a wager is 5 points can be added to 10 points but it is limited by the amount on the playing account;

- winning symbols and prize table:

Symbols	2 symbols	3 symbols
Big TIPOS logo	SKK 1,000	SKK 10,000
Playing dice	SKK 500	SKK 5,000
KENO bull	SKK 200	SKK 1,000
Bingo boy	SKK 100	SKK 500
Playing card	SKK 50	SKK 200
Drawing ball	SKK 20	SKK 50
Small TIPOS logo	SKK 10	SKK 20

Wagers and prizes of an internet game e-KENO:

e-TIPOS	2006	2007
Wagers in SKK	2,140,760	82,995
Prizes in SKK	1,758,775	63,575

ZÁZRAČNÁ RYBKA / MAGIC FISH

- an internet game simulating the scratch tickets in electronic environment;
- an electronic scratch ticket of Magic Fish has 6 symbols, a prize is determined by three symbols;
- launched in March 2005, the sale ended in 44th week in 2007.

Wagers and prizes of an internet game MAGIC FISH:

MAGIC FISH	2006	2007
Wagers in SKK	275,800	97,090
Prizes in SKK	237,260	81,200

ZLATÝ OSTROV / GOLDEN ISLAND

- an internet game simulating the scratch tickets in electronic environment with accumulating JACKPOT;
- a player looks for a treasure map on the island, a map found contains a scratch window with 6 symbols, a prize is determined by three identical symbols;
- launched in March 2005, the sale ended in 44th week 2007.

Wagers and prizes of an internet game GOLDEN ISLAND:

GOLDEN ISLAND	2006	2007
Wagers in SKK	609,400	60,300
Prizes in SKK	413,910	41,630

e-KLUB KENO

- a game was launched in February 2006;
- a number game of keno type, a player bets 1 up to 7 numbers, 20 numbers are drawn out of 80;
- a bet is done manually choosing the numbers from playing board or automatically by random bet, a drawing is done by the generator of random numbers;
- a wager is 10 points for one bet and one drawing, maximum wager is 60 points and it is limited by the amount on playing account.

Number of matches	Number of bet numbers						
	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						

Wagers and prizes of an internet game e-KLUB KENO:

e-KLUB KENO	2006	2007
Wagers in SKK	6,920,430	7,213,680
Prizes in SKK	4,034,390	4,408,710

C. e-CASINO

Internetová RULETA / Internet Roulette

Description :

- a game was launched in May 2006;
- an internet form of a classic alive roulette, there are 37 numbers, a zero included, on the roulette playing cloth;
- a bet is done by choosing a wager for standard position (number, odd and even, low, high, dozens, columns, 4 numbers, 6 numbers etc.) on the roulette playing cloth;
- a minimum wager is 20 points, graded by 20 points, maximum is limited by the amount on playing account;
- a prize is multiple of a wager according to standard roulette matrix.

Wagers and prizes of an internet game ROULETTE:

Internet ROULETTE	2006	2007
Wagers in SKK	688,525,380	1,374,091,300
Prizes in SKK	670,956,330	1,342,309,360

Internet BLACKJACK

Description :

- _ a game was launched in May 2006;
- _ an internet form of a classic game of cards BLACKJACK;
- _ a game is played on the table with 7 gaming boxes in the shape of semicircle;
- _ a player plays against a croupier who offers cards under the direction of a player;
- _ minimum wager is 20 points, graded by 20 points, maximum wager is limited by the amount of playing account;
- _ a prize is a multiple of a wager according to standard Blackjack matrix.

Wagers and prizes of an internet game BLACKJACK:

Internet BLACKJACK	2006	2007
Wagers in SKK	273,854,430	478,442,010
Prizes in SKK	265,893,220	462,047,880

Internet POKER

Description:

- _ a game was launched in May 2006;
- _ an internet form of classic game of cards POKER;
- _ a player plays against a croupier only in and gaming box, a game is played on a poker table;
- _ minimum wager is 20 points, graded by 20 points, maximum is limited by the amount of playing account;
- _ a prize is a multiple of a wager according to standard Poker matrix.

Wagers and prizes of an internet game POKER:

Internet POKER	2006	2007
Wagers in SKK	46,548,360	257,636,980
Prizes in SKK	44,706,080	250,768,440

Internet winning machines – three cylinder and five cylinder

Description :

- a game was launched in May 2006;
- a classic three cylinder or five cylinder winning machine with graphic symbols;
- a wager is 10 or 50 points;
- a prize is a multiple of a wager according to standard formation of graphic symbols matrix.

Wagers and prizes of internet games 3-cylinder and 5-cylinder winning machines total:

Internet 3-cylinder and 5-cylinder machines	2006	2007
Wagers in SKK	3,791,410	5,910,790
Prizes in SKK	2,906,700	4,427,370

Internet game e-Texas Hold´em Poker

Description:

- a game was launched in November 2006;
- a specific type of a poker card game enabling two or more players to play against each other on gaming table, so called multi poker;
- players can choose a gaming table, join an open table or to open their own gaming table;
- gaming tables vary according to minimum and maximum wagers from 20 to 1, 000 points;
- prizes are determined according to standard structure of poker games where a provider asserts the fee of obtained prize.

D. e-TICKETS

Morský poklad / See treasure

Period of sale: 5 Nov. 2007 – 5 Nov. 2009
Ticket price: SKK 10



Description:

- _ an internet game simulating classic scratch tickets in electronic environment;
- _ an electronic scratch ticket See treasure has 6 symbols, a prize is determined by three identical symbols;
- _ maximum prize is SKK 500.

Džungľa / Jungle

Period of sale: 5 Nov. 2007 – 5 Nov. 2009
Ticket price: SKK 10



Description:

- _ an internet game simulating classic tickets in electronic environment;
- _ an electronic scratch ticket Jungle has 6 symbols, a prize is determined by three identical symbols;
- _ maximum prize is SKK 500.

Ovocie / Fruit

Period of sale: 5 Nov. 2007 – 5 Nov. 2009

Ticket price: SKK 20



Description:

- _ an internet game simulating classic tickets in electronic environment;
- _ an electronic scratch ticket Fruit has 6 symbols, a prize is determined by three identical symbols;
- _ maximum prize is SKK 750.

Horúca strela / Hot shot

Period of sale: 5 Nov. 2007 – 5 Nov. 2009

Ticket price: SKK 20



Description:

- _ an internet game simulating classic tickets in electronic environment;
- _ an electronic ticket Hot shot has 6 symbol, a prize is determined by three identical symbols;
- _ maximum prize is SKK 1,000.

Horúca 7 / Hot 7

Period of sale: 5 Nov. 2007 – 5 Nov. 2009

Ticket price: SKK 20



Description :

- _ an internet game simulating classic tickets in electronic environment;
- _ an electronic scratch ticket Hot 7 has 6 symbols, a prize is determined by three identical symbols,
- _ maximum prize is SKK 1,000.

NON-LOTTERY PRODUCTS

TIPOS, national lottery company, Inc., provide for its customers also non-lottery products and services except gambling games. Providing of these products and services don't obey the Act on gambling games. The company uses its technological and technical facilities and business network for sale and providing those products and services.

Recharging EASY Credit

Launch date: 24 February 2003



Description:

- a service enabling the customers of T-Mobile Slovensko, a.s., Bratislava to recharge Easy Credit of prepaid SIM cards of mobile phones through on-line terminals at sales outlets of TIPOS in cash;
- a price of credit is from SKK 200 to SKK 4,990;
- recharging is done per filled recharging ticket or by direct oral dictating of details to service person;
- the service is activated after 3 minutes since imputing the data, within 3 minutes a client can cancel the order;
- a confirmation about recharging comes to the recharged telephone but also to any other telephone number whatever mobile operator in SR by SMS;
- the service provides for customers frequent actual bonuses to their credits.

Sales from recharging Easy Credit, numbers of recharges and average sales for one recharging transaction:

EASY credit	2006	2007
Sales in SKK	680,390,850	771,174,680
Number of recharges in pieces	2,462,108	3,119,618
Average sales in SKK/pieces	276.34	247.20

Recharging PRIMA Credit

Launch date: 12 September 2005



Description:

- _ a service enables the customers of mobile operator ORANGE Slovensko, a.s., Bratislava to recharge PRIMA credit of prepaid SIM cards of mobile phones through on line terminals at sales outlets of TIPOS in cash;
- _ a recharging sum is from SKK 200 to SKK 1,500 at eight fixed levels;
- _ recharging is done through filled recharging ticket or by direct oral dictating of data to the service person;
- _ the service is activated after 3 minutes since imputing the data, within 3 minutes a client can cancel the order;
- _ a client is informed about credit recharging on recharged mobile phone per SMS;
- _ with given service customers are provided with bonuses to their credits.

PRIMA credit	2006	2007
Sales in SKK	380,972,830	502,648,620
Number of recharges in pieces	1,698,380	2,228,593
Average sales in SKK/pieces	224.32	225.55





80
*Regular individual
financial statements*

80 Regular individual financial statements

UVP0D1v07.1

Balance sheet Úč POD 1 - 01

BALANCE SHEET

at 3 1 . 1 2 . 2 0 0 7 (Sk thousands)

Numbers should be justified to the right, other data is justified to the left. Lines not filled out are left blank.
The information should be written in block letters (see this example), using a typewriter or printer with black or dark blue ink.
Á Ā B Ć D É F G H Í J K L M N O P Q R Š T Ú V X Ý Ž 0 1 2 3 4 5 6 7 8 9

VAT ID No. 2 0 2 0 3 4 1 4 5 5	Financial statements <input checked="" type="checkbox"/> ordinary <input type="checkbox"/> extraordinary <input type="checkbox"/> preliminary	Financial statements <input checked="" type="checkbox"/> prepared <input type="checkbox"/> approved <small>*(marked with X)</small>	For the period from 0 1 until 1 2 Month Year 2 0 0 7 2 0 0 7
INO 3 1 3 4 0 8 2 2			Prior year from 0 1 until 1 2 2 0 0 6 2 0 0 6

Accounting entity name
T i p o s , n á r o d n á l o t é r i o v á s p o l o č n o s t'

Legal form of the entity
a . s .

Residence of the entity
Street
B R E Ć T A N O V Á Number
1

ZIP
8 3 0 0 7 Town
B R A T I S L A V A 3 7

Phone number
0 2 / 5 9 4 1 9 1 1 1 Fax
0 2 / 5 4 7 9 1 5 7 6

Email

Prepared on: 1 2 0 3 2 0 0 8	Written record of member of entity's statutory body or private person, which is legal entity: 	Written record of member of entity responsible for preparation of financial: 	Written record of member of entity responsible for accounting: 
Approved on: <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			

Tax Office records

Place for the reference number

Stamp of the Tax Office

Line a	ASSETS b	Line no. c	Current period		Prior period
			1	2	
			Gross value - part 1 Adjustment - part 2	Net value	Net value 3
	TOTAL ASSETS I. 002 + I. 003 + I. 032 + I. 062	001	1 443 513 226 558	1 216 955	867 727
A.	Receivables for subscribed share capital (353)	002			
B.	Non-current assets I. 004 + I. 013 + I. 023	003	365 290 207 416	157 874	205 150
B.I.	Non-current intangible assets total (I. 005 to 012)	004	81 823 60 870	20 953	38 318
B.I.1.	Startup (incorporation) expenses (011) - /071, 091A/	005			
2.	Research and development capitalised (012) - /072, 091A/	006			
3.	Software (013) - /073, 091A/	007	67 185 50 878	16 307	14 109
4.	Valuable rights (014) - /074, 091A/	008	3 213 1 414	1 799	1 339
5.	Goodwill (015) - /075, 091A/	009			
6.	Other non-current intangible assets (019, 01X) - /079, 07X, 091A/	010			
7.	Non-current intangible assets under construction (041) - 093	011	11 425 8 578	2 847	22 870
8.	Advance payments on account of non-current intangible assets (051) - 095A	012			
B.II.	Non-current tangible assets total (I. 014 to 022)	013	204 463 112 954	91 509	98 202
B.II.1.	Land (031) - 092A	014	9 557	9 557	9 557

Line a	ASSETS b	Line no. c	Current period		Net value 2	Prior period
			1	Adjustment - part 2		Net value 3
2.	Constructions (021) - /081,092A/	015		90 560	54 742	51 338
				35 818		
3.	Individual movable assets and sets of movable assets (022) - /082, 092A/	016		103 531	27 210	24 520
				76 321		
4.	Perennial crops (025) - /085, 092A/	017				
5.	Livestock and draught animals (026) - /086, 092A/	018				
6.	Other non-current tangible assets (029, 02X, 032) - /089, 08X, 092A/	019				9 205
7.	Non-current tangible assets under construction (042) - 094	020		815	0	3 582
				815		
8.	Advance payments on account of non-current tangible assets (052) - 095A	021				
9.	Provision for acquired assets (+/- 097) +/- 098	022				
B.III.	Non-current financial assets (Investments) total (l. 024 to 031)	023		79 004	45 412	68 630
				33 592		
B.III.1.	Shares and ownership interest in subsidiaries (061) - 096A	024		67 504	35 412	58 630
				32 092		
2.	Shares and ownership interest in associates (062) - 096A	025				
3.	Other non-current securities and ownership interests (063, 065) - 096A	026		1 500		
				1 500		
4.	Loans to enterprises in consolidated group (066A) - 096A	027		10 000	10 000	10 000
5.	Other financial investments (067A, 069, 06XA) - 096A	028				

Line a	ASSETS b	Line no. c	Current period		Prior period
			1	2	
			Gross value - part 1 Adjustment - part 2	Net value	Net value 3
6.	Loans with maturity up to one year (066A, 067A, 06XA) - 096A	029			
7.	Non-current financial assets in the course of acquisition (043) - 096A	030			
8.	Advance payments on account of non-current financial investments (053) - 095A	031			
C.	Current assets I. 033 + I. 041 + I. 048 + I. 056	032	1 035 611 19 142	1 016 469	633 887
C.I.	Inventory total (I. 034 to 040)	033	9 151 4 311	4 840	7 363
C.I.1.	Raw material (112, 119, 11X) - /191, 19X/	034	9 151 4 311	4 840	7 363
2.	Work in progress and semifinished goods (121, 122, 12X) - /192, 193, 19X/	035			
3.	Construction contracts with maturity over one year 12X - 192A	036			
4.	Finished goods (123) - 194	037			
5.	Livestock (124) - 195	038			
6.	Merchandise (132, 13X, 139) - /196, 19X/	039			
7.	Advances paid on account of inventories (314A) - 391A	040			
C.II.	Non-current receivables total (I. 042 to 047)	041	8 411 2 027	6 384	6 431
C.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	042	2 371 2 027	344	320

Line a	ASSETS b	Line no. c	Current period		Prior period
			1	2	
			Gross value - part 1	Net value	Net value 3
			Adjustment - part 2		
2	Receivables from subsidiary and controlling enterprise (351A) - 391A	043			
3	Other receivables within consolidation group (351A) - 391A	044			
4	Receivables from shareholders, associates and consortium members (354A, 355A, 358A, 359A) - 391A	045	63	63	63
5	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	046			
6	Deferred tax receivable (481A)	047	5 977	5 977	6 048
C.III.	Current receivables total (l. 049 to 055)	048	134 806	122 002	114 529
			12 804		
C.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) - 391A	049	134 397	121 593	113 977
			12 804		
2	Receivables from subsidiary and controlling enterprise (351A) - 391A	050			
3	Other receivables within consolidation group (351A) - 391A	051			
4	Receivables from shareholders, associates and consortium members (354A, 355A, 358A, 359A, 368A) - 391A	052			
5	Social security (336) - 391A	053			
6	Tax receivables (341, 342, 343, 345, 346, 347) - 391A	054			
7	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A) - 391A	055	409	409	552
C.IV.	Financial assets (l. 057 to 061)	056	883 243	883 243	505 564

Line a	ASSETS b	Line no. c	Current period		Prior period
			1	2	
			Gross value - part 1	Net value	Net value 3
			Adjustment - part 2		
C.IV.1.	Cash in hand (211, 213, 21X)	057	2 022	2 022	2 489
2	Bank accounts (221A, 22X +/- 261)	058	881 221	881 221	503 075
3	Term deposits over one year 22XA	059			
4	Short term financial assets (251, 253, 256, 257, 25X) - /291, 29X/	060			
5	Current financial assets in the course of acquisition (259, 314A) - 291	061			
D.	Accruals and prepayments total I. 063 and 064	062	42 612	42 612	28 690
D.1.	Prepaid expenses (381, 382)	063	41 975	41 975	28 359
2	Accrued income (385)	064	637	637	331

Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5
	TOTAL LIABILITIES AND EQUITY L. 086 + 086 + 116	085	1 216 955	867 727
A.	Equity I. 067+ 071+ 078 + 082+ 085	086	603 420	400 087
A.I.	Share capital total (L. 068 to 070)	067	11 000	11 000
A.I.1.	Share capital (411 alebo +/- 491)	068	11 000	11 000
	2. Own shares (-/252)	069		
	3. Change in share capital +/- 419	070		
A.II.	Capital funds total (L. 072 to 077)	071	500	500
A.II.1.	Share premium (412)	072		
	2. Other capital funds (413)	073		
	3. Legal reserve (non-distributable) from capital deposits (417, 418)	074	500	500
	4. Revaluation reserve for assets and liabilities (+/- 414)	075		
	5. Revaluation reserve for equity investments (+/- 415)	076		
	6. Revaluation reserve for merger and split (+/-416)	077		
A.III.	Profit reserves total (L. 079 to 081)	078	152 285	112 285
A.III.1.	Legal reserve (421)	079	42 285	42 285
	2. Non-distributable reserve (422)	080		
	3. Statutory and other reserves (423, 427, 42X)	081	110 000	70 000
A.IV.	Retained earnings I. 083 + 084	082	160 102	52 747
A.IV.1.	Retained profits from previous years (428)	083	160 102	52 747
	2. Loss carried forward (-/429)	084		
A.V.	Profit (loss) for the current year +/- L. 001 - (067 + 071 + 078 + 082 + 086 + 116)	085	279 533	223 555
B.	Liabilities I. 87 + 91 + 102 + 112	086	362 417	305 018
B.I.	Provisions total (L. 088 to 090)	087	176 348	179 111
B.I.1.	Legal provisions (451A)	088		
	2. Other long-term provisions (458A, 45XA)	089	280	
	3. Short term provisions (323, 32X, 451A, 458A, 45XA)	090	176 068	179 111
B.II.	Non-current liabilities total (L. 092 to 101)	091	1 147	470

Line a	LIABILITIES AND EQUITY b	Line no. c	Current period 4	Prior period 5
B.II.1.	Non-current trade liabilities (479A)	092		
2.	Non-current uninvoiced supplies (476A)	093		
3.	Liabilities to subsidiary and controlling enterprise (471A)	094		
4.	Other non-current liabilities within consolidation group (471A)	095		
5.	Non-current advance payments received (475A)	096		
6.	Non-current bills of exchange payable (478A)	097		
7.	Bonds and debentures issued (473A/-/255A)	098		
8.	Social fund payable (472)	099	1 147	470
9.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A, 377A)	100		
10.	Deferred tax liability (481A)	101		
B.III.	Current liabilities total (l. 103 to 111)	102	184 922	125 437
B.III.1.	Trade liabilities (321, 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	87 417	45 348
2.	Current uninvoiced supplies (326, 476A)	104	2	3 627
3.	Current liabilities to subsidiary and controlling enterprise (361A, 471A)	105		
4.	Other liabilities within consolidation group (361A, 36XA, 471A, 47XA)	106		
5.	Liabilities to shareholders, associates and consortium members (364, 365, 366, 367, 368, 398A, 478A, 479A)	107		
6.	Liabilities to employees (331, 333, 33X, 479A)	108	2 438	1 661
7.	Social security insurance payable (336, 479A)	109	2 295	1 815
8.	Tax liabilities and subsidies payable (341, 342, 343, 345, 346, 347, 34X)	110	29 600	21 416
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	63 170	51 570
B.IV.	Bank loans and borrowings total (l. 113 to 115)	112		
B.IV.1.	Long-term bank loans (461A, 46XA)	113		
2.	Short-term bank loans (221A, 231, 232, 23X, 461A, 46XA)	114		
3.	Current borrowings (241, 249, 24X, 473A/-/255A)	115		
C.	Accruals and deferred income - total (l. 117 to 118)	116	251 118	162 622
C.1.	Accruals (383)	117	235 648	152 581
2.	Deferred income (384)	118	15 470	10 041

Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
I.	Sale of merchandise (604)	01		
A.	Costs of merchandise sold (504, 505A)	02		
+	Gross margin I. 01 - r. 02	03		
II.	Production I. 05 + r. 06 + r. 07	04	7 762 794	5 092 774
II.1.	Sales of own products and services (601, 602)	05	7 762 794	5 092 774
	2. Change in inventory of finished goods and work in progress (+/- acc. group 61)	06		
	3. Own work capitalised (acc. group 62)	07		
B.	Production costs I. 09 + r. 10	08	1 262 783	943 251
B.1.	Raw material and energy used in production (501, 502, 503, 505A)	09	34 432	32 151
	2. Services (acc. group 51)	10	1 228 351	911 100
+	Added value I. 03 + r. 04 - r. 08	11	6 500 011	4 149 523
C.	Staff costs total (I. 13 a2 16)	12	61 573	51 414
C.1.	Wages and salaries (521, 522)	13	42 455	36 020
	2. Remuneration of members of the board of companies and co-operatives (523)	14	2 514	3 038
	3. Social security costs (524, 525, 526)	15	14 588	11 166
	4. Employee welfare costs (527, 528)	16	2 016	1 190
D.	Indirect taxes and fees (acc. group 53)	17	813 720	590 501
E.	Depreciation of non-current tangible and intangible assets (551, 553)	18	46 659	31 846
III.	Revenue from sale of non-current assets and raw material (641, 642)	19	2 806	1 699
F.	Carrying value of non-current assets and raw material sold (541, 542)	20	1 638	361
IV.	Other operating revenues (644, 645, 646, 648, 655, 657)	21	1 389	9 649
G.	Other operating expenses (543, 544, 545, 546, 547, 548, 549, 555, 557)	22	5 239 338	3 231 794
V.	Reclassification of operating revenues (-)(697)	23		
H.	Reclassification of operating expenses (-)(597)	24		
*	Operating profit/loss I.11 - 12 - 17- 18 + 19- 20 + 21 - 22 + (-23) - (-24)	25	341 278	254 955
VI.	Revenues from sale of securities and ownership interests (661)	26		
I.	Book value of securities and ownership interest sold (561)	27		

Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
VII.	Income from long-term financial assets I.29 + 30 + 31	28	15 434	12 551
VII.1.	Income from investments in subsidiaries and associates (665A)	29	14 950	12 069
2.	Income from other long-term securities and ownership interest (665A)	30		
3.	Income from other long-term financial assets (665A)	31	484	482
VIII.	Income from short-term financial assets (666)	32		
J.	Costs of short-term financial assets (666)	33		
IX.	Income from revaluation of securities and income from operations with derivatives (664, 667)	34		
K.	Revaluation costs of securities and costs of operations with derivatives (664, 667)	35		
L.	Creation and release of provisions to financial assets +/- 665	36	23 218	
X.	Interest income (662)	37	26 168	14 849
M.	Interest expense (662)	38	1	
XI.	Foreign exchange gains (663)	39	1 349	3 251
N.	Foreign exchange losses (663)	40	2 296	2 402
XII.	Other financial revenue (668)	41		
O.	Other financial expenses (668, 669)	42	4 476	3 699
XIII.	Reclassification of financial revenues (-) (698)	43		
P.	Reclassification of financial expenses (-) (598)	44		
*	Profit/(loss) from financial activities I. 26 - 27 + 28 + 32 - 33 + 34 - 35 - 36 + 37 - 38 + 39 - 40 + 41 - 42 + (-43) - (-44)	45	12 960	24 550
R.	Tax on income from ordinary activities I. 47 + I. 48	46	74 705	55 950
R.1.	- payable (591, 595)	47	74 634	55 533
2.	- deferred (+/- 592)	48	71	417
**	Net profit/(loss) from ordinary activities I. 25 + I. 45 - I. 46	49	279 533	223 555
XIV.	Extraordinary revenues (acc. group 68)	50		
S.	Extraordinary expenses (acc. group 68)	51		
T.	Tax on income from extraordinary activities I. 53 + I. 54	52		
T.1.	- payable (593)	53		
2.	- deferred (+/- 594)	54		

Line a	Text b	Line no c	Actual result in	
			current period 1	prior period 2
*	Extraordinary profit/(loss) L. 50 - 51 - 52	55		
U.	Profit/(loss) share transferred to owners' account (+/-596)	56		
***	Net profit/(loss) for the period (+/-)[L. 49 + 55 - 56]	57	279 533	223 555

A. GENERAL

1. Business name and address:

TIPOS, národná lotériová spoločnosť, a. s.
Brečtanova 1, 830 07 Bratislava
The Company's ID (IČO): 31 340 822

TIPOS, národná lotériová spoločnosť, a. s. ("the Company") was established on 11 December 1992 and incorporated in the Commercial Register on 28 January 1993 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sa, Insert No.: 499/B).

2. Core business activities according to the extract from the Commercial Register:

- operating lottery games under Act No. 171/2005 on Gambling Games and on the Amendment to Other Acts;
- purchasing goods for resale to end users (retail) and to other trade licence holders (wholesale);
- mediating trade and services;
- carrying out advertising activities;
- providing business consultancy under a free trade licence;
- performing administrative activities, organizing training courses, workshops, and tutorials;
- conducting public opinion surveys;
- renting movable items under a free trade licence;
- renting immovable assets together with the provision of other than basic services
 - procurement activities;
- renting machines, apparatuses, devices, and technological units under a free trade licence;
- performing bookkeeping;
- carrying out the activities of organizational, economic, and accounting advisors;
- performing business activities related to the operation of gambling games;
- copying services;
- and providing gambling games on the Internet.

3. Unlimited liability

The Company is a shareholder with unlimited liability in TIPKURZ, a.s., seated at Brečtanová 1, 830 07 Bratislava.

4. Average number of staff

In 2007, the Company employed 103 persons on average, of which 13 were management. At 31 December 2007, the Company had 109 employees.

5. Legal reason for preparing the financial statements

The Company's financial statements at 31 December 2007 have been prepared as ordinary financial statements under § 17 Sec. 6 of the Slovak Act No. 431/2002 Coll. ("Accounting Act") for the accounting period from 1 January 2007 to 31 December 2007.

6. Date of approving the financial statements for the previous accounting period

The General Meeting approved the Company's financial statements for the previous accounting period on 4 June 2007.

B. THE COMPANY'S BODIES AND SHAREHOLDERS

1. The Company's bodies

Board of Directors:

Ing. Peter Kapusta – Chairman of the Board of Directors and General Director;

Ing. Stanislav Fuňa – Deputy Chairman of the Board of Directors;

Ing. Ivan Litvaj – member;

JUDr. Milan Knop – member; and

Ing. Ján Barczy – member.

Supervisory Board:

JUDr. Roman Ožvold – Chairman;

Ing. Vladimír Štric – Deputy Chairman;

Mgr. Miloš Prelec – member;

Ing. Miloslav Marek – member; and

Ing. Tomáš Richter – member.

2. The Company's shareholders

The Slovak Republic, represented by the Slovak Ministry of Finance, seated at Štefanovičova 5, Bratislava.

Share in the registered capital: 100%

The Company's registered capital: SKK 11 million

C. THE CONSOLIDATED GROUP

The Company prepares the consolidated financial statements of the TIPOS Group. These consolidated financial statements are deposited with the Commercial Register of the Bratislava I District Court.

D. ACCOUNTING METHODS AND GENERAL ACCOUNTING PRINCIPLES

a) Basis of preparation

The Company's financial statements have been prepared in accordance with the Slovak Accounting Act and related accounting procedures, on the going concern basis.

The Company consistently applied the accounting methods and the general accounting principles.

Considering the fact that the structure of the balance sheet and that of the income statement have changed as of 1 January 2007, the data for the previous accounting period, reported on the balance sheet and the income statement, have been adjusted accordingly, without affecting the result of operations, the equity, and the total value of assets and liabilities.

Transformation of the previous income statement into the new one, relating to valuation allowances, is shown in the following table (in thousands of SKK):

Line in the previous income statement	Text	Amount	Line in the new income statement	Text	Amount
24	Set-up of valuation allowances posted to costs from operating activities	15,741	09	Consumption of material, energy, and other intangible supplies (501 - 503, and 505A)	4,054
			18	Depreciation and valuation allowances for non-current assets (551, 553)	8,577
			22	Other costs from operating activities (543 - 549, 557)	3,110
23	Use and release of valuation allowances to income from operating activities	298	22	Other costs from operating activities (543 - 549, 555, and 557)	298

Transformation of the previous income statement into the new one, relating to provisions, is shown in the following table (in thousands of SKK):

Line in the previous income statement	Text	Amount	Line in the new income statement	Text	Amount
22	<i>Set-up of provisions for operating activities and the clearance of comprehensive deferred expenses</i>	18,785	05	<i>Revenues from own products and services (601, 602)</i>	11,998
			10	<i>Services (acc. group 51)</i>	2,321
			13	<i>Wages and salaries (521, 522)</i>	3,711
			15	<i>Social security costs (524 - 526)</i>	755
21	<i>Use and release of provisions to income from operating activities, and accounting for the origination of comprehensive deferred expenses</i>	26,577	05	<i>Revenues from own products and services (601, 602)</i>	19,700
			10	<i>Services (acc. group 51)</i>	2,585
			13	<i>Wages and salaries (521, 522)</i>	3,537
			15	<i>Social security costs (524 - 526)</i>	755

b) Non-current intangible and tangible assets

Acquired non-current assets are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, assembly, and insurance).

The value of non-current tangible assets under construction, which are in trial operation, is reduced by a valuation allowance amounting to their wear-and-tear. The depreciation plan of non-current intangible assets has been prepared on the basis of their expected economic useful lives. Depreciation begins as of the first day of the month following that in which the asset was first put into use. Low-value, non-current intangible assets with an acquisition cost not exceeding SKK 50,000 were not entered in the intangible asset ledger and were posted to account 518 – Other services.

In 2006, a valuation allowance of SKK 8,577 thousand was set up for the software which was in a process of acquisition due to its expected derecognition from the account 'Non-current intangible assets under acquisition' in the following years. In 2007, a valuation allowance of SKK 14,364 thousand was set up for the betting games software, as it is not expected to be used any more. However, the Company's management has not yet resolved to dispose of it. The expected economic useful life, the depreciation method, and the annual depreciation rate are shown in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Software	2 - 4	<i>straight-line</i>	50 - 25
Valuable rights (licenses)	4 - 5	<i>straight-line</i>	25 - 20

The depreciation plan of non-current tangible assets has been prepared on the basis of their expected economic useful lives and expected wear-and-tear. Depreciation begins as of the first day of the month following that in which the asset was first put into use. Low-value, non-current tangible assets with an acquisition cost not exceeding SKK 30,000 are accounted for as inventories and were expensed when put into use (§ 13 Section 7 of Regulation No. 23054/2002-92 of the Slovak Ministry of Finance, known as accounting procedures). It is still listed in the operating records of the user programme 'Property'.

The expected economic useful life, the depreciation method, and the annual depreciation rate are shown in the following table:

	Expected economic useful life in years	Depreciation method	Annual depreciation rate in %
Buildings, halls, and structures	20	<i>straight-line</i>	5.0
Separate movable assets			
Machinery and equipment	4	<i>straight-line</i>	25.0
Means of transport	4	<i>straight-line</i>	25.0
Furniture and office equipment	6	<i>straight-line</i>	16.7

Based on a professional estimate of the market price of the building on Brečtanová 1 prepared by 1. národná aukčná spoločnosť, s.r.o., and based on Expert opinion No. 24/2004 elaborated by an expert from the building industry, the Company set up a valuation allowance of SKK 10 million in 2003. In 2007, this valuation allowance is still valid, because there are no reasons to reduce or release it, as confirmed by a new valuation shown in an expert opinion of 4 February 2008.

c) Securities and ownership interests

When acquired, securities and ownership interests are stated at cost, which includes the acquisition price and the related acquisition costs.

In 2007, the Company set up a valuation allowance of SKK 23,218 thousand for non-current financial assets – shares in TIPKURZ, a.s., as this company, according to the resolution of the Company's bodies, will stop performing its business activities and will be wound up without liquidation.

In 2007, the Company accounted for valuation allowances of SKK 8,874 thousand for financial assets – shares in CASINO SLIAČ SLOVAKIA, akciová spoločnosť v likvidácii. This valuation allowance was set up already in 1999 and 2002. A valuation allowance of SKK 1,500 thousand was recorded for financial assets – shares in Kasíno Inovec s.r.o., booked already in 2002. The Company's share is 10%.

d) Inventories

Acquired inventories are stated at cost, which includes the acquisition price and the related acquisition costs (such as customs duty, transport, insurance, and commission) less discounts. The Company used method A for the accounting treatment of inventories, as defined in the accounting procedures. Scratch cards are a special type of inventory. The stock price (both in a customs warehouse and in a supply room) is set based on the price invoiced and the quantity being delivered. Initial in-store records are kept in the ITVS system developed by GTECH. The Strategy and Sales Department processes them as in-store records based on the primary documentation (receipt notes, dispatch notes, repeated stock receipts of lottery cards). Unsold lottery cards are recorded on stock as lottery cards ready for shredding. The shredding procedure is attended by a representative of a state supervisory body, and a shredding report is prepared from the entire process. The costs charged for lottery card production are accounted for in proportion to the number of lottery cards sold. A valuation allowance is set up for the expected amount of unsold lottery cards, depending on how individual lottery card issues are being sold in the current year.

e) Receivables

When created, receivables are stated at their nominal value. A valuation allowance is set up for bad and doubtful debts, for which a default risk exists.

A significant part of receivables are receivables from mandataries who perform their activities based on mandate agreements and have a precisely specified period for remitting the weekly income from mandatory activities. Valuation allowances are set up for overdue dubious debts from mandataries whose terminals were blocked (according to mandate agreements and internal regulations) and they are not allowed to carry out their mandatory activities. Such overdue receivables are legally enforced.

f) Financial accounts

Financial accounts consist of cash, bank account balances, and current financial assets where the risk of changes in the value of these assets is negligibly low or even nil.

g) Deferred expenses and accrued income

Deferred expenses and accrued income are stated at their nominal value, while presented at the amount reflecting the accrual principle (correspondence in fact and timing with the accounting period).

h) Valuation allowances

Valuation allowances are set up based on the accounting principle of prudence, if one can justifiably assume that the value of an asset has been impaired when compared to its value in the books. A valuation allowance is recognized in the amount of a justified assumption for an impairment of an asset when compared to its value in the books.

i) Provisions

A provision is a liability representing the Company's present obligation resulting from past events, if it is probable that its settlement will reduce the Company's resources in the future. Provisions are liabilities of uncertain timing or amount, and are stated at the expected amount of the existing liability at the balance-sheet date.

The set-up of a provision is posted to the respective expense account that the liability relates to. The use of a provision is debited to the respective provision account, with a corresponding entry to the credit side of the respective liability account. The release of an unnecessary provision or a part of it is accounted for using an accounting entry inverse to the recognition of the set-up of the provision.

The Company accounts for legal and other provisions in line with the effective accounting and tax regulations.

Legal provisions were set up in line with the tax regulations for compensation for holidays not taken, the fee for auditing the 2007 financial statements, and the 2007 annual report.

The Company set up other provisions mainly in connection with the repeated receipt of instant-win lotteries that were dispatched to mandataries for sale, were posted to revenues from instant-win lotteries, but if not sold, they were returned in the form of a repeated inward stock movement. The provision for receipts of lottery cards is set up based on the projected sale of individual types of instant-win lotteries.

j) Payables

When originated, payables are stated at their nominal value. If reconciliation procedures reveal that the actual amount of payables differs from the amount shown in the books, these payables will be shown in the books and the financial statements at this actual amount.

k) Employee benefits

Wages, salaries, contributions to the Slovak state pension and social insurance plans, paid annual leave and paid sick leave, bonuses, and other non-monetary benefits are recognized in the accounting period in which employees used these services. The Company books them either as a usage of the social fund, based on its approved budget, or as expenses of the current year, according to the effective legal regulations.

l) Income tax due

The corporate income tax is expensed in the period when the tax liability arises. In the accompanying income statement, it is calculated on the basis of the profit/(loss) before taxes that has been adjusted for tax-deductible and tax non-deductible items due to permanent and temporary adjustments to the tax base and any loss carried forward. The tax liability is stated net of corporate income tax advances that the Company paid during the year. Corporate income tax advances paid during the year are lower than the tax liability for the period. As a result, the Company records a tax liability.

m) Deferred income tax

Deferred income tax is applied to:

- a) temporary differences between the carrying value of assets and the carrying value of liabilities shown in the balance sheet and their tax base; and
- b) the possibility to transfer unused tax deductions and other tax claims to future periods.

Deferred tax assets are recognized to the extent that is probable that future taxable profit will be available towards which the temporary differences can be utilized.

To determine the deferred income tax, the tax rate of 19%, expected to apply at the date on which the deferred tax is settled, is used.

n) Deferred revenues and accrued expenses

Deferred revenues and accrued expenses are stated at their nominal value, while presented at the amount reflecting the accrual principle (correspondence in fact and timing with the accounting period).

o) Operating lease

Assets acquired under operating lease contracts are expensed as services based on invoices issued and contractual terms and conditions.

p) Foreign currency

Assets and liabilities in foreign currency are converted to Slovak crowns using the National Bank of Slovakia's foreign exchange rate at the transaction date and, in the financial statements, at the balance sheet date. The resulting foreign exchange differences are posted to expenses or revenues in the income statement.

q) Revenue recognition

Revenues from the Company's own services and supplies related to gambling games are shown net of VAT. Revenues are recorded once a month at the month's end.

Revenues from numerical lotteries and the TIPOS-BINGO betting game (the game principal) and expenses for winnings (the winning principal) are recognized based on Drawing Protocols. The detailed rules for calculating the game and winning principals are included in the game plans that the Slovak Ministry of Finance has approved. The game plans of individual lotteries are set up based on Act No. 171/2005 on Gambling Games and on the Amendment to Other Acts ("Gambling Games Act").

Revenues from, and expenses for winnings from, instant-win lotteries are

accounted for each month based on an automated output from an on-line processing of deposits accepted and winnings paid. The basis for the monthly booking is the weekly invoicing of deposits and winnings for mandataries according to the mandate agreement.

A separate category is the booking of revenues and expenses for winnings in all Internet applications of gambling games, such as Internet bets 'e-kurz' and Internet games 'TIPCLUB', 'e-casino', and 'e-žreby'.

E. ASSETS

1. Non-current intangible and tangible assets

The movement schedule of non-current intangible and tangible assets from 1 January 2007 to 31 December 2007 is shown in Appendix No. 1.

Non-current tangible assets are insured against damages caused by theft, natural disaster, or accident (cars) up to SKK 208,368 thousand (2006: SKK 70,000 thousand).

Low-value, non-current intangible assets of SKK 390 thousand were expensed at 31 December 2007 (at 31 December 2006: SKK 133 thousand).

Low-value, non-current tangible assets of SKK 4,952 thousand were expensed at 31 December 2007 (at 31 December 2006: SKK 2,072 thousand).

2. Non-current financial assets (Investments)

Equity at 31 December 2007 and the 2007 profit/(loss) of the relevant enterprises, together with comparative figures for the previous accounting period, are shown in the following table (in thousands of SKK):

Business name	Share in the reg. capital	Profit/(loss)		Equity		Book value shown on the balance sheet	
		2007	2006	2007	2006	2007	2006
CASINOS SLOVAKIA, a.s., Bratislava	51.32	37,500	35,149	118,121	112,254	35,412	35,412
CASINO SLIAČ SLOVAKIA, akciová spoločnosť v likvidácii	51.00					0	0
Kasíno Inovec, s.r.o. Bratislava	10.00					0	0
TIPKURZ, a.s. Bratislava	100.00	- 2,075	- 6,271	- 5,290	- 3,217	0	23,218

During the year, there were changes in non-current financial assets. The balance at the year's end is lower by a valuation allowance set up for shares in the subsidiary TIPKURZ, a.s. In 2007, the Company accounted for valuation allowances of SKK 8,874 thousand for financial assets – shares in CASINO SLIAČ SLOVAKIA, akciová spoločnosť v likvidácii. This valuation allowance was set up already in 1999 and 2002. A valuation allowance of SKK 1,500 thousand was recorded for financial assets – shares in Kasíno Inovec s.r.o., booked already in 2002. The Company's share is 10%.

CASINO SLIAČ SLOVAKIA, akciová spoločnosť v likvidácii went into liquidation based on the resolution of an extraordinary General Meeting held on 21 February 2000. It still exists as a legal entity in that form. The last financial statements of this company were prepared as extraordinary financial statements at 17 May 2000. No other financial statements were prepared. In the final auditor's report, an opinion is expressed that the extraordinary financial statements do not present fairly its assets, its financial position, and its result of operations.

3. Inventories

Instant-win lotteries (scratch cards) are a special type of inventory. The records of lottery cards are maintained in line with the internal guideline 'On the System and the Responsibility for Transaction Acts Related to the Movement of Lottery Cards'. The method of their measurement is described in Part E, in the section: 'Method of Measuring Individual Items of Assets and Liabilities'. The Company sets up valuation allowances for inventories due to lottery cards that are not expected to be sold; under the Gambling Games Act, these lottery cards will be shredded under the supervision of a state supervisory body.

Movements in the valuation allowance for inventories during the accounting period are shown in the following table (in thousands of SKK):

	1 January 2007	Set-up	Use / Release	31 December 2007
Adjustment to lottery cards	4,054	3,952	3,696	4,310
Total	4,054	3,952	3,696	4,310

4. Receivables

Movements in the valuation allowance for receivables during the accounting period are shown in the following table (in thousands of SKK):

Name	1 January 2007	Set-up	Use/Release	31 December 2007
Trade receivables	13,605	2,618	1,391	14,832
Total	13,605	2,618	1,391	14,832

The set-up of SKK 2,618 thousand related mainly to overdue receivables from mandataries. The use or release resulted mainly from bad debts written off or repaid in 2007.

At the year's end, the Company shows valuation allowances of SKK 12,805 thousand for receivables from mandataries and of SKK 2,027 thousand for long-term dubious trade receivables.

These valuation allowances are accounted for also for tax purposes, and in connection with accounting for deferred taxes.

The ageing structure of receivables is presented in the table below (SKK thousand):

	31 December 2007	31 December 2006
Receivables not yet due	113,965	104,057
Overdue receivables	14,421	16,903
Total	128,386	120,960

5. Deferred tax asset

The calculation of a deferred tax asset is shown in the following table (in thousands of SKK):

	31 December 2007	31 December 2006
Temporary differences between the book value of assets and liabilities and their tax base, of which:		
- non-current assets	905	2,623
- receivables	14,385	13,159
- inventories	4,311	4,054
- provisions	11,859	11,998
Total	31,460	31,834
Tax rate	19%	19%
Deferred tax asset	5,977	6,048

A change in the deferred tax asset is presented in the table below (in thousands of SKK):

Balance at 31 December 2007	6,048
Balance at 31 December 2006	5,977
Change	-71
of which: - recognized as an expense	71

6. Financial accounts

Cash on hand, bank account balances, and current financial assets are recognized as financial accounts. Bank accounts are fully available for the Company's use, except for short-term deposits.

7. Deferred expenses and accrued income

The structure of deferred expenses and accrued income is presented in the table below (in thousands of SKK):

	31 December 2007	31 December 2006
Deferred expenses		
- insurance	925	594
- other (advertisement)	41,050	27,765
Total	41,975	28,359
Accrued income	637	331

F. LIABILITIES

1. Equity

Movements in equity during the accounting period are shown in the following table (in thousands of SKK):

	1 January 2007	Distribution of prior year's profit	Profit 2007	31 December 2007
Share capital	11,000			11,000
Legal reserve fund from capital contributions	500			500
Legal reserve fund	42,285			42,285
Statutory and other reserves	70,000	40,000		110,000
Retained earnings	52,747	107,355		160,102
Profit for the current year	223,555	-223,555	279,533	279,533
Total	400,087	-76,200	279,533	603,420

The Company's share capital consists of 11 shares at a nominal value of SKK 1 million, in the form of book entry securities. All shares are associated with the same voting rights for shareholders.

The amount of equity, calculated from the Company's books at 31 December 2007, was influenced by increases in profit reserves and in retained earnings, decreases due to other profit distribution (dividends and profit shares) in line with the resolution of the General Meeting, and by the profit for the current year.

The proportion between profit and the share capital –2007: 25.41 2006: 20.32

The 2006 book profit of SKK 223,555 thousand was distributed as follows (in thousands of SKK):

Profit from 2006	
Dividends paid	70,000
Appropriation to the social fund	2,000
Appropriation to statutory and other reserves	40,000
Other distribution	4,200
Transfer to retained earnings	107,355
Total	223,555

2. Provisions

An overview of provisions is presented in the table below (in thousands of SKK):

	1 January 2007	Set-up	Use/ Re-lease	31 December 2007
Short-term provisions for:				
Compensation for unused holiday, including social security	4,465	2,129	4,465	2,129
Provision for a repeated stock receipt of lottery cards	11,998	11,267	11,998	11,267
Litigation	160,326			160,326
Others	2,322	2,346	2,322	2,346
Total short-term provisions	179,111	15,742	18,785	176,068
Long-term provisions		280		280
Total provisions	179,111	16,022	18,785	176,348

3. Payables

The structure of payables by the remaining period to maturity is shown in the following table (in thousands of SKK):

	31 December 2007	31 December 2006
Payables not yet due	184,922	125,437
Total short-term payables	184,922	125,437
Total long-term payables	1,147	470

4. Social fund

Appropriations to and withdrawals from the social fund during the accounting period are shown in the following table (in thousands of SKK):

	2007	2006
Opening balance at 1 January	470	664
Appropriations expensed	239	192
Appropriations from profit	2,000	1,000
Usage	1,562	1,386
Closing balance at 31 December	1,147	470

5. Accrued expenses and deferred income

The structure of accrued expenses and deferred income is shown in the following table (in thousands of SKK):

	31 December 2007	31 December 2006
Accrued expenses		
- unpaid winnings from previous year's claims	153,940	77,408
- payments from instant-win lotteries	78,751	50,535
- other	2,957	24,638
Total	235,648	152,581
Deferred income	15,470	10,041

G. REVENUES

1. Revenues from the sale of the Company's own work and goods

Revenues from operating lotteries and other activities (in thousands of SKK):

	31 December 2007	31 December 2006
LOTO	2,245,933	1,417,538
JOKER	169,808	102,244
LOTO 5 z 35	63,766	54,983
KENO 10	774,429	674,955
KLUB KENO	836,950	732,122
EUROMILIÓN	275,656	156,223
TIPOS-BINGO	65,017	89,195
Internet casino	2,424,122	1,030,224
Internet bets	362,758	326,502
Instant-win lotteries	471,424	450,512
Revenues from gambling games	7,689,862	5,034,498
Other revenues	72,933	58,276
Total revenues	7,762,794	5,092,774

2. Other income from operating activities

An overview of other significant income from operating activities is presented in the table below (in thousands of SKK):

	2007	2006
Revenues from the sale of assets and material	2,806	1,699
Revenues from mandate agreement with TIPKURZ, a.s.	400	6,968
Other revenues	989	2,681
Total	4,195	11,348

3. Financial income

An overview of financial income is shown in the following table (in thousands of SKK):

	2007	2006
Interest	26,168	14,849
Dividends	14,950	12,069
Foreign exchange gains	1,349	3,251
Interest on a borrowing	484	482
Total	42,951	30,651

H. EXPENSES

1. Cost of material and of services received

An overview of cost of material and of services received is presented in the table below (in thousands of SKK):

	2007	2006
Cost of material	34,432	32,151
Services:		
Expenses for on-line processing	430,177	332,588
Rewards to collection offices	466,493	346,582
Production and broadcast of programmes and information	92,008	104,460
Advertising costs	181,614	78,314
Rent	6,248	11,241
Advisory services	20,503	11,074
Other	31,308	26,841
Total	1,228,351	911,100

2. Other expenses from operating activities

An overview of other significant costs incurred in line with the Gambling Games Act and other expenses from operating activities is shown in the following table (in thousands of SKK):

	2007	2006
Foreign exchange gains	5,227,061	3,218,536
Payments from gambling games	812,123	589,780
Donations	9,904	8,185
Other	5,608	6,155
Total	6,054,696	3,822,656

3. Financing costs

An overview of financing costs is shown in the following table (in thousands of SKK):

	2007	2006
Insurance premiums	1,706	2,142
Bank fees	2,770	1,557
Valuation allowance for financial assets	23,218	-
Foreign exchange losses	2,296	2,402
Total	29,991	6,101

I. INCOME TAXES

1. The transition from the expected to the reported income tax is shown in the following table (in thousands of SKK):

Tax reconciliation	Basis	Tax	Rate
Profit before taxes	354,238		
Tax using the 19% tax rate		67,305	19.0%
Permanent differences	38,702	7,353	2.0%
Effect of the unrecognized tax of the previous period	246	47	
Total reported tax in the income statement		74,705	21.0%
Tax due		74,634	
Deferred tax		71	
Total reported tax in the income statement		74,705	21.0%

J. OFF-BALANCE SHEET ACCOUNTS

Based on the 'Verdict in the Name of the Slovak Republic' of 28 December 2001, a receivable from the sued company ALDY SOFT, s.r.o., was recorded on the off-balance sheet, as the existence of this company is doubtful. The receivable amounts to SKK 16,010 thousand.

K. OTHER ASSETS AND LIABILITIES

The Company is a defendant in a lawsuit. In previous periods, the Regional Court ruled against the Company. However, this verdict was overruled by the Slovak Supreme Court and the case was returned to the lower court for further action. In March 2007, the Regional Court in Bratislava ruled in favour of the plaintiff in a new trial. The Company's management filed an appeal with the Slovak Supreme Court. Based on its attorney's opinion, the Company considers the plaintiff's action unjustified and is convinced that the decrease in economic benefits in connection with this lawsuit will not exceed the amount of the provision that was set up for this purpose (Note F.2).

L. INCOME AND BENEFITS OF MEMBERS OF THE STATUTORY, SUPERVISORY AND OTHER COMPANY'S BODIES

The gross income and management bonuses of members of the Board of Directors for their activities for the Company in the reporting period amounted to SKK 1,407 thousand, while the gross income and management bonuses of the Company's Supervisory Board members totalled SKK 1,158 thousand.

M. ECONOMIC RELATIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES

During the accounting period, the Company carried out transactions with TIPKURZ, a. s. These transactions are shown in the following table (in thousands of SKK):

	2007	2006
Sale		
Income from the sale of products, services, and goods	3,863	4,304
Other income from operating activities	400	6,968
Financial income	484	482
Other		
Purchase		
Other costs, of which:	5,442	16,094
- advertising	120	1,440
- renting advertising space	420	915
- mandatory remuneration for numerical lotteries and scratch cards	4,573	12,894
- mandatory remuneration for recharging cards	329	845

Selected assets and liabilities resulting from transactions with related parties are presented in the table below (in thousands of SKK):

	31. Dec. 2007	31. Dec. 2006
Trade receivables	5,912	13,084
Loans provided	10,000	10,000
Total assets	15,912	23,084
Other liabilities within the consolidated group	0	229
Total liabilities	0	229

Transactions between related parties have been carried out under the arm's-length principle (under usual business terms and conditions).

N. POST-BALANCE SHEET EVENTS

After 31 December 2007, no significant events have occurred that would require recognition or disclosure in the 2007 financial statements.

O. CASH FLOW STATEMENT AT 31 DECEMBER 2007

The Company has prepared the cash flow statement using the direct method.

The structure of cash and cash equivalents (in SKK):

Account No.		Opening balance		Closing balance
211	ZS =	2,304,799.64	KZ =	1,808,581.40
213	ZS =	184,240.00	KZ =	213,660.00
221	ZS =	503,074,982.45	KZ =	881,220,645.16
261	ZS =	0.00	KZ =	0.00
TOTAL		505,564,022.09		883,242,886.56

The sum of account balances corresponds to the balance of cash and cash equivalents shown in the cash-flow statement at the beginning and at the end of the period, excluding stamps and vouchers (account 213).



Movement schedule of non-current assets (in thousands of SKK)
Appendix No. 1
at 31 December 2007

Description	Acquisition cost			Accumulated depreciation/Valuation allowances			Net book value		
	1 January 2007	Additions	Disposals	Transfers	1 January 2007	Disposals	Transfers	31 December 2007	31 December 2006
Software	38,016	-	(855)	30,024	23,907	27,626	(855)	16,307	14,109
Valuable rights	2,127	-	-	1,086	788	626	-	1,799	1,339
Non-current intangible assets in the process of acquisition	31,448	11,087	-	(31,110)	8,578	-	-	2,847	22,870
Total non-current intangible assets	71,591	11,087	(855)	-	33,273	28,452	(855)	20,953	38,318
Land	9,557	-	-	-	-	-	-	9,557	9,557
Buildings, halls, and structures	80,451	-	-	10,109	29,113	6,705	-	54,742	51,338
Individual movable assets and sets of movable assets	106,643	-	(19,787)	16,675	82,123	13,985	(19,787)	27,210	24,520
Other non-current tangible assets	10,677	-	-	(10,677)	1,472	240	(1,712)	-	9,205
Non-current tangible assets under construction	3,582	13,340	-	(16,107)	-	815	-	-	3,582
Advances paid for non-current tangible assets	-	850	(850)	-	-	-	-	-	-
Total non-current tangible assets	210,910	14,190	(20,637)	-	112,708	21,745	(21,499)	91,509	98,202
Shares and ownership interests in companies with controlling influence (subsidiaries)	67,504	-	-	-	8,874	23,218	-	35,412	58,630
Other long-term shares and ownership interests	1,500	-	-	-	1,500	-	-	10,000	10,000
Borrowings to a group entity	10,000	-	-	-	-	-	-	45,412	68,630
Total non-current financial assets	79,004	-	-	-	10,374	23,218	-	45,412	68,630
Total non-current assets	361,505	25,277	21,482	-	156,355	73,415	22,354	157,874	205,150

Cash flow statement 2007 – direct method

Description	Mark	Current period	Previous period
Cash flows from operating activities	A		
Cash received for services provided (+)	A.4.	4,140,280.00	3,093,025.00
Cash paid for purchasing material, energy and other intangible supplies (-)	A.5.	(33,384.00)	(28,952.00)
Service costs (-)	A.6.	(690,883.00)	(498,836.00)
Personal costs (-)	A.7.	(63,380.00)	(55,798.00)
Taxes and fees paid, other than income tax (-)	A.8.	(880,584.00)	(644,741.00)
Other cash inflow from operating activities, other than that shown in other parts of the cash flow statement (+)	A.15.	14,408.00	19,968.00
Other cash outflow from operating activities, other than that shown in other parts of the cash flow statement (-)	A.16.	(1,986,979.00)	(1,631,853.00)
Cash flow from operating activities, other than cash in- and outflow shown in other parts of the cash flow statement (+/-), (sum of A.1. to A.16.)	A*	499,478.00	252,813.00
Interest received, other than that included in investing activities (+)	A.17.	26,085.00	14,517.00
Interest paid, other than that included in financing activities (-)	A.18.	0.00	(2.00)
Dividends and other profit shares received, other than those included in investing activities (+)	A.19.	14,950.00	12,069.00
Dividends and other profit shares paid, other than those included in financing activities (-)	A.20.	(70,000.00)	(60,000.00)
Cash flow from operating activities (+/-), (sum of A.1. to A.20.)	A**	470,513.00	219,397.00
Income tax paid, other than those expenses which are included in investing or financing activities (-/+)	A.21.	(67,094.00)	(51,493.00)
Extraordinary receipts related to operating activities (+)	A.22.	0.00	104.00
Extraordinary expenses related to operating activities (-)	A.23.	(372.00)	(46.00)
Net cash from operating activities (sum of A.1. to A.23.)	A	403,047.00	167,962.00
Cash flows from investing activities	B		
Purchase of non-current intangible assets (-)	B.1.	(13,974.00)	(18,872.00)
Purchase of non-current tangible assets (-)	B.2.	(10,635.00)	(18,416.00)
Proceeds from the sale of non-current tangible assets (+)	B.5.	122.00	1,692.00
Net cash used in investing activities (total B.1. to B.20.)	B	(24,487.00)	(35,596.00)
Cash flows from financing activities	C		
Net cash used in financing activities (total C.1. to C.9.)	C	0.00	0.00
Net increase or net decrease of cash (+/-) (A + B + C)	D.	378,560.00	132,366.00
Cash and cash equivalents at the beginning of the accounting period (at 1 January)	E.	505,380.00	371,549.00
Cash and cash equivalents at the end of the accounting period, before figuring in exchange differences at the balance-sheet date (+/-)	F.	883,940.00	503,916.00
Foreign exchange differences related to cash and cash equivalents at the balance-sheet date (+/-)	G.	(911.00)	1,464.00
Foreign exchange losses	G.1	(2,233.00)	(1,718.00)
Foreign exchange gains	G.2	1,322.00	3,182.00
Cash and cash equivalents at the end of the accounting period, adjusted by foreign exchange differences at the balance-sheet date (+/-)	H.	883,029.00	505,380.00

Prepared on:	12.03.2008	Signature of the member of the Company's Board of Directors:		Signature of the person responsible for preparing the financial statements:	
Approved on:					



PricewaterhouseCoopers
Slovensko, s.r.o.
Námestie 1. mája 18
815 32 Bratislava
Slovak Republic
Telephone +421 (0) 2 59350 111
Facsimile +421 (0) 2 59350 222

SPRÁVA NEZÁVISLÉHO AUDÍTORA

Akcionárovi, dozornej rade a predstavenstvu spoločnosti TIPOS, národná lotériová spoločnosť, a.s.:

Uskutočnili sme audit priloženej účtovnej závierky spoločnosti TIPOS, národná lotériová spoločnosť, a. s. („Spoločnosť“) zostavenej k 31. decembru 2007, ktorá obsahuje súvahu, výkaz ziskov a strát za rok, ktorý sa k uvedenému dátumu skončil a poznámky.

Zodpovednosť štatutárneho orgánu spoločnosti

Štatutárny orgán spoločnosti je zodpovedný za zostavenie a objektívnu prezentáciu účtovnej závierky v súlade so slovenským zákonom o účtovníctve. Táto zodpovednosť zahŕňa návrh, implementáciu a zachovávanie internej kontroly relevantnej pre prípravu a objektívnu prezentáciu takej účtovnej závierky, ktorá neobsahuje významné nesprávnosti, či už v dôsledku podvodu alebo chyby, ďalej výber a uplatňovanie vhodných účtovných zásad a účtovných metód, ako aj uskutočnenie účtovných odhadov primeraných za daných okolností.

Zodpovednosť audítora

Našou zodpovednosťou je vyjadriť názor na túto účtovnú závierku, ktorý vychádza z výsledkov nášho auditu. Audit sme uskutočnili v súlade s Medzinárodnými audítorskými štandardmi. Podľa týchto štandardov máme dodržiavať etické požiadavky, napláňovať a vykonať audit tak, aby sme získali primerané uistenie, že účtovná závierka neobsahuje významné nesprávnosti.

Súčasťou auditu je uskutočnenie postupov na získanie audítorských dôkazov o sumách a údajoch vykázaných v účtovnej závierke. Zvolené postupy závisia od rozhodnutia audítora, vrátane posúdenia rizika významných nesprávností v účtovnej závierke, či už v dôsledku podvodu alebo chyby. Pri posudzovaní tohto rizika audítor berie do úvahy internú kontrolu relevantnú pre zostavenie a objektívnu prezentáciu účtovnej závierky, aby mohol navrhnúť audítorské postupy vhodné za daných okolností, nie však za účelom vyjadrenia názoru na účinnosť internej kontroly účtovnej jednotky. Audit ďalej obsahuje zhodnotenie vhodnosti použitých účtovných zásad a účtovných metód a primeranosti významných účtovných odhadov uskutočnených štatutárnym orgánom spoločnosti, ako aj zhodnotenie prezentácie účtovnej závierky ako celku.

Sme presvedčení, že audítorské dôkazy, ktoré sme získali, sú dostatočné a vhodné ako východisko pre náš názor.

Názor

Podľa nášho názoru účtovná závierka vyjadruje objektívne vo všetkých významných súvislostiach finančnú situáciu TIPOS, národná lotériová spoločnosť, a. s. k 31. decembru 2007 a výsledok jej hospodárenia za rok, ktorý sa skončil k uvedenému dátumu, v súlade so slovenským zákonom o účtovníctve.


PricewaterhouseCoopers Slovensko, s.r.o.
Licencia SKAU č. 161

12. marca 2008




Ing. Ivan Kupkovič
Licencia SKAU č. 689





120
Intentions for 2008

120 *_Intentions for 2008*

The main target of TIPOS company is again to meet the purpose of its existence via creating the resources for general benefits. We are planning to reach comparable results with 2007 in the field of economic indicators such as revenues, sales, costs, levies from games and profit.

2008 will be crucial and demanding for our company considering the preparation for transition to Euro and transition itself including the dual display. This process will require a lot of capacity in the frame of each department of our company.

We will turn our attention to the price making of our particular products in the new Euro currency in order to apply the principle of price neutrality concerning the exchange and calculation of prices and payments for our products.

Marketing activities in 2008 will continue to built and promote the strong marks of particular games. These activities will be optimal and well located and our sales outlets will be provided by quality promotional material.

In the sphere of the internet games we plan in the first half of 2008 to launch the new game in operation of poker tournaments and also around the half of a year we plan to start the new internet game of bingo type. At the end of a year 2008 we suppose to try the operation of so called "live betting" or betting on the sport events in the real time. The results from the internet games in 2007 clearly indicate further player's potential into future and obvious enforcing of new and modern ways of betting.

In the sphere of instant lotteries in 2008 TIPOS is planning to emit one occasional lottery of big format in the spring and summer time with the higher nominal value. In autumn we are planning to launch the sophisticating ticket lottery with various playing boards aiming to attract especially more demanding customers. Of course we will offer to our players new versions of popular ticket emission of Pig in rye and Lucky 7.

Number lotteries recorded excellent results in 2008 and we would like to follow them the next year. In LOTO game we have planned again premium game in summer with very interesting prize and we suppose to arise the similar lotomania as in 2007. There is as well an interesting new thing for JACKPOT category. For KLUB KENO game we have decided to shorten the interval of drawing on order to make it more attractive for our customers.

We will underline the active cooperation with regulatory authorities and with other institutions from the sphere of gambling games in Slovakia and abroad. Gambling games reached excellent results in the course of the last year and our company will face the rising competition of other subjects on this market. That's why we must continuously defend our position on the market by professional team of employees, create the optimal conditions and relations with our sellers and offer attractive products for our present and future players.



122 *Contacts*

Annual report of TIPOS company for 2007 was published in April in the amount of 150 copies. It is determined for the company's shareholder, business partners, employees, wide playing professional and laic public. If you are interested we can send you actual annual report or previous annual reports into your e-mail box. You can contact us per phone, e-mail, fax or post.

TIPOS, národná lotériová spoločnosť, a.s
Brečtanova 1
P. O. Box 43
830 07 Bratislava 37
SLOVENSKÁ REPUBLIKA

telephone: +421/2/59 41 91 11
fax: +421/2/54 79 15 76
e-mail: tipos@tipos.sk
internet: www.tipos.sk, www.tipos.eu
wap: wap.tipos.sk

TIPOS
INFOLINE: +421/18 177, 18 277

