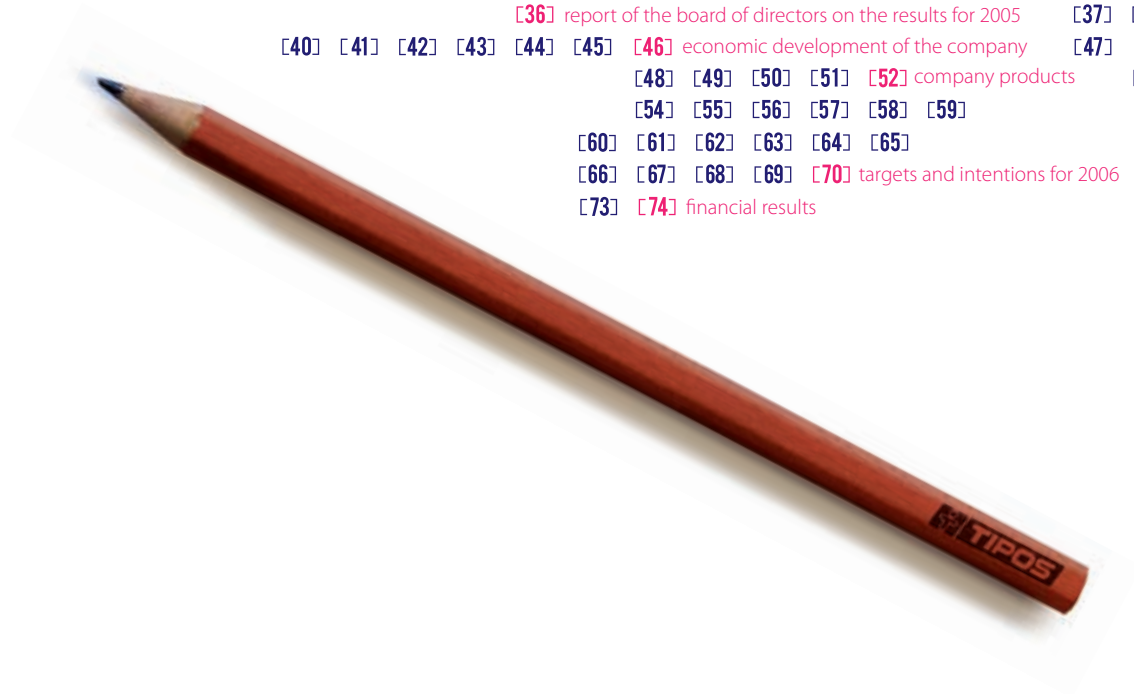


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our vision_

TIPOS is a stable credible and dynamic national lottery company that creates resources to support the good things.

Foreword of the chairman of the board of directors and general director_

Dear Ladies and Gentlemen:

2005 will stay forever in the history of TIPOS company as an extraordinary year. Instead of gathering all the achievements and setting the plans this foreword could be said by the only one word: "THANKS" Thanks to the players for gracing us with their trust. Thanks to the working team of TIPOS who provided its all year operation. Thanks to hundreds of agents who significantly participated in the company achievements. Thanks to the staff serving the terminals, thousands of people who, often in difficult conditions, met the hope for fulfilling their dreams the hope to win – the winners.

In 2005 we experienced the true 'lotomania' very successfully we entered the area of Internet betting, we became the national lottery company and we recorded the most successful financial results in our history. The revenues in 2005 reached SKK 3, 865,775,000 and the company paid out of it the lottery winnings in an amount of SKK 2,060, 805,000.

The main aim of the lottery company is to create effective resources to support the good things. Afterwards the company levies these funds to the state which under the Act on gambles and State Budget Act gives financial support to the good things such as – sport, culture, charity etc. From the previous year point of view it is possible to say that we not only met this aim but we also highly exceeded it. State levies in 2005 reached the amount of SKK 611,554.000. Total levy to the state – to the shareholder the Ministry of Finance SR was the worth of SKK 700,911,000.

The results of 2005 repaid back the efforts that had been going on for three years, the right targeting investment returned. Though, we need to say that we had a bit of good luck as well in our economy. Good luck which on the one side brought the record jackpots and on the other side the record winnings for the players. (Good luck is unpredictable but in the gambling industry it is an important reason of the success.)

TIPOS national lottery company, Inc. is looking for other possibilities of the growth of resources to support the good things and it sets up the high goals. In 2006 the development of the Internet gaming will continue. The Internet casino will appear on www.tipos.sk and the Internet bettings will be available per mobile phones. TIPOS will perform its next activities aiming to the progress of the company on the gambling market through its subsidiaries. The main activities of the company will focus on the areas falling within its authority under the law as well as on the areas which enable to use up effectively the net of on-line terminals, the wide net of agents and effective usage of existing technology. In 2006 we will continue the effort to consolidate the relationships with the company Gtech. Our target will be to update the net, adjustment of the costs items and bigger net of terminals with the perspective of their growth.

Here is the one of the most interesting data at the end. Despite the high and record winnings, historically the highest levies, the company created as well the record profit of SKK 148,307,000. These figures combined with the previous ones prove the high efficiency of the company, the economic efficiency of financial resources as well as the justness of the existence of the national lottery company TIPOS on the gaming market.



Ing. Stanislav Žiačik

The Chairman of the Board of Directors and General Director
Tipos, national lottery company Inc.

01_who we are

company profile_

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The company Tipos, Inc. was set up by the establishment contract concluded on 11 December 1992. The company started its activities on 1 January 1993 with basic capital of SKK 4million. Since 1 September 1994 it has had the only shareholder which is the state, represented by the Ministry of Finance of the Slovak Republic. Since 22 June 2005 the company has had the name TIPOS national lottery company, Inc. It has basic capital of SKK 11 million comprising of 11 registered shares issued in name with a par value of SKK1,0 million.

The business activities of the company registered in the Companies Register of the District Court of Bratislava I, section Sa, entry No.499/B as of 1st March 2006 are as follows:

- operation of lotteries and other similar games under the Slovak National Council Act No194/1990 Coll. on lotteries and other similar games as amended;
- participation in the establishment and operation of lotteries and other similar games under the applicable act in the business companies in the Slovak Republic;
- the activity of organizational and economic advisors regarding the operation of lotteries and other similar games;
- providing the intermediary service for the companies operating in the field of lotteries and other similar games;
- intermediation of trade and service
- 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 extent 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 machines, devices, equipment and technological units in the extent of free trade;
- accounting service;
- activity of organizational, economic and accounting advisors.

The Ministry of Finance SR issued valid individual licences for the company to operate the state lottery – number lotteries, state lottery – special bingo TIPOS BINGO and state lottery – operating the gambling games per Internet. Furthermore the company has individual licences to operate the gambling games – instant win lotteries. The company does business on Slovak lottery market in the competitive environment of fixed-odds bettings operators, wining machines, games in casino, consumer lotteries and the operators of other lotteries and similar games.

The company TIPOS, Inc. is the regular member of the World Lottery Association –WLA and the regular member of the European Lotteries – EL.

02_how we make a difference

supporting good causes_

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TIPOS, national lottery company, Inc. embodies its vision of being a sure, credible and dynamic company that creates the resources to support good causes.

Every year the company generates and levies money to the state budget, and the state then decides which viable projects to support from the spheres of sport, culture, health, schools, social matters and charity. In 2005 alone this levy to the state accounted for an amount of over SKK 700 million.

Alongside this, TIPOS directly sponsors individual projects that it believes to be of particular worth. Over the previous year 103 projects were chosen, with total funding amounting to SKK 9,965,861.

As you may expect from a nation that loves activity, the majority of these projects were drawn from the field of sport.

01

We put a bet on sport!_

The promotion of the international event LOTOcup belongs to the most significant projects of which TIPOS company has been the advertising partner for a long time.

From 15 to 17 December 2005 a traditional hockey tournament took place in Piešťany where A category World Championship teams of Slovak Republic, Latvia, Switzerland and Canada took part. Thanks to the back up of the TIPOS company the tournament is always very well prepared concerning the perfect organization, excellent players participation and it belongs to the top sport events of the year in Slovakia. Even thanks to the TIPOS company the Slovak fans and the professional public can enjoy the international hockey of the highest level.

In the framework of the TIPOS company's slogan - We put a bet on sport - the cooperation with the National Tennis Center belongs to the significant one, this mutual cooperation has a long term character. We are the one of the main advertising partner of NTC where the young promising players of this, in Slovakia, successful sport are brought up.

Despite that TIPOS supports the international tennis tournaments as well.

ATP Tatrabanka Open - the tournament took place from 7 to 13 November 2005 and all Slovak tennis top players met the leading world tennis stars there

The international tournament TIPOS CUP for juniors EJT up to 14 age took place from 23 to 29 May also with the support of our company.

From 31 August to 4 September last year TIPOS supported another prominent sport event - the most important bicycling race - 59th year Around Slovakia. In five stages there were 177 racers competing from 16 teams and from 13 countries. Tipos supplied the competition with the pink T-shirt with the company's logo for the most active racer.

'Banskobystrická latka' competition associates with the name of the TIPOS company as well, where during the 12th year there were plenty of the world top high jumpers. Last year 'Banskobystrická latka' was the second best estimated hall high jump meeting in the world in 2005.

The TIPOS company was the general partner of the World Cup in ski alpinism which also belongs to the world famous events in the Low Tatras This competition took place from 2 to 3 April 2005.

Except above mentioned events TIPOS supports talented sportsmen also individually. Long-term cooperation is here with the mountain biker Janka Števková - multiple champion of Slovakia in MTB XC biker.

We can be proud of the sponsoring of the ŠKP Štrbské Pleso there are successful ski runners, representatives of Slovakia, Martin Bajčičák and Ivan Bátory - both represented our country at the Winter Olympic Games in Italy in Turino.

02

We support culture_

As a main advertising partner we supported traditionally the 15th year of the international recognized photography festival the Month of Photography - the biggest of its kind in the Middle and East Europe. The festival provides the opportunities to compare the local production with the actual world scene. Every year more than 100,000 visitors take part.

From 2 to 10 December our company sponsored the 7th year of the International Film Festival in Bratislava which took place in the Palace Cinemas in Aupark. There were well known actors George Clooney or Liev Schreiber between awarded people. During the 7th International Film Festival in Bratislava, in seven cinemas of the Palace Cinemas in Aupark Bratislava, they showed in total 179 moving pictures, 11 documentaries, 14 medium and 42 short pictures, 23 thousands of viewers participated in 263 festival projections.

03

We erase the differences_

TIPOS helps to erase the differences between health population and disadvantaged population in the grant project together with the Foundation for the children of Slovakia. The Foundation for the children of Slovakia is understood as a guarantee and executor of the transparent and effective usage of the financial resources that are provided by the TIPOS company from the ticket lottery proceeds. The grant program 'We Erase the Differences' is designated to the organizations that work with physically or mentally ill children or young people. The year 2003 can be considered as the beginning of our cooperation with the grant program 'We Erase the Differences'. In 2003 our company provided for the Foundation of the children of Slovakia the financial gift in the total amount of SKK 1.000,000 and 10 organizations were benefiting by that. Also in 2005 we gave support to our vision 'to erase the differences' between health and disadvantaged population because we understand that they are the organic part of us. We believe that also disabled children are able to educate and are able to develop themselves. Investment into the development of their basic skills is aimed to their independence and comfortable life. That's why also in 2005 the programs for the development of living skills of young disabled people were supported with the amount of SKK 300,000 from the "Ruku na to" lottery proceeds. To help the organizations that work with disabled and ill children and the young people the TIPOS company granted the amount of SKK 500,000 from Christmas lottery 2005 (Vianočná lotéria) proceeds.

The TIPOS company has contributed up to now to the grant program. 'We Erase the Differences' in total amount of SKK 2,200,000 from the selected ticket issues.

03_our people and where they fit

managing bodies of the company and organisational structure_

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General Meeting_



05



03



01



02

04

Board of Directors_

In 2005 the Board of Directors was composed as follows:

Chairman of the Board of Directors_
Ing. Stanislav Žiačík (01)

Vice Chairman of the Board of Directors_
Ing. Ivan Jaroš (02)

Members_
Štefan Dobák (03)
Ing. Milan Homola (04)
Ing. Juraj Laurinc (05)

Supervisory Board_



04

01

05

02

03

Supervisory Board_

In 2005 the Supervisory Board was composed as follows:

Chairman of the Supervisory Board_
Ing Peter Malík (01)

Members_

Ján Murgaš (02)

Petr Papanek (03)

Mgr. Miloš Prelec (04)

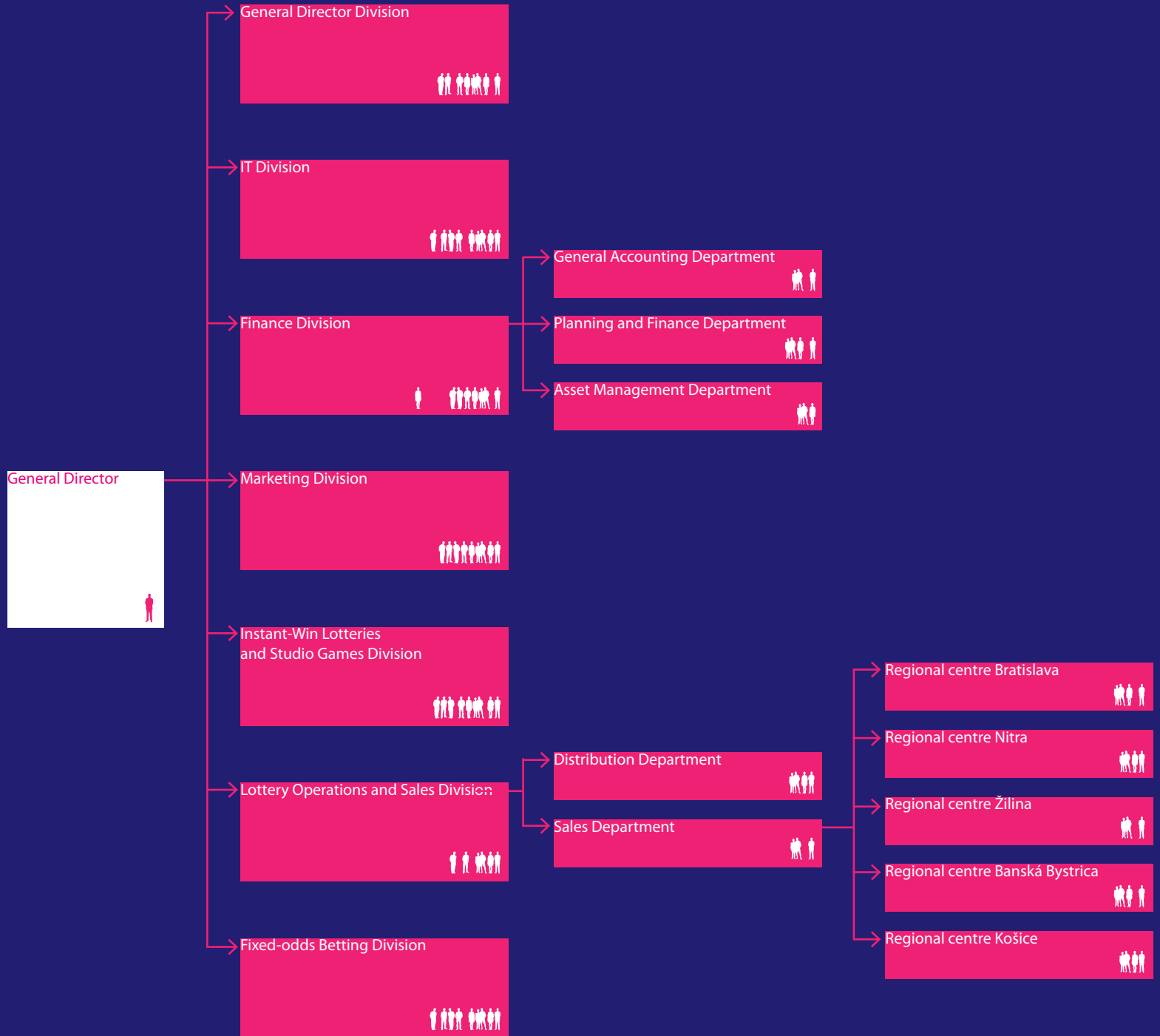
Ing. Miroslav Marek (05)



Organisational structure_



In 2005 was the organisational structure of the company as follows:



04_the events that shaped our year

overview of the most significant events in 2005_

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01

General Meetings

The Ministry of Finance of the Slovak Republic approved the locality for building the residence of the company TIPOS and further procedure of the project preparation and contracts regarding the company residence by the decision executed in the force of the General Meeting of the company Tipos, Inc. on 7th March 2005.

XXXVIII General Meeting of the company held on 28 April 2005 approved the regular financial statements for 2005, settlement of loss in full amount and annual report for 2004.

XXXIX General Meeting of the company held on 22 June 2005 approved the consolidated financial statements of the company for 2004, consolidated annual report for 2004, transformation of the company into the national lottery company and the proposal to divide the retained profits.

The Ministry of Finance of the Slovak Republic by the decision, executed in force of the General Meeting of the company TIPOS, national lottery company, Inc. on 24 August 2005 approved the purchase of 100% shares of the company ŠPORTKA-PLUS, Inc.

The Ministry of Finance of the Slovak Republic made the decision, executed in force of the General Meeting of the company TIPOS, national lottery company, Inc. on 23 March 2005 about approval to provide the loan for the company ŠPORTKA-PLUS with the aim to guarantee the fixed-odds bettings.

The Ministry of Finance of the Slovak Republic made the decision, executed in force of the General Meeting of the company TIPOS, national lottery company, Inc. on 1 December 2005 about widening the scope of business activities of the company and consequently about the changes of the company articles.

02

Changes in legislature

New Act of the National Council of the Slovak Republic No 171/2005 Coll. on gambling games, the change and amendments of some Acts (coming into force since 1 July 2005) significantly influenced the whole Slovak gambling market in 2005. It brought changes in all areas of this segment concerning the new definitions of the types and kinds of gambling games, new ways and system of conditions for granting an individual licence to corporate business entity for the operating the business (general and individual state and common licences), changes in execution of the state regulations and state supervision, determining the notion of the state lotteries and the company TIPOS as the national lottery company, new defined levy and tax duties resulting from the operation of gambles on the territory of the Slovak Republic.

03

Within the Lottery Operations and Sales Division



Ing. Milan Homola
Director of Lottery Operations
and Sales Division

Both sales nets of the company for accepting the wagers and paying out the winnings - net of on-line sales outlets and Internet - recorded in 2005 dynamic changes in quantity and quality. Strategical intentions of the company towards more effective, comfortable and safer player's participation in lotteries were fulfilled successfully by building up of two parallel independent commercial channels and this created assumptions for huge possibilities of growth of the company and provided the obvious competitive advantage on the gaming market.

The number of active terminals and new sales outlets rapidly increased due to on-line technology terminals in the net of sales outlets - up to almost 1 700 terminals and 1 667 sales outlets. By active searching, choosing, estimating and taking care of the sales outlets the sales net of

TIPOS outlets via the agents is becoming the biggest sales net in Slovakia and at the same time the only one which is communicating in the real time. Also during 2005 due to the organizational measures and changes in the logistic systems we continuously succeeded in improving the quality of provided services for all the sales outlets, i.e. technical service at terminals (90 % of all HOT LINE solved in 2 hours), supply and distribution of materials and all services that are needed for selling self-products.

The Internet technology of accepting the wagers recorded in 2005 extraordinary speed of the growth and quality. Per Internet in 2005 was accepted into gambles in total almost SKK 250 million that accounts for 6.6% of all sales revenues from gambling games. All relevant commercial banks in Slovakia offer their on-line services for players at the Internet registered payment portal of TIPOS and enable them comfortable, safe and cheap payments relating to their participation in all Internet games of TIPOS. At the same time the playing and managing portal is regularly updated of new SW items and in this way it gives to the company TIPOS wide potential on website with great number of types and kinds of games with unlimited possibilities.

Innovations in 2005 had affect on the number lotteries as well by launching DRAW BREAK item by which it is possible to accept wagers for the following draws even on the drawing day of the winning numbers immediately after 15 minute drawing break. Except above mentioned also the SW adjustments were made in the sales accounting with the agents (electronic invoicing) and other continuous changes.

In non-lottery products after difficult and long lasted negotiations in 36th week we managed to launch into an active operation the recharging of PRIMA credits per on-line terminals by direct cash payments. In this way TIPOS provides advance payments for recharging the telephone SIM cards also for the second mobile operator in Slovakia for the company Orange Slovensko, Inc.

04 Within the Finance Division



Ing. Katarína Janoková
Director of Finance Division

There were lot of legislative changes in tax law in 2005 especially concerning VAT and income tax. The changes occurred in the Act on accounting in respect to approaching the EU laws, in the Act on health and social insurance, in the Act on lotteries and in other laws. These restatements brought continuous inspection and change of user's programs.

There were changes in the sphere of planning and analyses in comparison with 2004. Term for submitting the estimation was changed from quarter a year into one month. Required form of estimations consequently resulted into the strong program changes of software solution.

The ticket lotteries product required the complete package of changes and amendments. The new game menu of games launching in 2005 required to create a special procedure of accounting their specialties. It concerned especially instant win lotteries with studio games. The requirement to make active draws real for their actual sale gave rise to a new procedure of accounting at instant win lotteries After launching on-line sale through the regional centers the registration of ticket selling was adjusted for an actual sale resulting into the strong interference into the program equipment as well as the change of accounting method. Before this adjustment the physical inventory of all the tickets in the customs warehouse and also sales stock had been done and new checking system had been introduced in cooperation with the Instant Win Lotteries Division. Above mentioned changes affected into doubling the cashiers in the regional centers and bigger demand for an initial registration of cashier operations, their accounting and checking the economy of the regional centers.

In the sphere of Internet games the significant break was the introduction of the Internet wagers on the market. The overall impact of Internet games brought the increased amount of the bank statements from all banks. The increase of the bank operations required telebanking product of better quality which was introduced in the second half of 2005 and it made faster the processing of settlement dispositions.

At the end of a year the Division was strongly influenced by the purchase of the shares by which the company gained the share in the basic capital of the company TIPKURZ, Inc. On the base of the agency contract, the contract on cooperation the Division provided for the mentioned company the processing of the accounts and it guided and provided the conversion of accounting from previous system into the system used by the TIPOS company.

During the course of a year the Division cooperated with the suppliers who provided the protection, maintenance, repairment of property, its insurance and work safety. During the all year long the building administration was performed via administrator and the reception as well as the protection of the building was secured.

Permanent attention has been devoted to the preparation of the consolidated financial statements for 2005 according to the international financial reporting standards (IFRS) applicable for the European Union. In 2005 Tipos has used the IFRS applicable for the EU for the first time.

05 Within the IT Division



Mgr. Miloš Prelec
Director of IT Division

Division of IT has a status of 'serving' division in the hierarchy of the company. It provides the operation of all firm hardware and software infrastructure and at the same time it participates in the development of new products that relate with new technologies. It also provides the service, setting up and maintenance of drawing equipments.

The most important event in 2005 was certainly the launching of the Internet wagers on sport events per Internet in January. This event logically followed after launching the Internet portal in autumn 2004. Consequently during all the year the development and analytical work was going on to built another Internet portal for acceptance of wagers – game e-Klub. Keno, Internet casino and new system for acceptance of wagers per mobile technologies. All of

these products will be launched into the actual operations in the first half of 2006.

Today taking care of – so called hot line- belongs to the running the Internet portal for over 15,000 players. This service is provided by IT Division per telephone line as well as per e-mails.

When we look at 2005 we cannot forget never-ending development of Internet information system of the company. We launched new products, new ways of sale, the content of work at the regional centers was changed. All that naturally resulted in the need of broadening the hardware and software equipment and building communication technologies.

The significant part of work of IT Division is taking care of the Internet information company page – which is in continuous movement. Some products appear some of them disappear. We constantly try to update the page and bring still new information for betting public.

Every day we can watch on television the record of drawing the number lotteries by air-mechanical drawing machines VENUS and TOPAZE. IT Division even looks after the technical conditions and proper working of these machines. Daily regularity and impossibility to "put off" the drawing requires this work to be done responsibly and precisely.

06

Within the Instant Win Lotteries and Studio Games Division



Mgr. Dáša Kubovičová
Director of Instant Win Lotteries
and Studio Games Division

We can consider 2005 as a historical break concerning the operation of instant win lotteries. The amendment of the Act on gambles, by decreasing the tax payment duty, made possible to consider about increasing the total shares in prizes and the product became more attractive and demanded for players.

Last year we managed to stop several years decreasing trend of ticket sale by gradual spreading of sales outlets, by introducing the new form of commission sale at the stable sales outlets without terminal, by decreasing the costs for ticket production and this can be regarded as a successful thing.

Last year we introduced on the market 5 new issues of instant win lotteries in total volume of 31 million pieces of issued tickets. At the beginning of January new ticket lottery KENO with nominal price SKK 10, issued volume of 7 million pieces and 50% total share in winnings

occurred on the market. Simple game structure which stems from successful number lottery KENO 10 offered the possibility to gain new potential of players buying tickets.

At the beginning of May we launched another instant win lottery named ČAROVNÁ SKRINKA (magic box) with issued volume of 5 million pieces with nominal price SKK 20. The strongest point of this form we can consider the setting up one of the highest share in winnings in the amount of 55 % related to high winning probability in low level winning categories.

In May last year we went on with another series one of our company's most successful ticket product which creates the basic portfolio of ticket lotteries- ŠŤASTNÁ 7 (Lucky 7). Despite the fact that this is the seventh mutation of this lottery it is very favourable not only among players but also among sellers.

An important managerial decision was the decision to continue the broadcast and as well the sale of issued tickets ZLATÉ VAJCE (Golden Egg). A successful television show has been attractive for more than a year and the lottery Zlate vajce ranks in term of sale in its category of ticket product with a studio game amongst the most successful lotteries ever.

In the middle of August we issued on market an instant win lottery with additional television game RUKU NA TO with nominal price for a ticket SKK 30 with issued volume of 8 million pieces and share in winnings so far 50%. The game was showed by public television in the main time and for the first time we guaranteed in each studio game the highest possible winning so far SKK 5 million.

Instant win lottery 'Ruku na to' was significant for society in light of its vision and the basic mission to support the good things. In the framework of the long-term cooperation with the Foundation for the children of Slovakia part of the lottery proceeds aimed per the grant program 'We Erase the Differences' to support the disabled children.

Also the part of proceeds of the traditional ticket issue Vianočná lotéria 2005 (Christmas lottery) with nominal price SKK 100, issued volume of 1 million pieces and share in winnings – record 67% was dedicated to above-mentioned project. Except common instant winnings the ticket contained even a new bonus item – each issued ticket of Vianočná lotéria referred to the project "We Erase the Differences".

07

Within the Internet Betting Division (of fixed-odds bettings in 2005)



Ing. Ivan Jaroš
Director of Internet Betting Division

One of the most important strategic decisions of the company was the implementation of the Internet betting on the sport events. After brief testing operation, the regular operation started on 11 January 2005 and the Tipos company became the first in the rank of Internet sport betting in Slovakia. This Internet game became Slovak historical speciality due to its unique technology and with its modern units it represents a speciality from the European point of view. In the framework of development we managed to create the advanced software solution for accepting the wagers and the part of this are the important protecting and safety units. We provide the multiple protection – by the unique

user name and password, by the unique PIN code which is used by a player at each transaction. The players, after registration at the portal, have wide payment possibilities – all available Internet banking –VUB, Tatra bank, Slovak Savings, Unibanka, Post Bank, SMS payments per T-Mobile, payments via credit cards VISA/Master Card. The level of wagers reached the amount of SKK 220 million.

The statistics about the prizes during the year in the Internet betting room are more than interesting. The highest winning on one bet reached the amount of SKK 136,612. The most winning bets per one-player accounts for 2,770 and the highest odds of winning was 3,160.

The Internet betting on www.tipos.sk provide for its customers a wide offer of betting events what accounts for so far 1,500 – 2,000 of betting opportunities per week. Another benefit is betting without operating fee, quick bets evaluation, long daily operating time, statistic service and live score, attractive competitions for players and rich content of the page.

We achieved a very good yearly standard of newly registered players by the suitable promotion and marketing activities. Today we are proud of thousands of permanent players whom we guarantee the entertainment of sport betting with the same advantages like the other operators can provide in our country and also in the world.

08

Within the Marketing Division



Viera Krúpová
Marketing Director

The marketing strategy in 2005 followed two basic goals. The first one focused on the promotion of the basic products of the company and on the introduction of new things on the lottery market. The second one focused on the improving the image of the company which profiles itself as a credible, professional and dynamic one.

The most favourable number lottery in Slovakia LOTO noted several records last year. The first half of a year was affected by record jackpots and related record wagers. At the beginning of a year a record prize of over SKK 64 million was paid out. Following cumulation of 20 weeks jackpot in second draw brought the highest prize ever in the history of the company paid out to the only one winner – over SKK 90 million. In the second half of a year

there were more jackpots broken but despite that we managed to stabilize weekly wagers around SKK 20 million. It was done mainly due to the strong communicating strategy towards the media bringing the LOTO game into the natural topic of discussions not only in mass media but even among wide playing public. The awareness of LOTO is still increasing and in 2005 it reached so far 89 %.

The number lottery Euromillions has been on the gambling market only for a short time. The target of the campaign in 2005 with the stress on the main lottery benefits was to stabilize Euromillions on Slovak market and to increase the awareness of this mark among players. We accomplished the aim and the awareness of this game increased year-on-year by 12 % points.

In elapsed time the ticket lotteries recorded rather stagnation up to the slight decrease of sale. Marketing promotion of this product aimed to the several points with the goal to stop the negative decreasing tendency. The particular implementation of the marketing promotion was an effort to distinguish clearly the individual issues on the market, to promote new forms of the sale of ticket products, to associate this products with the support of the good things- in the form of the program ' We Erase the Differences' and to support the disabled children by giving the part of the lottery proceeds to the Foundation for the children of Slovakia .

The substantial part of marketing activities in 2005 focused on the Internet betting – mainly to support game rooms - e-tip - betting number lotteries on-line, e-odds – guessing on sport results. The united registration and payment portal with specially programmed marketing module enabled detailed analysis of players and direct communication with them. Despite that the special timing campaigns were launched to promote the particular products. We met the strategical goals- the regular monthly increase of sales and to gain the substantial base of the regular players.

In 2005 we managed to stabilize the basic standards of the company. New design of the company was implemented and it was reflected significantly at the sales outlets of the company. The strategy of the company to optimize the sales net was improved by marketing procedures. Continuous labelling the sales outlets by obvious unifying elements and filling up the interior of sales outlets with advertisements were aiming to make the company visible and friendly towards the customers.

2006

05_a measure of our performance

report of the board of directors on the results for 2005_

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01

Business policy

In 2005 another phase of widening the number of sales outlets and their approaching to players was completed. At the same time the quality parameters of the particular sales outlets increased from the point of their sales profitability, type, structure and opening hours. This fact is supported by the status indicators of the sales network as it is showed in the table:

Status indicators of sales network of on line sales outlets

	↓ Number of active terminals as of week 52 of 2005	↓ Number of active terminals as of week 52 of 2004
Number of active terminals	1 697	1 490
Number of active sales outlets	1 667	1 420
Number of active agents	1 251	840
Terminals with access to KLUB KENO game	1 268	988
Terminals with access to ŽREBY ON-LINE (ON-LINE TICKETS)	1 600	1 390
Terminals with option of recharging telephone card EASY	1 697	1 490
Terminals with option of recharging telephone card PRIMA	1 697	0
Terminals with access to FIXED-ODDS BETTING*	252	249

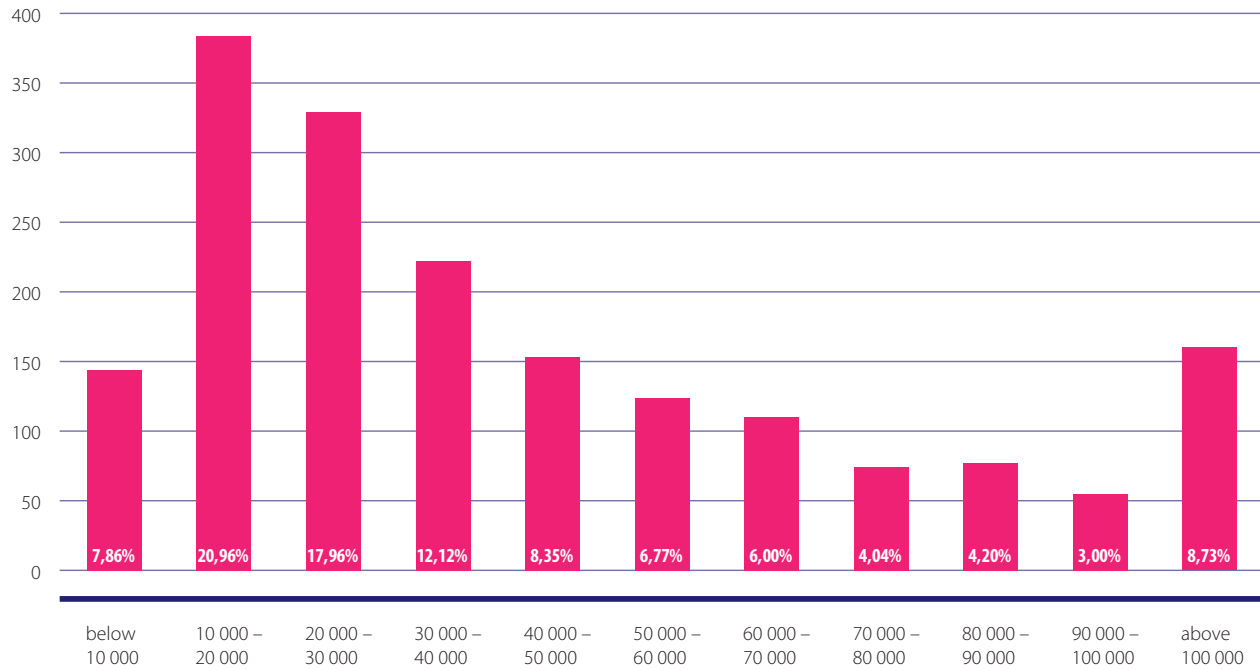
*FIXED-ODDS BETTING game is not operated by TIPOS company Inc.

The overall effective activities of sales outlets and terminals in 2005 was mainly the result of the absolute increase of lottery and non-lottery sales (recharging of credits) altogether. An average yearly sales per active week and active terminal increased against the previous year by over SKK 4,000. Total number of active weeks when terminals were working increased as well. The number of terminals, with more than SKK 100,000 average sales per week and the number of low effective terminals dropped by 30.

↓ Indicator	↓ 2005	↓ 2004
Active terminals in the course of the year	1 832	1 722
Active terminal-week in the course of the year	83 217	79 016
An average sales per active week and active terminal in SKK (products together)	45 216	41 215
Terminals with an average weekly sales SKK 100,000 and more	160	109
Terminals with an average weekly sales SKK 100,000 and less	144	174

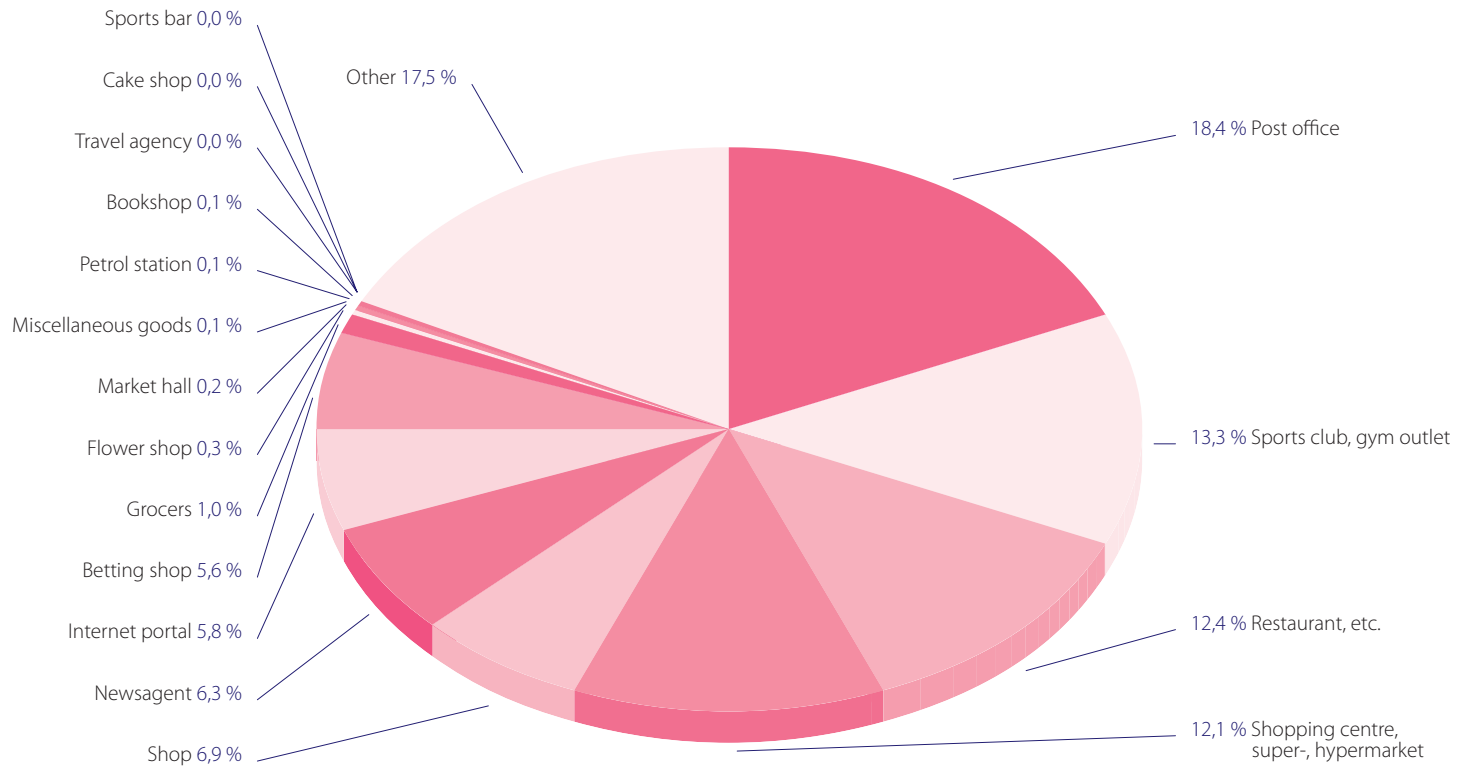
Histogram of terminal efficiency in 2005

Number of terminals by average weekly receipts in SKK



From the type structure point of view concerning the on-line sales outlets the positive tendency of the diversification of sales revenues into more different types of sales outlets continued in 2005. Market share of post offices sharply fell down and represents 18.4% share. Shares of super- and hypermarkets, restaurants and bars as well as other traditional outlets of TJ and ŠK remained at 12 up to 13% share in total sales revenues. Share of sales revenues in the sales outlets of betting agencies, operators of fixed-odds bettings, in outlets such as news agent's and retail shops in small local places is slightly rising. In this year the sales outlets were spreading into small villages with population of 1,500 - 2,000 inhabitants. Total number of the on-line sales outlets in Slovakia nowadays accounts for 3,187 inhabitants per one active terminal.

Terminal effectiveness histogram for 2005



The company had the agency contract concluded with 1,251 legal entities and natural persons at the end of 2005. The number of agents with three and more terminals stayed at number 64. Positive development in terms of sales diversification is concerning the number of agents operating only in one on-line sales outlets (842) and their total sales revenues accounts for 32% share in total sales revenues. There is continuous growth of the interest in access to KLUB KENO game in the agents' sales outlets and as well the total number of on-line sales outlets selling scratch tickets is ongoing.

The most important agent and long term business partner operating the sales outlets is the Slovak Post Office, Inc, Banska Bystrica with 335 terminals all over Slovakia. Despite the stable number of terminals the Slovak Post Office noted for already second year the growth of sales revenues in absolute expression and lottery sales reached over SKK 663 million and non-lottery sales over SKK 63 million. The total share of Slovak Post Office in total sales revenues per year is dropping permanently from 20% in 2004 to 18.5% this year. The market share in selling the scratch tickets still reaches the limit 53%.

The other agents recorded the growth against the previous year particularly in all lottery and non-lottery sales and the FORMULA-tip, Ltd., was the most obvious. The permanent decrease of sales occurs with the agent LOTOS, Ltd.

The total volume of the agency fee paid out to the agents for lottery and non-lottery operations per year accounted for the amount of SKK 325,753 million.

Top 15 Agents According to Annual Sales of Lotteries and Non-lotteries Together:

Rank	Agent	Sales products together in SKK	share in sales TIPoS together	average for active week and terminal in SKK	Sales of lottery products in SKK	Sales of non-lottery products in SKK	Number of active terminals in a year
1.	SLOVENSKÁ POŠTA. Inc.	786 861 057	19.5%	45 233	714 985 517	71 875 540	335
2.	FORMULA - tip. Ltd.	179 757 860	4.5%	47 855	161 881 620	17 876 240	76
3.	ŠPORTKA PLUS.Inc.	179 515 874	4.4%	67 673	160 730 254	18 785 620	52
4.	GECO TABAK. Ltd.	86 589 916	2.1%	101 005	75 150 236	11 439 680	17
5.	DOMINO L&K Ltd.	73 832 268	1.8%	129 077	65 489 148	8 343 120	11
6.	KÜRTHYOVÁ MAGDALÉNA	51 443 284	1.3%	85 003	45 925 584	5 517 700	12
7.	V-TIP. Ltd.	51 107 069	1.3%	126 719	46 586 459	4 520 610	8
8.	ŠK MOTOTURISTA KOŠICE	47 443 364	1.2%	76 031	43 280 934	4 162 430	12
9.	BARCZI. spol. Ltd.	36 318 078	0.9%	64 551	31 722 118	4 595 960	12
10.	ŠK ELTRON KOŠICE	31 935 235	0.8%	63 519	29 164 305	2 770 930	10
11.	KSTL 91 BANSKÁ BYSTRICA	31 520 594	0.8%	75 771	27 994 554	3 526 040	8
12.	TJ LOKOMOTÍVA KOŠICE	30 336 333	0.8%	72 924	28 289 303	2 047 030	8
13.	ŠK KARPATY BRATISLAVA	29 746 197	0.7%	81 720	24 983 167	4 763 030	7
14.	TJ DRUŽBA PIEŠŤANY	29 127 470	0.7%	70 018	27 375 440	1 752 030	8
15.	MACEGA MILOŠ. Ing. M+M	26 442 236	0.7%	90 912	23 506 136	2 936 100	6

Top 15 Agents According to Average Sales per Active Week and Active Terminal:

Rank	Agent	Average sales per active week and active terminal			Sales products together in SKK	Number of active terminals in a year
		From sales of products together	From lottery sales	From non-lottery sales		
1.	COOP Jednota Bratislava. SD	219 321	175 073	44 248	11 404 694	1
2.	AKADEMIK TECHNICKÁ UNIVERZITA	169 699	160 788	8 911	17 648 717	2
3.	BARUS PETER	160 617	139 615	21 002	8 352 081	1
4.	SCHLEIFER Roland - ROLANDO	160 459	145 005	15 454	16 687 725	2
5.	TJ AC NITRA	152 392	115 622	36 771	15 848 792	2
6.	TJ RAPID BRATISLAVA	148 062	141 117	6 945	23 097 641	3
7.	SLÁVIA ŽILINSKÁ UNIVERZITA	146 895	135 187	11 708	7 638 561	1
8.	HORVÁTH Péter	144 767	125 787	18 979	7 527 866	1
9.	DEPEŠ VLADIMÍR	142 372	131 625	10 747	7 403 343	1
10.	TJ STROJÁR MALACKY	138 824	128 506	10 319	14 437 713	2
11.	MRÁZOVÁ Mária	138 467	130 202	8 265	7 200 261	1
12.	LOTOS. spol. Ltd.	134 828	134 705	123	21 033 183	3
13.	TJ LOKOMOTÍVA VRÚTKY	134 813	126 840	7 972	7 010 251	1
14.	ČAŇOVÁ BEÁTA	134 206	113 507	20 699	13 957 429	2
15.	DOMINO L & K. Ltd.	129 077	114 492	14 586	73 832 268	11

Top 15 Agents According to the Sale of Instant Win Lottery Tickets:

Rank	Agent	Sales from ticket sale together in 2005 in SKK	Sales products together in SKK	Number of active terminals in a year
1.	SLOVENSKÁ POŠTA. Inc.	206 606 000	786 861 057	335
2.	LOTOS. spol. Ltd.	20 861 000	21 033 183	3
3.	ŠPORTKA PLUS. Inc.	9 150 000	179 515 874	52
4.	GECO TABAK. Ltd.	3 794 500	86 589 916	17
5.	MELICHÁRKOVÁ Mária. Mgr. - RIAMEX	3 083 500	3 083 500	1
6.	V-TIP. Ltd.	2 955 500	51 107 069	8
7.	FORMULA - tip. Ltd.	2 865 500	179 757 860	76
8.	A.B.ZRTV Piešťany	2 680 000	17 311 633	3
9.	KÜRTHYOVÁ MAGDALÉNA	2 628 000	51 443 284	12
10.	SUJOVÁ DANA - SMART	2 540 500	16 723 128	4
11.	ŠK KARPATY BRATISLAVA	2 238 500	29 746 197	7
12.	DOMINO L & K. Ltd.	2 202 000	73 832 268	11
13.	SURGÁČ JÁN. Mgr.	1 838 500	16 583 833	3
14.	ŠK ELTRON KOŠICE	1 700 500	31 935 235	10
15.	ŠK MOTOTURISTA KOŠICE	1 625 500	47 443 364	12

From regional point of view the highest sales were in sales outlets in Bratislava, Košice and Nitra region. The overall annual average sales from lotteries and games of TIPOS company through the on-line sales outlets (without Internet) together per one inhabitant accounted for SKK 657 i.e. SKK 112 more than in previous year. The growth of sales was recorded in all regions of Slovakia.

Region of SR	Sales products together in SKK for 2005	Out of that lottery sales in SKK together for 2005	Lottery sales in SKK together for 2004	+/- 2005/2004 in SKK	+/- 2005/2004 in %	Average lottery sales in SKK per inhabitant for 2005
Bratislavský	762 617 405	673 017 135	557 355 719	+ 115 661 416	+ 20.75 %	1 114
Trnavský	492 327 034	439 336 294	362 411 193	+ 76 925 101	+ 21.23 %	793
Trenčiansky	416 464 637	367 843 277	306 683 130	+ 61 160 147	+ 19.94 %	602
Nitriansky	517 859 816	451 544 206	385 413 831	+ 66 130 375	+ 17.16 %	630
Žilinský	417 137 148	361 016 908	307 313 917	+ 53 702 991	+ 17.47 %	518
Banskobystrický	449 405 034	396 672 914	338 376 076	+ 58 296 838	+ 17.23 %	595
Prešovský	438 442 614	378 534 444	333 082 014	+ 45 452 430	+ 13.65 %	476
Košický	543 072 813	490 455 553	414 895 604	+ 75 559 949	+ 18.21 %	637

In terms of lottery and non-lottery sales accepted together according calendar days in on-line sales outlets and per Internet in 2005 was Wednesday the day with the highest sales in a week. Sales on Saturdays and Sundays are permanently growing and their share accounts for over 10% in average weekly sales. This tendency is related to the permanent growth of sales outlets in sales network opened during free days, especially in trade chains, restaurants, bars, clubs and game rooms.

Calendar day in a week	Sales products together in SKK	Share of a day	Lottery sales together in SKK	Share of a day	Sales of recharge in SKK	Share of a day
Monday	602 704 531	14.07 %	517 700 131	13.60 %	85 004 400	17.85 %
Tuesday	645 897 370	15.08 %	566 578 410	14.88 %	79 318 960	16.66 %
Wednesday	887 030 299	20.71 %	806 434 129	21.18 %	80 596 170	16.93 %
Thursday	546 510 900	12.76 %	473 398 240	12.43 %	73 112 660	15.36 %
Friday	744 522 976	17.38 %	653 705 066	17.17 %	90 817 910	19.07 %
Saturday	433 790 597	10.13 %	389 463 107	10.23 %	44 327 490	9.31 %
Sunday	423 613 319	9.89 %	400 674 349	10.52 %	22 938 970	4.82 %

02 Gross wagers

The biggest share in the growth of total lottery sales has the number lottery LOTO. Its wagers done by both technologies of accepting reached the point of SKK 1.559 billion what accounts for annual growth by SKK 532.16 million with extreme year-on-year growth in the history. The wagers of LOTO lottery had been growing fast in last three years and this year it was certainly the fastest. The reason of the growth of LOTO game was the positive development of jackpots. During a year the jackpots reached two maximum limits in the history, at the beginning of 2005 (64 million) and in 23th week (90 million) These attracted the record number of players with high and frequent wagers consequently there were record weekly wagers and record rollover of new jackpots. The result of jackpot 'fewer' was the rise of record prizes reaching the highest points ever in Slovakia. The players interest in LOTO also influenced the wagers into other lotto games (JOCKER, EUROMILOINS). The share of gross wager of lotto games in total gross wager of gambles together reached huge 47%.

2005 was successful even for Keno number lotteries which was proved by the growth of wagers of 5-minute KLUB KENO by over SKK 58 million (+17.8%) and wagers of daily KENO reached the level of the previous year (99.8%). It was acknowledged that lottomania didn't destroy keno lotteries. The main reason of the growth of wagers for KLUB KENO game was caused by the growth of the sales outlets together and by the interest to give access to this dynamic game (+280 sales outlets) and by the opening time of the sales outlets till late hours.

For already second year we have been recording the decrease of wagers of special bingo TIPOS-BINGO. The wagers of this year reached the point of SKK 125.6 million with year-on-year decrease by 23.6%. Except of the negative development of jackpot cumulation (broken 4 times in a year) it seems that the game,

with the regard to the similarity of the potential players of both types of games, was influenced in the negative way also by the lotto fever.

In 2005 we managed to stop the several years fall of wagers of instant win lotteries of scratch tickets together and this year the limit settled down on over SKK 358 million at the total sale of over 21 million pieces of scratch tickets. The average retail price of one ticket reached SKK 17. The most successful issue of the year was the lottery Zlate vajce (Golden egg) with television game broadcasting by TV Markiza. Traditional issues of Šťastná 7 (Lucky 7) were successful permanently.

We recorded unexpectedly high wagers in Internet games concerning the new Internet game of betting on sport and social events e-KURZ (former TIP-KURZ) In the first year of the launching of this game we reached the wagers at the point of over SKK 220 million. In the second segment of Internet games TIPCLUB the wagers were steadily growing mainly due to the united registration and payment portal for all Internet games.

Generally we can say that 2005 proved that the strategical decisions at the development of the new games had been correct, besides classical type of accepting at the on-line sales outlets also per Internet. The portfolio structure of types and kinds of games with various characteristic features and variety of winnings being able to accept by two standard developed technologies provide the game opportunities for variety of inhabitants and secure the balance of the games from the point of mutual influence, silence the negative influence of accidental development of jackpot and offer every minute of a year some game which in term of high or frequent winnings is worth to play.

Table of Gross Wagers:

Category, type and kind of gamble		Wagers (gross wagers) 2005	Wagers (gross wagers) 2005	2005 to 2004					
				Total in SKK	%				
GAMBLES	LOTTERY GAMES	NUMBER LOTTERY	lotto	LOTO	1 558 986 960	1 026 830 592	+ 532 156 368	151.8%	
				JOKER	91 935 330	64 723 840	+ 27 211 490	142.0%	
				LOTO 5z35	49 044 176	51 879 810	-2 835 634	94.5%	
				EUROMILIÓNY	100 487 600	95 195 920	+ 5 291 680	105.6%	
				keno	KENO 10	654 762 935	630 739 990	+ 24 022 945	103.8%
					KLUB KENO	661 133 250	559 488 290	+ 101 644 960	118.2%
		special bingo	TIPOS BINGO	125 626 025	162 216 850	-36 590 825	77.4%		
		Instant lotteries	STIERACIE ŽREBY	358 426 500	357 814 000	+ 612 500	100.2%		
		INTERNET GAMES	e-KURZ	220 201 470	0				
			TIPCLUB	3 078 795	627 390	+ 2 451 405	490.7%		
		WAGERS OF GAMBLES TOGETHER		3 823 683 041	2 949 516 682	+ 113 938 170	131.4%		

Note: Wagers of instant win lotteries without return revenues from unsold tickets.

An average wager per and inhabitant into all games of the company through the sales outlets and Internet in 2005 reached the point of over SKK 705.



03

Prize pool

In the history of the company 2005 was a record-breaking year in terms of the prize pool and volumes of prizes paid out to players. The biggest volume of paid out prizes during the year had LOTO game where was together paid out over 2,875 million of winnings in overall volume over SKK 801 million. Year-on-year growth of overall volume of winnings paid out in this game(+59.9%) slightly overtook the growth of wagers (+51.8%) due to high jackpot prizes. Successful winnings we recorded also in Keno lotteries where the volumes of paid out prizes increased in both games by SKK 58 million against the previous year High rate of successful prizes was provided by Internet games as a whole, only in e-KURZ game was paid out in 2005 together 147,681 prizes in volume of over SKK 190,201,000 what accounts for 86% of wagers.

In 2005 was paid out in the aggregate together SKK 2.051 billion on prizes in all gambling games of the company.

Record-breaking year from the point of wagers and overall volumes of prizes is shown in the top table of highest prizes paid out to the only one player when first three highest prizes ever in the history were paid out in 2005:

1. **90 297 864,00 Sk** LOTO 2005 23. week - Sunday 2. draw
2. **64 696 874,00 Sk** LOTO 2005 2. week - Sunday 1. draw
3. **59 997 480,00 Sk** LOTO 2005 26. week- Sunday 1. draw

Table of Prize Pool:

				2005 to 2004				
Category type and kind of gamble				Paid prizes 2005	Paid prizes 2004	Total in SKK	%	
GAMBLES	LOTTERY GAMES	NUMBER LOTTERIES	lotto	LOTO	801 374 451	501 027 945	300 346 506	159.95 %
			JOKER	43 172 620	31 082 285	12 090 335	138.90 %	
			LOTO 5z35	24 875 349	25 314 438	-439 089	98.27 %	
			EUROMILIÓNY	35 090 048	32 615 324	2 474 724	107.59 %	
			keno	KENO 10	317 671 475	318 210 190	-538 715	99.83 %
			KLUB KENO	388 526 150	330 154 940	58 371 210	117.68 %	
		special bingo	TIPOS BINGO	69 094 314	105 977 712	-36 883 398	65.20 %	
		Instant lotteries	STIERACIE ŽREBY	179 552 737	183 957 200	-4 404 463	97.61 %	
		INTERNET GAMES	e-KURZ	190 227 730	0	190 227 730		
			TIPCLUB	2 109 055	470 435	1 638 620	448.32 %	
WINS OF GAMBLES TOGETHER				2 051 693 929	1 529 484 469	522 883 460	134.20 %	

Note: Given data in the prize pool are real paid out prizes without allowance of time distinction.

06_how we have grown

economic development of the company_

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01

Overview

In the key indicators the plan for 2005 calculated with the growth of lottery sales by 6.68% in the comparison with the plan for 2004 and with the growth of overall costs by 8.27% at the share of wage expenses accounting for 1.15% of lottery sales. The plan calculated with bigger levy from the proceeds about SKK 14,909,000 compared with plan for 2004, i.e. increasing by 3.12%

The sales revenues of lotteries reached SKK 3,807,106,000 what accounts for a rise by 26.46% against the plan for the lottery sales and a rise by 29.95% in comparison with the real lottery sales in 2004, in absolute terms there is an increase compared with reality of 2004 over SKK 877,414,000.

The revenues of the company accounts for SKK 3,865,775,000, in 2004 accounting for SKK 2,985,365,00 out of that, sales from lotteries are 98.48% of the revenues of the company.

The company costs were higher than the plan in reality by 21.89% compared with 2004 higher by 18.32%, in absolute term there is an increase by SKK 570,201,000 in comparison with 2004. The share of wage expenses in sales from lotteries accounts for 0.79%. The biggest costs are costs for prizes that represent so far 56% of overall costs and 54% of overall sales from lotteries. In absolute terms it is the amount of SKK 2,060,805,000. The generally higher prizes are influenced by announced win premium in terms of game menu and as well by constantly increasing share in gambles with higher prizes.

Levies from lotteries soared 124.09% of the plan for 2005 compared with 2004 were higher by 14.55%. The company settled SKK 611,554,000 in levies from gambling games that represents second biggest item of the costs and accounts for 16% of lottery sales. In 2004 the company settled SKK 533,870,000.

Significant breakpoint in 2005 in comparison with 2004 was the change in levy duties of the company related to the new Act No171/2005 Coll. on gambling games which replaced the Act No. 194/1990 Coll. on lotteries and similar games. The new act came in force on 1 July 2005 and changed basically the enumeration of levies and the fees to the state supervision in the amount of 2% were cancelled. The company for the first time calculated and settled advance payments pursuant to the new Act for the month of July. The whole overview of levies in 2005 is shown in the table below.

Annual settlement of levies from wagers as of: 1 Jan. 2005 – 31 Dec.2005

Code	Type of game	1.1.-30.6.2005	1.7.-31.12.2005	Total
04	Number lotteries			
1	Accepted wagers	1 708 159 122	1 401 623 001	
2	Paid out prizes	867 983 577		
3	Proceeds /base for levy/	840 175 545	1 401 623 001	
4	Levy	285 659 688	238 275 914	523 935 602
5	Levy settlement	285 659 703	238 275 910	523 935 613
6	Levy pursuant to § 42 d /VŠD/	16 803 513	0	16 803 513
7	Levy settlement pursuant to § 42 d /VŠD/	16 803 528	0	16 803 528

Code
↓
Type of game
↓

1.1.-30.6.2005
↓

1.7.-31.12.2005
↓

Total
↓

O5 Instant lotteries

1	Accepted wagers	167 146 510	174 475 330	341 621 840
2	Paid out wins	84 700 081	95 727 656	180 427 737
3	Proceeds /difference/	82 446 429	78 747 674	161 194 103
4	Levy	34 627 501	15 749 535	50 377 036
5	Levy settlement	42 656 695	0	42 656 695
6	Levy pursuant to § 42 d /VŠD/	1 648 929	0	1 648 929
7	Levy settlement pursuant to § 42 d /VŠD/	1 648 938	0	1 648 938

O6 Betting games /special bingo/

1	Accepted wagers	73 842 850	51 545 250	
2	Paid out prizes	43 707 623		
3	Proceeds /base for levy/	30 135 227	51 545 250	
4	Levy	6 629 750	2 061 810	8 691 560
5	Levy settlement	6 629 753	2 061 810	8 691 563
6	Levy pursuant to § 42 d	602 705	0	602 705
7	Levy settlement pursuant to § 42 d	602 708	0	602 708

Betting games /Internet bettings/

1	Accepted wagers	97 686 250	122 515 220	
2	Paid out prizes	83 746 094		
3	Proceeds /base for levy/	13 940 156	122 515 220	
4	Levy	3 485 039	5 513 185	8 998 224
5	Levy settlement	3 485 041	5 513 185	8 998 226
6	Levy pursuant to § 42 d /VŠD/	278 804		278 804
7	Settlement pursuant to § 4 a, par. 1, letter h/ /VŠD/	278 806		278 806

Code ↓ Type of game ↓ 1.1.-30.6.2005 ↓ 1.7.-31.12.2005 ↓ Together ↓

09 Internet games

1	Accepted wagers	1 885 095	1 186 085	3 071 180
2	Paid out wins	1 463 970	881 160	2 345 130
3	Proceeds /difference/	421 125	304 925	726 050
4	Levy	105 282	82 330	187 613
5	Levy settlement	105 288	82 330	187 618
6	Levy pursuant to § 42 d	8 424		8 424
7	Levy settlement pursuant to § 42 d	8 428		8 428

Consumer lotteries pursuant to § 1, par. 3

1	Paid out prizes	150 000	0	150 000
2	Proceeds	150 000	0	150 000
3	Levy pursuant to § 4 a, par. 3	22 500	0	22 500
4	Levy settlement	22 500	0	22 500

From overall duties of the company towards the state resulting from the levies on gambles, VAT tax settled pursuant to § 69 of the Act on VAT without claim of deduction and income tax, TIPOS, Inc., paid by 22% more than in 2004. Total value for the state represents SKK 700,911,000

The income of the company operations – profit in the amount of SKK 148,307,000 is the result which can be considered one of the best ever in the history of the company.

The financial situation of the company is good. The company settled all levy duties against the state, levies from gambles, income tax of dependent activity, income tax of legal entities, deductive tax, insurance and other duties under the law. In similar way all commitments against winners, suppliers, employees and shareholders were fulfilled. The liquidity indicators prove that the company is solvent, financially independent and without loan burden.

The company assets rose by SKK 181,423,00. Non-current assets increased by SKK 35,225,000, current assets increased by SKK 114,140,000 with the greatest growth recorded in financial accounts. Acquisition of long term assets was done in the amount of SKK 62,169,000 compared with 2004 when it was done in the amount of SKK 47,877,000 there is an increase of SKK 14,292,000.

Net assets compared with 2004 increased by SKK 144,487,000 and was influenced mainly by the income of 2005 and settlement of the loss from 2004 which was consequence of the reserve account for taking risk of law-suit.

Liabilities (included reserves) increased by SKK 34,021,000 out of that reserves by SKK 21,549,000 and short term liabilities by SKK 12,559,000.

In 2005 the company shared capital interests in the following companies:

CASINOS SLOVAKIA, Inc., CASINO SLIAČ SLOVAKIA, Inc., in liquidation, CASINO INOVEC, Ltd., TIPKURZ, Inc., (ŠPORTKA-PLUS, Inc.).

Long term financial assets in netto accounts for SKK 68,630,000. In comparison with 2004 this assets increased with regard to obtaining 100% share in the company TIPKURZ, Inc.

02

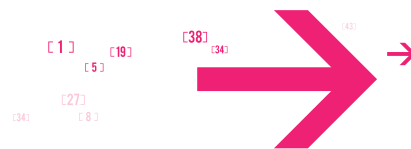
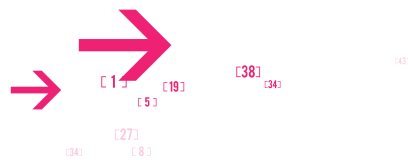
Human Resource and Social Policy

As of 31 December 2005 the company had 96 employees, as of 31 December 2004 there were 85 employees. Since 1 January 2005 21 employees were recruited on full time basis, 11 employees terminated their employment in 2005. The average number of employees for 2005 was 90 employees.

Similarly as in 2004 also in 2005 the company continued to improve the qualification of its employees. On the base of approved plan there were trainings for the top and middle management, trainings for the employees of regional centers, language education for volunteers of TIPOS, Inc. and professional trainings especially in the field of economy.

Regarding to social policy the company proceeded according the approved budget for social fund for 2005. The social funds went mainly to additional pension insurance, to catering of the employees and holiday contribution.

During 2005 there were some social events with motivating and friendly character such as participation in the sport games of the company, in Slovak firm days and mutual Christmas program followed by social party.



03

International cooperation

TIPOS, national lottery company, Inc., took active part in the happenings on the international scene in 2005. The main focus was to present the company TIPOS, Inc., as a dynamic and developing modern company and to cooperate with European lotteries to annotate the EU directives, to work in European and world lottery associations, to educate the company employees in the field of lottery products and to follow the actual happening in the world lottery industry.

The hot topic last year was the ongoing discussion on the ground of the European Commission about the wording of the directive on domestic market services which would bring the liberalization of the market of the gambling games. TIPOS, Inc., supported the opinion of the European lottery association about absolute excluding of gambles from suggested directive. TIPOS, Inc., coordinated its activities in this field with European lottery association.

In 2005 the employees of the company TIPOS, Inc., took part in seminars and events which were organized by World Lottery Association (WLA) and by European Lotteries (EL). The most important was the Marketing Seminar EL/WLA in London, the Meeting of the Directors of Gtech World Lottery Forum in Washington, the Congress EL in Berlin and the Conference EIG in Nice devoted to Internet games.

07_what we do

company products_

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LOTO

Launch date: 15. April 1957

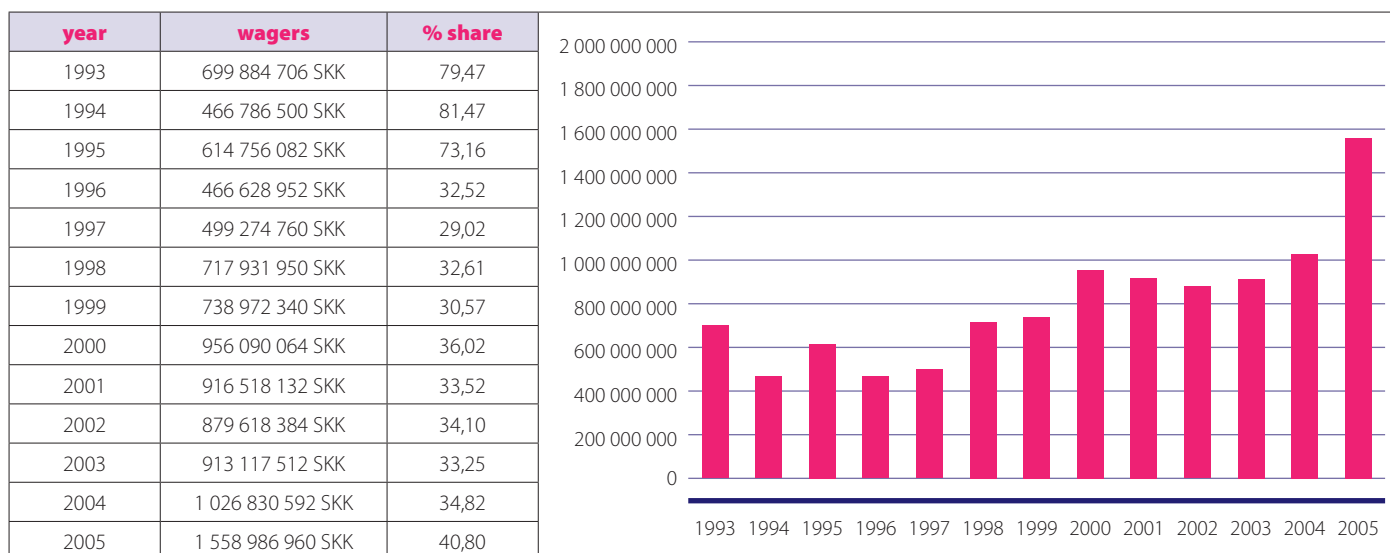
Description of the game:

- number lottery 6 out of 49;
- drawing of winning numbers of 1 and 2 draw is organized 2 times per week on Wednesday and Sunday (up to 27 week 1999 only on Sunday);
- 6 winning numbers are drawn and one additional number out of total 49 numbers;
- the gross wager is a multiple of accepted bets and a price for one bet;
- the bet price of a wager for both 1 and 2 draws (double- bet) is SKK16;
- the prize pool is 50% of the gross wager of given game for particular betting period. It is divided with equal ratio for prize pool for 1 and 2 draw;
- the prize pool is divided into 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 winning category I, into the betting period when the prize in the winning category I is reached. Since 32 week 2000 is jackpot guaranteed in amount of minimum SKK 3,000,000;
- since 1st October 2002 the name of the lottery changed into LOTO;
- since 2003 was introduced the possibility of Premium game relating to winning numbers JOKER
- since November 2004 accepting the bets per Internet

Wagers of the number lottery LOTO (ŠPORTKA) and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1993 – 2005:



JOKER

Launch date: 1992

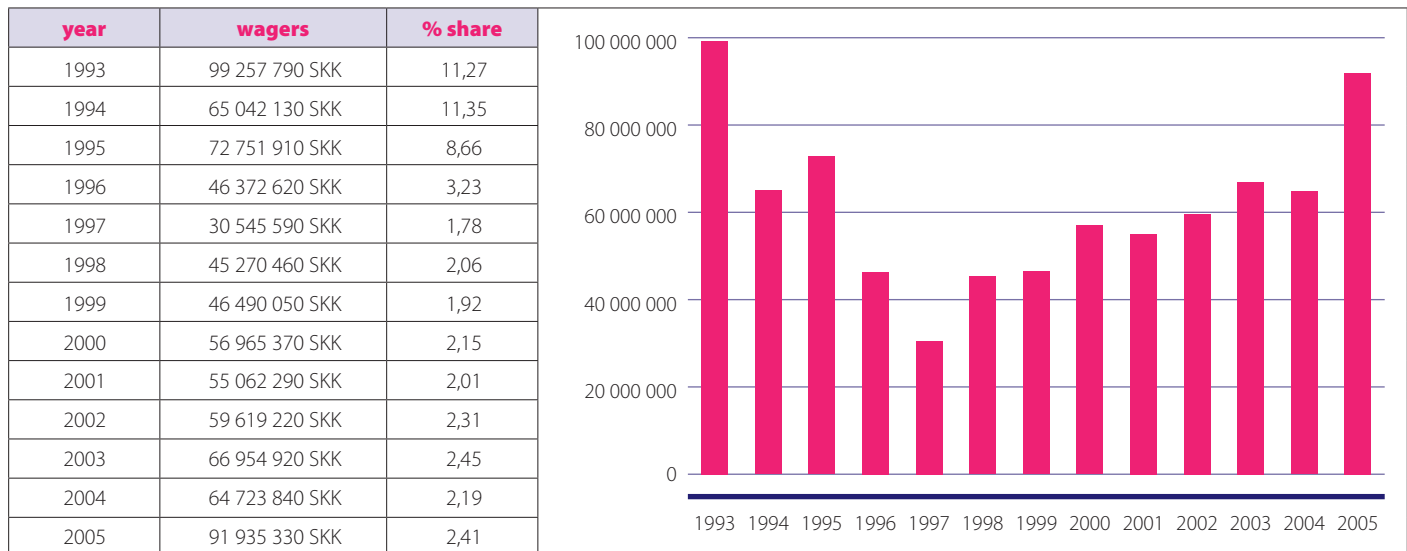
Description of the game:

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

Winning category	Prize
I.	the rest of total sum allocated for prize, minimum SKK 20,000
II.	SKK 100 000,-
III.	SKK 10 000,-
IV.	SKK 1 000,-
V.	SKK 100,-

- JACKPOT – shifting of accumulated funds allocated for winning category I. Into the betting period when the prize in winning category I. is reached;
- since 1 October 2002 the lottery name was changed into JOKER.

Wagers of number lottery JOKER (SANCA) and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1993 – 2005:



LOTO 5 of 35

Launch date: 1967

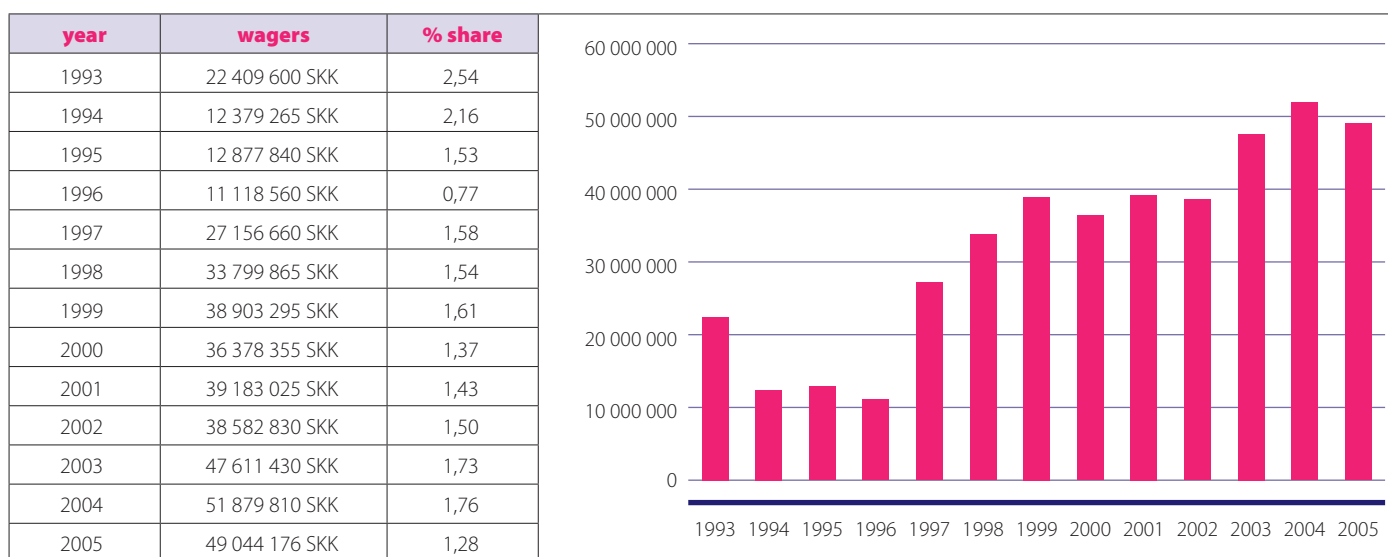
Description of the game:

- number lottery 5 out of 35;
- drawing is organized 1 time per week on Sunday, 5 winning numbers are drawn;
- the gross wager is a multiple of accepted bets and a price of wager for a bet;
- a price of wager for one bet is SKK 8;
- the prize pool is 50% of the gross wager for corresponding betting period;
- the prize pool is divided into winning sums for particular winning categories as follows:

Winning category	Number of matches	Distribution of prize pool
III.	3	Fixed prize SKK 100,-
II.	4	50 % of the rest of prize wager
I.	5	50 % of the rest of prize wager

- JACKPOT – shifting of accumulated funds allocated for winning category I. Into the betting period when the prize in winning category I. is reached;
- since 1 October 2002 the lottery changed its name into LOTO 5 z 35;
- since November 2004 accepting bets per Internet.

Wagers of number lottery LOTO 5 z 35 (MATES) and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1993 – 2005:



KENO 10

Launch date: 20. November 1995

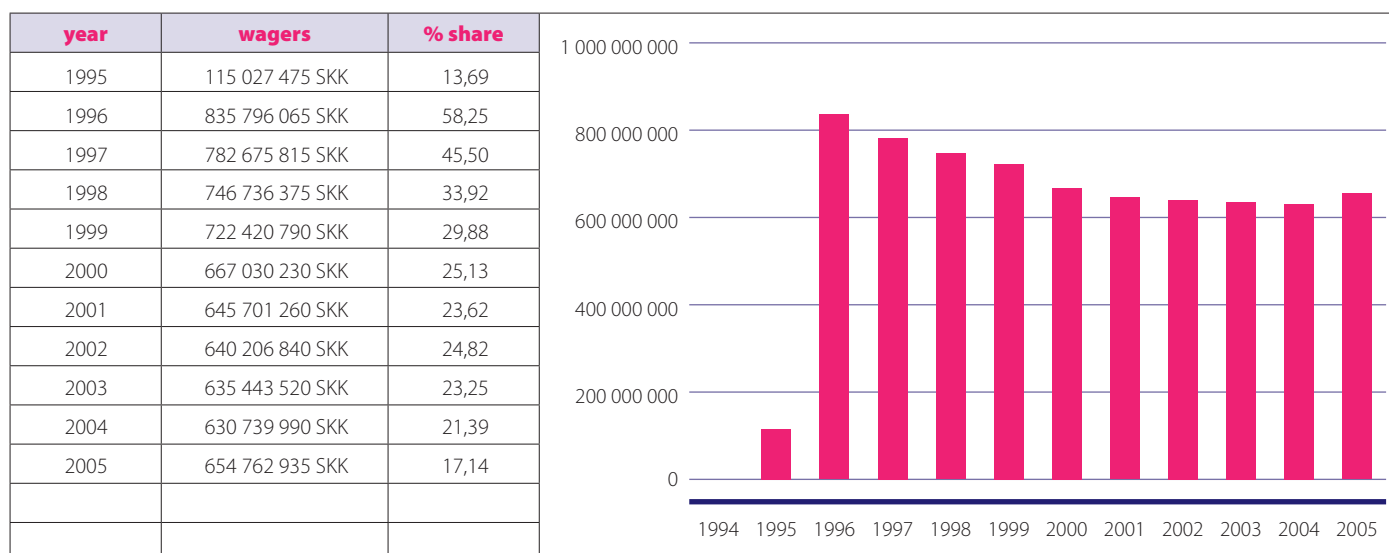
Description of the game:

- number lottery in which player bets 1 -10 numbers out of 80 numbers;
- drawing happens every day in a week (till the end of April 1999 without Sundays), 20 winning numbers are drawn;
- the price of wager is minimum SKK 5,- or its multiples up to maximum SKK 100,-
- the prize is given by the combination of the count of bet numbers, the count of matches and the amount of wager;
- since November 2004 accepting bets per Internet.

Prize table:

The count of matches	The count of bet numbers									
	10	9	8	7	6	5	4	3	2	1
10	200 000x									
9	10 000x	50 000x								
8	500x	2 000x	20 000x							
7	20x	200x	400x	4 000x						
6	10x	20x	40x	100x	600x					
5	3x	3x	4x	10x	20x	200x				
4			1x	2x	2x	16x	50x			
3					1x	2x	8x	16x		
2								2x	8x	
1										2x
0	1x	1x	1x	1x	1x					

Wagers of number lottery KENO 10 and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1995 – 2005:



KLUB KENO

Launch date: 6. October 1997

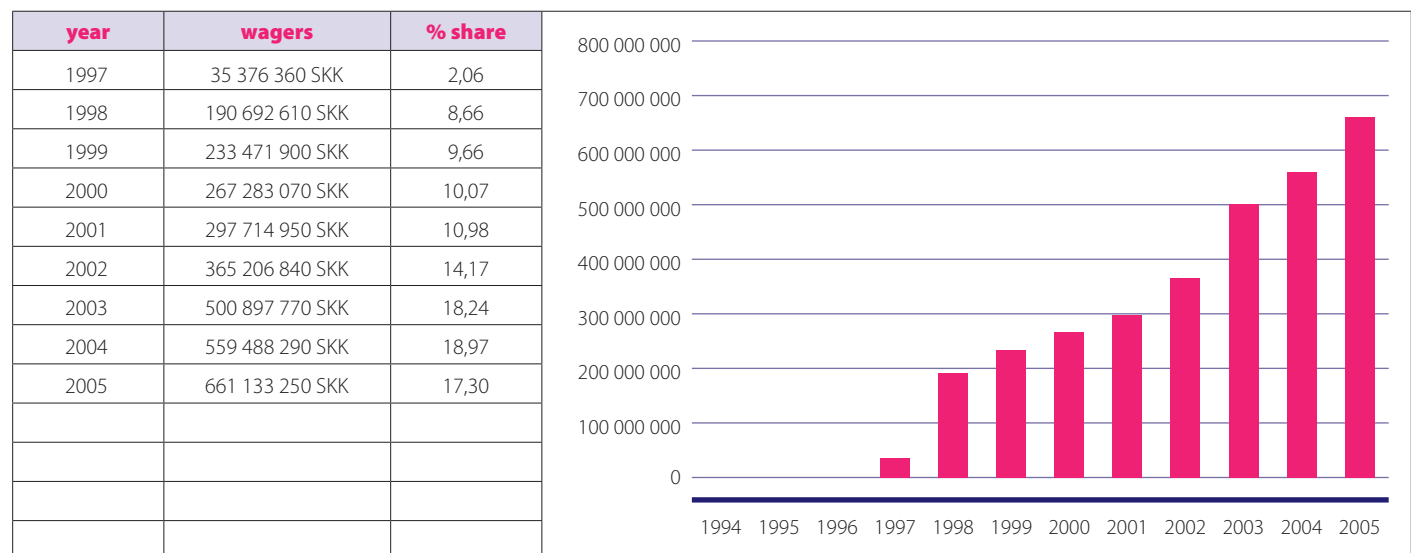
Description of the game:

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

Prize table:

The count of matches	The count 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 of number lottery KLUB KENO and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1997 – 2005:



TIPOS BINGO

Launch date: 24. October 1996

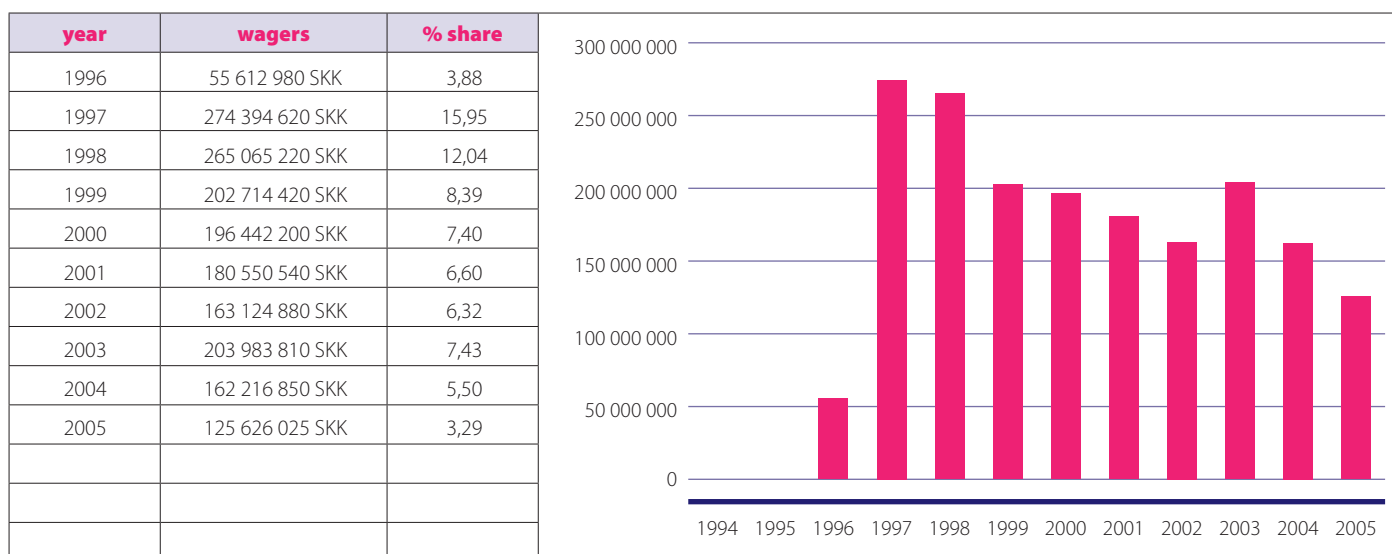
Description of the game:

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

Winning 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 %

- JACKPOT is transferred to the next week in a case that nobody wins and stop ball for Jackpot is stabile as 48th selected number in order (till 16 week of 200 the ball was moveable).

Wagers of betting game TIPOS BINGO and its percentage share in total wagers of games of the company TIPOS, Inc., in years 1996 – 2005:



01

Instant Win Lotteries

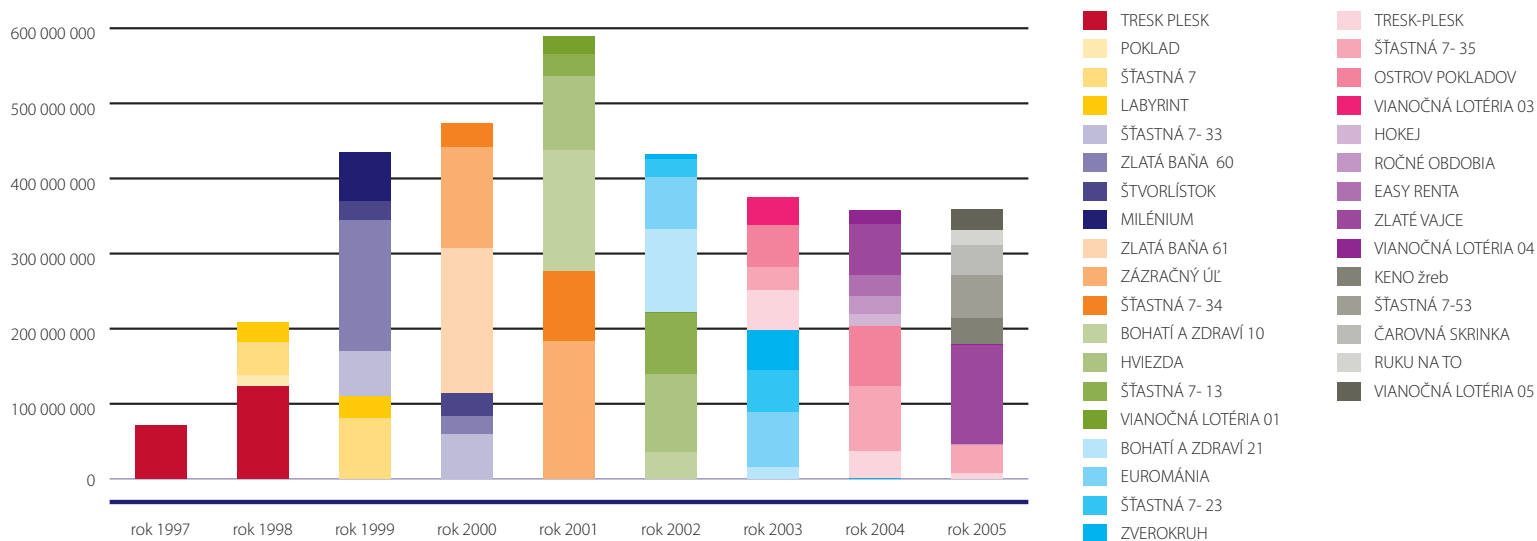
The issues of instant win lotteries being sold in the course of a year 2005 (old issues): TRESK-PLESK (BOOM-BANG), ŠŤASTNÁ 7 - 35 (LUCKY 7 - 35), ROČNÉ OBDOBIA (FOUR SEASONS), VIANOČNÁ lotéria 2004 (CHRISTMAS lottery 2004) and ZLATÉ VAJCE(GOLDEN EGG).

The issues of instant win lotteries with launching in 2005 (new issues) in time consequence: KENO, ČAROVNÁ SKRINKA (MAGIC BOX), ŠŤASTNÁ 7 - 53 (LUCKY 7 - 53), RUKU NA TO (HAND TO IT) and VIANOČNÁ lotéria 2005 (CHRISTMAS lottery 2005).

The issues of instant win lotteries being sold in 2005

Type of instant win lottery	Total issued volume in SKK	Set period of selling		Period of selling in 2005 in weeks	Sales (wagers) in 2005		Share in total wagers in 2005
		from	to		in SKK	in pieces	
Tresk-Plesk	200 mil.	1. 5. 2003	30. 4. 2005	17	6 744 000	337 200	0,18 %
Šťastná 7 - 35	160 mil.	1. 8. 2003	31. 7. 2005	30	38 092 000	3 809 200	1,00 %
Ročné obdobia	90 mil.	1. 3. 2004	28. 2. 2005	12	876 000	58 400	0,02 %
Vianočná lotéria 2004	50 mil.	15. 10. 2004	15. 2. 2005	11	485 000	9 700	0,01 %
Zlaté vajce	360 mil.	6. 9. 2004	5. 9. 2006	52	132 558 000	4 418 600	3,47 %
Keno	70 mil.	3. 1. 2005	2. 1. 2006	52	35 582 000	3 558 200	0,93 %
Čarovná skrinka	100 mil.	2. 5. 2005	1. 5. 2006	35	40 510 000	2 025 500	1,06 %
Šťastná 7 - 53	160 mil.	2. 5. 2005	1. 5. 2007	35	56 382 000	5 638 200	1,47 %
Ruku na to	240 mil.	15. 8. 2005	14. 8. 2006	20	19 980 000	666 000	0,52 %
Vianočná lotéria 2005	100 mil.	17. 10. 2005	31. 12. 2005	11	27 217 500	272 175	0,71 %

Development of instant win lotteries wagers in SKK in the history according separate issues and years:



Tresk-plesk (Boom-Bang)

Launch date: 1. May 2003

Ticket price: SKK 20,-

Description of the game:

- scratching lottery with instant cash prize and additional (drawing) prize,
- ticket contains two playing boards covered by scratch latex layer,
- in the first playing board the prize is determined by three equal symbols of 'T' in horizontal, vertical or diagonal directions in amount of SKK 20, 50, 100, 200, 500, 1000 and 5000
- in the second playing board there is possibility to win another ticket when after scratching, three symbols TTT will appear or to win a prize of SKK 25,000 if there are four digits under the scratched layer equal with the drawn one. Drawing of four digits happens once a week and its results are shown in the prize-winning list.



Year	Wagers in SKK	% share
2003	52 924 000	1,93
2004	37 148 000	1,26
2005	6 744 000	0,18

Overview of wagers of instant win lottery TRESK-PLESK and its percentage share in total annual wagers.

Šťastná 7–35 (Lucky 7–35)

Launch date: 1. August 2003

Ticket price: SKK 10,-

Description of the game:

- scratching lottery from long year series of instant win lotteries with instant cash prize and bonus prizes;
- a ticket contains one playing board covered with scratching latex layer;
- the prize is determined by three equal symbols expressed in numbers. The prizes are possible in the amount of SKK 10, 20, 50, 200 and 1000. and bonus prize in the amount of SKK 77, 777, 7 777 and 77 777.



Year	Wagers in SKK	% share
2003	37 448 000	1,26
2004	85 700 000	2,91
2005	38 092 000	1,00

Overview of wagers of the instant win lottery ŠŤASTNÁ 7 - 35 and its percentage share in total annual wagers.

Ročné obdobia (Four Seasons)

Launch date: 1. March 2004

Ticket price: SKK 15,-

Description of the game:

- scratching lottery with instant cash prize and additional (drawing) prize,
- ticket contains two playing boards covered by scratch latex layer,
- in the first playing board the prize is determined by three equal symbols of 'T' in horizontal, vertical or diagonal directions in amount of SKK 20, 50, 100, 200, 500, 1000 and 5000
- in the second playing board there is possibility to win another ticket when after scratching, three symbols TTT will appear or to win a prize of SKK 25,000 if there are four digits under the scratched layer equal with the drawn one. Drawing of four digits happens once a week and its results are shown in the prize-winning list.



Year	Wagers in SKK	% share
2004	23 124 000	0,78
2005	876 000	0,02

Overview of wagers of instant win lottery ROČNÉ OBDOBIA and its percentage share in total annual wagers.

Vianočná Lotéria 2004 (Christmas Lottery 2004)

Launch date: 15. October 2004

Ticket price: SKK 50,-

Description of the game:

- occasional scratching instant win lottery with Christmas motive of Betlehem and in the form of Christmas postcard with instant cash prizes;
- a ticket contains one playing board covered with scratching latex layer
- the prize is determined by three equal number symbols in the amount of SKK 50, 100, 1, 000; 5,000 and the highest instant prize in the amount of SKK 1,000,000;
- scratching lottery issued in cooperation with the Foundation for the children of Slovakia



Overview of wagers of the instant win lottery VIANOČNÁ LOTÉRIA 2004 and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2004	18 272 500	0,62
2005	485 000	0,01

Zlaté Vajce (Golden Egg)

Launch date: 6. September 2004

Ticket price: SKK 30,-

Description of the game:

- scratching lottery with instant cash prizes, with drawing prizes and additional TV game,
- a ticket contains one playing board covered with scratching latex layer,
- the instant prize is determined by three equal numeral symbols in the amount of SKK 20, 50, 100 and 500 or by three TV symbols which after sending them are drawn and player can take part in TV game.
- TV game is broadcasted once per week by Markiza TV on Sundays and drawn players have opportunity to win high studio prizes included accumulated jackpot.



Overview of wagers of instant win lottery ZLATE VAJCE and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2004	68 262 000	2,31
2005	132 558 000	3,47

Keno

Launch date: 3. January 2005

Ticket price: SKK 10,-

Description of the game:

- scratching lottery with instant cash prizes;
- a ticket contains one playing board "Drawn numbers" covered with scratch latex layer and second one unclosed "Yours numbers"
- the game principle is to scratch and find identical numbers from the board "Your numbers" with the numbers in the board "Drawn numbers" and the prize is determined by the count of identical numbers. The instant prizes are in the amount of SKK 10, 100, 1,000; 10,000 and the highest prize is SKK100,000.



Overview of wagers if the instant win lottery KENO and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2005	35 582 000	0,93

Čarovná skrinka (Magic Box)

Launch date: 2. May 2005

Ticket price: 20,- SKK

Description of the game:

- scratching lottery with instant cash prizes;
- a ticket contains one playing board in the shape of a box covered with scratch latex layer and the box is divided into three separate field;
- instant prize is determined by three identical symbols placed in one field of the box. Instant wins are in the amount of SKK20, 50, 100, 500 and the highest prize is SKK 50,000.



Overview of wagers of the instant lottery ČAROVNÁ SKRINKA and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2005	40 510 000	1,06

Šťastná 7–53 (Lucky 7–53)

Launch date: 2. May 2005

Ticket price: SKK 10,-

Description of the game:

- scratching lottery from long term instant lotteries with instant cash prizes and premium prizes;
- a ticket contains one playing board covered with scratch latex later;
- the prize is determined by three identical symbols expressed in numbers. The prizes can be in the amount of SKK 10, 20, 50, 200 a 1000 and premium prize in the amount of SKK 77, 777, 7777, 77 777.



Overview of wagers of the instant lottery ŠŤASTNÁ 7–53 and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2003	56 382 000	1,47

Ruku na to (Shake on it)

Launch date: 15. August 2005

Ticket price: SKK 30,-

Description of the game:

- scratching lottery with instant cash prizes, with drawn prizes and additional TV game;
- a ticket contains one playing board covered with scratch latex layer;
- the instant prize is determined by three identical numeral symbols in the amount of SKK 30, 50, 100 and 500 or by three TV symbols and such ticket, after sending it, is drawn and there is possible participation in TV game;
- TV broadcasting is once per week on Monday on STV 1 and drawn players have possibility to win high studio prizes. The highest studio prize is of SKK 5,000,000.



Overview of wagers of the instant lottery RUKU NA TO and its percentage share in total annual wagers.

Year	Wagers in SKK	% share
2005	19 980 000	0,52

Vianočná Lotéria 2005 (Christmas Lottery 2005)

Launch date: 17. October 2005

Ticket price: SKK 100,-

Description of the game:

- occasional scratching instant lottery with Christmas motive and with instant cash prizes;
- a ticket contains one playing board, in the shape of a Christmas tree, covered with scratch latex layer;
- there are four separate games under the scratch layer and in each the prize is determined by three identical Christmas symbols,
- the instant prizes are in the amount of SKK 100, 500, 1000, 100 000 and the highest possible prize is of SKK 500,000.
- a player can get even premium prize in the amount of double instant prize if after erasing the paying board finds four identical Christmas symbols in one of four games.
- Scratching lottery issued in the cooperation with the Foundation for the children of Slovakia.

Overview of wagers of the instant lottery VIANOČNÁ LOTÉRIA 2005 and its percentage share in total annual wagers.



Year	Wagers in SKK	% share
2005	27 217 500	0,71

02 Internet Games

Launch date: 1. October 2002

Description of the games:

- games running exclusively per Internet and only in official pages www.tipos.sk and its sub-page www.tipclub.sk, or www.tipklub.sk,
- A player enrolls and registers compulsory into Internet games and consequently he has his player account created which from he pays wagers into Internet games and where the prizes are paid out. Transfer of financial means from player account into personal bank account is done by the player in commercial banking way.
- Types and kinds of Internet games:
 - a) Internet game e-KURZ
 - b) Internet games TIPCLUB consist of:
 - ba) Internet game e-KENO
 - bb) Internet game e-TIPOS
 - bc) Internet game Zázračná rybka (Miraculous fish)
 - bd) Internet game Zlatý ostrov (Golden island)



e-KENO

- numeric game where a player bets 10 number, 20 numbers are drawn out of 80 numbers;
- the bet is made by manual selection of numbers from playing board or automatically by random, drawing of numbers is done by the generator of accidental numbers;
- a wager is SKK 5,- per one bet and one drawing, the wager is limited by the player account deposit



prize table:

Count 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 in Internet game e-KENO:

year	wagers	prizes
2002	SKK 25 375	SKK 10 365
2003	SKK 45 140	SKK 17 955
2004	SKK 64 125	SKK 26 426
2005	SKK 334 580	SKK 136 039

e-KURZ

- internet odds game on sport and social events;
- launched in February 2005, till December 2005 the name of the game was TIPKURZ;



Wagers and prizes in Internet game e-KURZ:

year	Wagers	prizes
2005	SKK 220 201 470	SKK 190 227 730

e-TIPOS

- a game with symbols which aim is to reach 2 or 3 identical symbols going one after another
- a wager is standard SKK 5,- it can be increased onto SKK 10,- the wager is limited by the player account deposit,



winning symbols and prize table:

Symbols	2 symbols	3 symbols
Big logo TIPOS	SKK 1000	SKK 10000
Playing cube	SKK 500	SKK 5000
KENO bull	SKK 200	SKK 1000
Binger	SKK 100	SKK 500
Playing card	SKK 50	SKK 200
Drawing ball	SKK 20	SKK 50
Small logo TIPOS	SKK 10	SKK 20

Wagers and prizes of Internet game e-TIPOS:

year	Wagers	Prizes
2002	SKK 91 535	SKK 69 841
2003	SKK 416 350	SKK 323 120
2004	SKK 563 265	SKK 444 009
2005	SKK 2 471 385	SKK 2 013 795

Zázračná rybka (Miraculous Fish)

- an Internet game representing simulation of classic scratching tickets in electronic environment
- an electronic scratching ticket of a miraculous fish has 6 symbols, the prize is determined by three of them
- launched in March 2005;

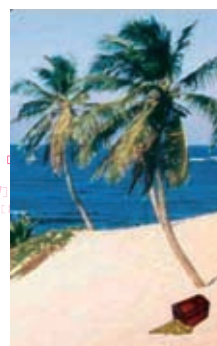


Wagers and prizes of Internet game ZÁZRAČNÁ RYBKA:

year	Wagers	Prizes
2005	100 430 Sk	85 270 Sk

Zlatý ostrov (Golden Island)

- an Internet game representing simulation of classic scratching tickets in electronic environment with accumulated jackpot;
- a player is looking for a map with treasure, found map contains scratching window with 6 symbols, three identical digits according symbols determine the prize.
- launched in March 2005;



Wagers and prizes of Internet game ZLATÝ OSTROV:

year	Wagers	Prizes
2005	172 400 Sk	114 040 Sk

03

Non-Lottery Products and Services

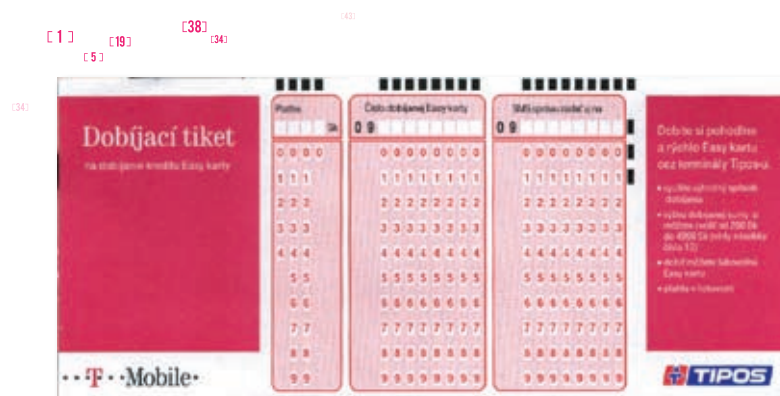
The products and services which do not represent any lottery or betting games and their sale or operating is not pursuant to the Act on lotteries and other similar games, the company TIPOS, Inc. uses its own technical and technological possibilities and its own sales net for selling and providing such services.

Recharging Easy credit

Launch date: 24. February 2003

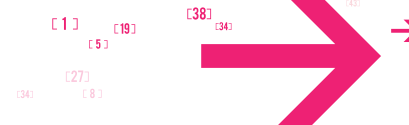
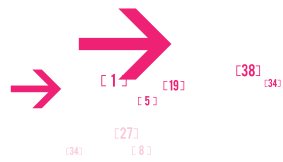
Description of the product:

- a service enables customers of mobile operator T-Mobile, Inc. Bratislava to recharge EASY credit of the mobile telephone SIM cards per on-line terminal in TIPOS sales outlets by cash payment;
- the credit price is from SKK 200,- up to SKK 4, 990 (SKK 10,- one step);
- recharging is done per filled recharging ticket or by direct orally dictating details to the service operator;
- the service is activated after 3 minutes (within 3 minutes possible cancel) since inputting the data
- confirmation about recharging comes to the recharged telephone but also to any other telephone number of whatever mobile operator in SR in the form of SMS
- the service provides frequent actual bonus for customers to their credit:



Sales from recharging EASY credit, number of recharges and average sales per one recharging transaction

year	Sales	Number of recharges in pcs.	Average sales SKK/pcs.
2003	SKK 175 690 250	696 475	252,26
2004	SKK 362 568 240	1 487 266	243,78
2005	SKK 425 451 890	1830 216	232,46



Recharging Prima credit

Launch date: 12. September 2005

Description of the product:

- a service enables customers of mobile operator Orange, Inc. Bratislava to recharge PRIMA credit of the mobile telephone SIM cards per on-line terminal in TIPOS sales outlets by cash payment;
- the credit price is from SKK 200,- up to SKK 4, 990 (SKK 10,- one step);
- recharging is done per filled recharging ticket or by direct orally dictating details to the service operator;
- the service is activated after 3 minutes (within 3 minutes possible cancel) since imputing the data
- confirmation about recharging comes to the recharged telephone but also to any other telephone number of whatever mobile operator in SR in the form of SMS
- the service provides frequent actual bonus for customers to their credit



Sales from recharging PRIMA credit, number of recharges and average sales per one recharging transaction

Year	Sales	Number of recharges in pcs	Average sales SKK/pcs.
2005	SKK 51 054 520	227 035	224,88

08_where we are going

targets and intentions for 2006 and the future development of the company and equity status_

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The goal for 2006 is to sustain increasing sales. In comparison with the plan for 2005 we are planning the growth by 17.49% in sales from lotteries and by 15.6% in sales from non-lottery products.

Some new products were delayed due to changes in timing as well as the demanding new projects. Internet casino and 5 minute KENO on www.tipos.sk will be launched in 2006. As well the mentioned MOBIL LOTO game starts in 2006.

With the mobile phone game the TIPOS national lottery company, Inc., will enter the new area and we believe to obtain new customers. Per mobile phone there will be possible to bet per Internet as well as play Internet casino and other Internet games.

In 2006 we will devote our effort to the reconstruction of our subsidiary the TIPKURZ company and with using up TIPOS's terminal net and its technologies to achieve competitive fixed-odds bettings which are going to be operated by our subsidiary.

The managerial work will require a big effort either. TIPOS national lottery company, Inc., has entered the new stage in which there will be a need of reviewing previous procedures and activities and creating the backgrounds for the sustainable growth. The issue of quality plan preparation for 2007 will be decisive as the changes will be implemented in 2007.. The company needs inevitably to stabilize itself, in a way that technical and technological facilities will not prevent it from the development of primary activities of the company.

We will focus the ongoing activities towards sustaining the growth of the instant win lotteries, towards optimalization and the growth of the sales outlets. Marketing events will continue to built up the strong TIPOS brand which creates efficient recourses to support the good things. The equipment of sales outlets, work with the agents and optimalization of the off-line net will be an important criteria of our future results.

Not at last the company must be active towards the institutions and bodies at Slovak as well as European level to have sufficient information and be prepared to utter its strategical targets for future periods. Therefore there is a need of intensive exchange of information at domestic and international level, regular training of the staff, building up the steady company team, creating of good conditions and ability to communicate our needs in the framework of the state bodies and target groups. Even in 2006 the steady lottery company only can continue to create the recourses for supporting the good things

The efficiency should be measured by the planned profit which reaches the level of 190.02% compared with the plan for 2005.



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09_the figures behind the facts

financial results_





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Balance sheet as of 31 December 2005_

Designation a	Assets b	Line no. c	Current accounting period			Preceding accounting period d
			Gross 1	Correction 2	Net 3	
						Net 4
	Total assets lines 002 + 003 + 032 + 062	1	832 302	146 536	685 766	504 343
A.	Receivables related to unpaid share capital (353)	2	*	*	*	*
B.	Non-current assets lines 004 + 013 + 023	3	323 554	135 743	187 811	152 586
B.I.	Non-current intangible assets - total (lines 005 to 012)	4	38 904	16 970	21 934	16 215
B.I.1.	Incorporation expenses (011) -/071, 091A/	5	*	*	*	*
2.	Capitalized development costs (012) -/072, 091A/	6	*	*	*	*
3.	Software (013) -/073, 091A/	7	29 197	16 678	12 519	15 458
4.	Valuable rights (014) -/074, 091A/	8	2 127	292	1 835	638
5.	Goodwill (015) -/075, 091A/	9	*	*	*	*
6.	Other non-current intangible assets (019, 01X) -/079, 07X, 091A/	10	*	*	*	*
7.	Acquisition of non-current intangible assets (041) - 093	11	7 580	*	7 580	119
8.	Advance payments made for non-current intangible assets (051) - 095A	12	*	*	*	*
B.II.	Tangible assets - total (lines 014 to 022)	13	205 646	108 399	97 247	100 959
B.II.1	Land(031)-092A	14	9 557	*	9 557	9 281
2.	Structures (021) -/081 , 092A/	15	80 451	25 723	54 728	48 774
3.	Individual movable assets and sets of movable assets (022)- /082, 092A/	16	104 403	81 657	22 746	27 792
4.	Perennial crops (025) - /085, 092A/	17	*	*	*	*
5.	Livestock (026) -/086, 092A/	18	*	*	*	*
6.	Other tangible assets (029, 02X, 032) - /089, 08X, 092A/	19	9 151	1 019	8 132	7 705
7.	Acquisition of tangible assets (042) - 094	20	2 084	*	2 084	7 407
8.	Advance payments made on tangible assets (052) - 095A	21	*	*	*	*
9.	Value adjustment to acquired assets (+/-097) +/- 098	22	*	*	*	*
B.III.	Non-current financial assets - total (1. 024 to 031)	23	79 004	10 374	68 630	35 412
B.III.1.	Shares and ownership interests in a controlled entity (061) - 096A	24	67 504	8 874	58 630	35 412
2.	Shares and ownership interests with significant influence over enterprises (062) - 096A	25	*	*	*	*
3.	Other long-term shares and ownership interests (063, 065) - 096A	26	1 500	1 500	*	*
4.	Intercompany loans (066A) - 096A	27	10 000	*	10 000	*
5.	Other non-current financial assets (067A, 069, 06XA) - 096A	28	*	*	*	*
6.	Loans with maturity up to one year (066A, 067A, 06XA)-096A	29	*	*	*	*
7.	Acquisition of non-current financial assets (043) - 096A	30	*	*	*	*
8.	Advance payments made on non-current financial assets (053) - 095A	31	*	*	*	*
C.	Current assets lines 033 + 041 + 048 + 056	32	474 821	10 739	464 028	349 888

Balance sheet as of 31 December 2005_

Designation a	Assets b	Line no. c	Current accounting period			Preceding accounting period ↓ Net 4
			Gross 1	Correction 2	Net 3	
C.I.	Inventory - total (lines 034 to 040)	33	4 828		4 828	11 822
C.I.1.	Raw material (112, 119, 11X) - /191, 19X/	34	4 828		4 828	11 822
2.	Work in progress and semi-finished goods (121, 122, 12X) - /192, 193, 19X/	35				
3.	Construction contracts where the expected time of completion exceeds one year 12X-192A	36				
4.	Finished goods (123) -194	37				
5.	Animals (124)-195	38				
6.	Merchandise (1 32, 1 3X, 1 39) - /1 96, 1 9X/	39				
7.	Advance payments made for inventory (314A) - 391A	40				
C.II.	Non-current receivables - total (1. 042 to 047)	41	8 566	1 581	6 975	4 363
C.II.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) -391A	42	2 028	1 581	447	2 174
2.	Receivables from a controlled entity and a controlling entity (351A)-391A	43				
3.	Other intercompany receivables (351A) - 391A	44				
4.	Receivables from participants, members and associations (354A, 355A, 358A, 35XA) - 391A	45	63		63	63
5.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A, 378A)-391A	46				
6.	Deferred tax asset (481 A)	47	6 465		6 465	2 126
C.III.	Current receivables - total (lines 049 to 055)	48	89 738	9 212	80 526	89 052
C.III.1.	Trade receivables (311A, 312A, 313A, 314A, 315A, 31XA) -391A	49	89 221	9 212	80 009	71 660
2.	Receivables from a controlled entity and a controlling entity (351A)-391A	50				
3.	Other intercompany receivables (351A) - 391A	51				
4.	Receivables from participants, members and associations (354A, 355A, 358A, 35XA, 398A) – 391 A	52				
5.	Social security (336) - 391A	53				
6.	Tax assets (341, 342, 343, 345) – 391A	54	306		306	17 310
7.	Other receivables (335A, 33XA, 371A, 373A, 374A, 375A, 376A,378A)-391A	55	211		211	82
C.IV.	Financial accounts - total (lines 057 to 061)	56	371 699		371 699	244 651
C.IV.1.	Cash on hand (211, 213, 21X)	57	2 283		2 283	1 748
2.	Bank accounts (221A, 22X +/-261)	58	369 416		369 416	242 903
3.	Bank accounts with notice period exceeding one year 22XA	59				
4.	Current financial assets (251, 253, 256, 257, 25X) -/291, 29X/	60				
5.	Acquisition of current financial assets (259) - 291	61				
D	Accruals / deferrals - lines 063 and 064	62	33 927		33 927	1 869
D.1.	Prepaid expenses (381, 382)	63	33 927		33 927	1 835
2.	Accrued income (385)	64				34
	Control number - total (lines 001 to 064)	888	3 295 281	586 144	2 709 137	2 015 503

Balance sheet as of 31 December 2005_

Designation a ↓	Liabilities and equity b ↓	Line no. c ↓	Current accounting period 5 ↓	Preceding accounting period 6 ↓
	Total equity and liabilities lines 066 + 086 + 116	65	685 766	504 343
A.	Equity lines 067 + 071 + 078 + 082 + 085	66	244 702	100 215
A.I.	Share capital - total (lines 068 to 070)	67	11 000	11 000
A.I.1.	Share capital (411 +/- 491)	68	11 000	11 000
2.	Own shares and own ownership interests (-/252)	69	*	*
3.	Change in share capital +/- 419	70	*	*
A.II.	Capital funds - total (lines 072 to 077)	71	500	81 530
A.II.1.	Share premium (412)	72	*	*
2.	Other capital funds (413)	73	*	81 030
3.	Legal reserve fund (non-distributive fund) from capital contributions (417, 418)	74	500	500
4.	Differences from revaluation of assets and liabilities (+/- 414)	75	*	*
5.	Investment revaluation reserves (+/- 415)	76	*	*
6.	Differences from revaluation at merger or divestiture (+/- 416)	77	*	*
A.III.	Funds created from profit - total (lines 079 to 081)	78	72 285	118 216
A.III.1.	Legal reserve fund (421)	79	42 285	42 285
2.	Non-distributable fund (422)	80	*	*
3.	Statutory funds and other funds (423, 427, 42X)	81	30 000	75 931
A.IV.	Net profit / loss of previous years lines 083 and 084	82	12 610	23 392
A.IV.1	Retained earnings from previous years (428)	83	12 610	23 392
2.	Accumulated losses from previous years (-/429)	84	*	*
A.V.	Net profit/loss for the accounting period +/-1. 001 - (lines 067 + 071 + 078 + 082 + 086 + 116)	85	148 307	-133 923
B.	Liabilities lines 87 + 91 + 102 + 112	86	301 444	267 423
B.1.	Provisions - total (lines 088 to 090)	87	186 903	165 354
B.I.1.	Legal provisions (451A)	88	0	*
2.	Other long-term provisions (459A, 45XA)	89	*	*
3.	Short-term provisions (323, 32X, 451A, 459A, 45XA)	90	186 903	165 354
B.II.	Non-current liabilities - total (lines 092 to 101)	91	664	751

Balance sheet as of 31 December 2005_

Designation a ↓	Liabilities and equity b ↓	Line no. c ↓	Current accounting period 5 ↓	Preceding accounting period 6 ↓
B.II.1.	Non-current trade liabilities (479A)	92	*	*
2.	Unbilled long-term supplies (476A)	93	*	*
3.	Non-current liabilities to a controlled entity and a controlling entity (471 A)	94	*	*
4.	Other non-current intercompany liabilities (471A)	95		
5.	Long-term advance payments received (475A)	96	*	*
6.	Long-term bills of exchange to be paid (478A)	97	*	*
7.	Bonds issued (473A/-/255A)	98	*	*
8.	Liabilities related to social fund (472)	99	664	751
9.	Other non-current liabilities (474A, 479A, 47XA, 372A, 373A,377A)	100	*	*
10.	Deferred tax liability (481A)	101	*	*
B.III.	Current liabilities - total (lines 103 to 111)	102	113 877	101 318
B.III.1.	Trade liabilities (321 , 322, 324, 325, 32X, 475A, 478A, 479A, 47XA)	103	54 030	45 502
2.	Unbilled supplies (326, 476A)	104	46	387
3.	Liabilities to a controlled entity and c controlling entity (361A, 471A)	105	*	*
4.	Other intercompany liabilities (361A, 36XA, 471A, 47XA)	106	*	*
5.	Liabilities to partners and associations (364, 365, 366, 367, 368, 398A, 478A, 479A)	107	*	*
6.	Liabilities to employees (331 , 333, 33X, 479A)	108	1 974	1 406
7.	Liabilities related to social security (336, 479A)	109	1 075	933
8.	Tax liabilities and subsidies (341 , 342, 343, 345, 346, 347, 34X)	110	21 069	14 899
9.	Other liabilities (372A, 373A, 377A, 379A, 474A, 479A, 47X)	111	35 683	38 191
B.IV.	Bank loans and assistance - total (lines 113 to 115)	112	0	0
B.IV.1.	Long-term bank loans (461A, 46XA)	113	*	*
2.	Current bank loans (221A, 231, 232, 23X, 461A, 46XA)	114	*	*
3.	Short-term financial assistance (241, 249, 24X, 473A, /-/255A)	115	*	*
C.	Accruals and deferrals - total (1. 117 and 118)	116	139 620	136 705
C.1.	Accrued expenses (383)	117	123 442	113 722
2.	Deferred income (384)	118	16 178	22 983
	Control number - total (lines 065 to 118)	999	2 455 137	2 014 590

Profit and loss account as of 31 December 2005_

Designation a Text b	Line no. c	Actual data	
		Current accounting period 1	Preceding accounting period 2
I. Revenue from the sale of merchandise (604)	1		
A. Cost of merchandise sold (504)	2		
+ Trade margin 1. 01 - 02	3		
II. Production lines 05 + 06 + 07	4	3 834 001	2 952 604
II.1 Revenue from the sale of own products and services (601 , 602)	5	3 834 001	2 952 604
2. Changes in internal inventory (+/- account group 61)	6		
3. Own work capitalized (account group 62)	7		
B. Production lines 09 + 10	8	896 335	762 103
B.1 Consumed raw materials, energy consumption, and consumption of other non-inventory supplies (501, 502, 503)	9	40 900	39 460
2. Services (account group 51)	10	855 435	722 643
+ Value added lines 03 + 04 - 08	11	2 937 666	2 190 501
C. Personnel expenses total (lines 13 to 16)	12	43 739	38 379
C.1 Wages and salaries (521, 522)	13	30 712	27 061
2. Remuneration of board members of company or cooperative (523)	14	2 295	2 327
3. Social security expenses (524, 525, 526)	15	9 620	8 086
4. Social expenses (527, 528)	16	1 112	905
D. Taxes and fees (accounting group 53)	17	613 153	534 382
E. Amortization of non-current intangible assets and depreciation of non-current tangible assets (551)	18	21 465	19 290
III. Revenue from the sale of non-current assets and raw materials (641 , 642)	19	972	728
F. Carrying value of non-current assets and raw materials sold (541, 542)	20	0	145
IV. Use and reversal of provisions against operating income and accounting for complex deferred expenses (652, 654, 655)	21	5 027	12 441
G. Creation of provisions for operations and accounting for complex deferred expenses (552, 554, 555)	22	26 577	11 376
V. Use and reversal of value adjustments against income (657, 658, 659)	23	367	65
H. Creation of value adjustments against operating expenses (557, 558, 559)	24	3 094	1 767
VI. Other operating income (644, 645, 646, 648)	25	2 812	1 993
I. Other operating expenses (543 to 546, 548, 549)	26	2 071 348	1 580 222
VII. Transfer of operating income (-) (697)	27		
J. Transfer of operating expenses (-) (597)	28		
* Profit/loss from operations 1. 11 - 12 - 17- 18 + 19 - 20 + 21 - 22 + 23 - 24 + 25 - 26 + (- 27) - (- 28)	29	167 468	20 167
VIII. Revenue from the sale of securities and shares (661)	30		
K. Securities and shares sold (561)	31		
IX. Income from non-current financial assets lines 33 + 34 + 35	32	15 740	7 990
IX.1 Income from securities and ownership interests in a controlled entity and in a company where significant influence is held (665A)	33	15 740	7 990

Profit and loss account as of 31 December 2005_

Designation a	Text b	Line no. c	Actual data	
			Current accounting period 1	Preceding accounting period 2
2.	Income from other long-term securities and shares (665A)	34		
3.	Income from other non-current financial assets (665A)	35		
X.	Income from current financial assets (666)	36		
L.	Expenses related to current financial assets (566)	37		
XI.	Gains on revaluation of securities and income from derivative transactions (664, 667)	38		
M.	Loss on revaluation of securities and expenses related to derivative transactions (564, 567)	39		
XII.	Interest income (662)	40	5 998	7 671
N.	Interest expense (562)	41		
XIII.	Exchange rate gains (663)	42	858	1 362
O.	Exchange rate losses (563)	43	3 993	1 738
XIV.	Other income from financial activities (668)	44		
P.	Other expenses from financial activities (568, 569)	45	2 640	2 416
XV.	Use and reversal of provisions against income from financial activities (674)	46		
Q.	Creation of provisions for financial activities (574)	47		
XVI.	Use and reversal of value adjustments against income from financial activities (679)	48		
R.	Creation of value adjustments against expenses related to financial activities(579)	49		
XVII.	Transfer of financial income (-) (698)	50		
S.	Transfer of financial expenses (-) (598)	51		
*	Profit / loss from financial activities 1. 30 - 31 + 32 + 36 - 37 + 38 - 39 + 40 - 41 + 42 - 43 + 44 - 45 + 46 - 47 + 48 - 49 + (- 50) - (- 51)	52	15 963	12 869
T.	Income tax on ordinary activities lines 54 + 55	53	35 124	7 335
T.1.	- current (591, 595)	54	39 463	8 454
2.	- deferred (+/- 592)	55	-4 339	-1 119
**	Profit / loss from ordinary activities 1. 29 + 52 - 53	56	148 307	25 701
XVI- II.	Extraordinary income (account group 68)	57		512
U.	Extraordinary expenses (account group 58)	58		160 327
V.	Income tax on extraordinary activities 1. 60 + 61	59		-191
V.1.	- current (593)	60		98
2.	- deferred (+/- 594)	61		-289
*	Profit / loss from extraordinary activities 1. 57 - 58 - 59	62	0	-159 624
Z.	Transfer of net profit / net loss shares to partners (+/-596)	63		
***	Profit / loss for the accounting period (+/-) 1. 56 + 62 - 63	64	148 307	-133 923
	Control number total (1. 01 to 64)	99	15 825 893	11 828 566

01 Information on accounting entity

TIPOS, national lottery company, Inc., compiles the Notes pursuant to the Provisions of the Act No.431/2002 Coll. on accounting § 17 subsection 3c/ pursuant to Annex 3 (description of note contents) to Provision No. 4455/2003-92 which lays down the particulars for the arrangement, indication and content definition of entries of individual financial statements

Registered company name: TIPOS, national lottery company, Inc.

Registered office: Brečtanová ul. č. 1, Bratislava

Incorporation date: 11. December. 1992

Registration date into the Companies Register: 28. January. 1993

Identification number: 31340822

The main business activity of the company according to the excerpt from the Companies Register is the operation of lotteries and other similar games under the Slovak National Council Act No 194/1990 Coll. on lotteries and other similar games, as amended. Number of employees as of 31 December 2005; including 7 members of management The financial statements for 2004 were approved by XXXVIII General Meeting of the company on 28 April 2005. Reason for compiling the financial statements as of 31 December 2005: regular annual financial statements in line with § 16, 17 of the Act on accounting which were compiled under the assumption that the accounting entity is an ongoing concern.

02 Board members

Statutory body members:

Board of Directors: Ing. Stanislav Žiačik, Ing. Milan Homola, Ing. Ivan Jaroš, Ing. Juraj Laurinc, Štefan Dobák

Supervisory board: Ing. Peter Malík, Ing. Peter Pisoň (do 16. 5. 2005), Ing. Katarína Janoková (do 16. 5. 2005), Ján Murgaš, Peter Papánek, Ing. Miloš Prelec (od 8. 6. 2005), Ing. Miloslav Marek (od 17. 6. 2005)

Shareholder: Slovak Republic represented by the Ministry of Finance SR, Štefanovičova 5, Bratislava, 100 % share in share capital
Share capital of the company: SKK11 mil.

03 Information on consolidated unit

Companies in which TIPOS, Inc., holds more than 20% share in their share capital:

CASINOS SLOVAKIA, Inc. – 51,32 % share in company share capital, the share value accounts for 35 412 000,- SKK.

CASINO SLIAČ SLOVAKIA, Inc., in liquidation – 51 % share in share capital of the company, the share value of SKK 8, 874,000- with adjusting entry in amount of SKK 8, 874,000.

TIPKURZ, Inc., – 100 % share in share capital of the company, the share value accounts for SKK 23, 217, 876.95

The consolidated financial statements for the group of companies is compiled by TIPOS, national lottery company, Inc., in accordance with applicable regulations. The Registration Court that maintains the Companies Register for archiving of consolidated financial statements is the District Court of Bratislava I.

04 Information given in notes:

- I. Accounting principles and methods
- II. Data posted on asset side of balance sheet
- III. Data posted on liabilities side of balance sheet
- IV. Revenues
- V. Expenses
- VI. Income tax
- VII. Off-balance sheet accounts
- VIII. Other assets and liabilities
- IX. Related parties
- X. Circumstances arising between the day to which the financial statements were compiled and the actual day of their compilation
- XI. Cash flow overview

05 Accounting principles and methods

The accounting principles and methods applied by the company TIPOS, national lottery company, Inc., are based on the assumption that the company will continue constantly with its activities and no circumstances occurs which would restrict or otherwise hinder it from continuing of this activity in the near future at least for a period of 12 months from the date to which the annual financial statements are compiled. The principles and methods used are in accordance with § 3 (timing differences) , § 7 (true and accurate picture, ongoing concern, prohibition of compensation, objective continuity), § 8 (comprehensibility, accuracy, complexity, demonstrability, resoluteness of accounting records), § 16 (balance sheet continuity), § 17 (significance, comparability, reliability, complexity, usefulness, timeliness), § 17 (caution).

Method of appraising individual asset and liability entries:

- a) long-term intangible assets procured by purchase are appraised at the acquisition price – the acquisition price plus related procurement costs (transport, customs duty);
- b) long-term tangible assets procured by purchase are appraised at the acquisition price comprising the following: the price at which the asset was procured and expenses related to its procurement (transport, customs duty);
- c) long-term financial assets were appraised at the acquisition price
- d) purchased inventory items were appraised at the acquisition price.

The specific type of "inventory" are the scratching tickets. The stock price (both in customs warehouse and sales stock) is given on the base of the invoiced price and delivered amount. Initial records are registered by ITVS system of G-TECH firm which is processed by the Instant Win Lotteries Department of TIPOS company. The stock price of the tickets is watched analytically according to the type of the tickets. Delivery ex stock is accounted automatically on the base of issue cards made at the stock price. Expected returns of the tickets to the stock and unsold tickets are accounted into the annual expenses at the ratio of their sale in individual years whereas the costs for ticket production is known from invoicing. This way we divide the ticket production costs in proportion to the sales from the particular year sale and unsold tickets are not burdening the costs of the company in the second year of the particular issue sale. The registration of unsold tickets remains in the initial stock registration as the registration of tickets ready for shredding under supervision of the state body the Tax Office Bratislava III, the shredding record is made about that.

Notes as of 31 December 2005_

In consequences with the expected ticket returns there were created reserves for ticket returns appraised by their nominal value i.e. in the amount of expecting real sale of individual issues. Ticket returns influence the sales of the active tickets to the level of really sold tickets in their nominal value.

- e) receivables, monetary means and valuables, payables, reserves, assets and liabilities time difference, income tax were appraised by the accounting entity by nominal value.
- f) foreign currency – assets and liabilities expressed in foreign currency are accounted into Slovak currency at the exchange rate set up by National Bank of Slovakia valid on the day of executing of the accounting case and valid on the day of compiling the financial statements. Arising accounting differences are accounted with the influence on the economy result.

The method of amortisation plan

- a) The amortisation plan for intangible assets resulted from the requirements of the Act No 431/2002 Coll. § 28 sub. 3 the principle of its amortisation by a period of 5 years from the acquisition was followed. Intangible assets valued under SKK 50,000,- with the period of usage longer than one year were not classed among the long term intangible assets and were registered in account 518 – Other services.
- b) The amortisation plan for tangible assets was compiled on the base of expected depreciation of the assigned assets corresponding to the customary conditions of use and life cycle. A monthly straight-line method of depreciation was used in accordance with amortisation plan. Tangible assets valued under SKK 30,000 with the period of usage longer than one year were classed into the inventory and its allocation for use was accounted directly to consumption items. It is still registered in the operative records of the user program “ assets” (§ 13 sub. 7 Provisions of Ministry of Finance SR No. 23054/2002-92 –Accounting procedures).

The expected period of usage in years and depreciation rate are given in the initial registration of intangible and tangible assets

Accounting methods for sales from lottery activities and costs for prizes

The sales from number lotteries and betting game TIPOS BINGO (gross wager) and the costs for prizes (prize pool) are accounted on the base of “Draw records”. The detail rules for the calculation of the gross wager and prize pool are contained in the game menu approved by the Ministry of Finance SR. The game menus of separate lotteries are set up in accordance with the Act No 194/1990 Coll. on lotteries and similar games and Amendment No 171/2005 on gambling games with effect from 1 May 2005

The sales from instant lotteries and costs for prizes from instant lotteries are accounted on the base of the automatic output of the ON-LINE processing of accepted wagers and paid out prizes, from weekly invoicing of wagers and prizes for agents pursuant to the agency contract. The accounting is done regularly every month. The specific category is the accounting of sales and costs for prizes of all Internet gambling games such as Internet game e-KURZ and Internet game TIPCLUB which consists of different Internet games.

06 Data posted on the asset side of the balance sheet

Long term intangible and tangible assets – Annex 1

Adjusting entry to long term tangible assets:

Pursuant to § 21, sub. 7 Provisions of Ministry of Finance SR No 23054/2002-92 an adjusting entry to a building was formed by the reason of assumed lower sale price of the building than its residual value is given in the accounts. Based on the professional estimation of the market price of the property (of the building) in Brectanova 1, which was done by “ 1.národná aukčná spoločnosť, Ltd., and on the base of Expert opinion No 24/2004 done by the construction expert, the company accounted on this adjusting entry the amount of SKK 10,000,000 in 2003. In 2005 this adjusting entry remains in the registration, as no circumstances are known that will lead to its reduction or cancellation.

Method and level of insurance

The assets of the company are insured by Ergo insurance company. The insured assets are in the amount of SKK 110 million with an annual premium of SKK 1,700,000.

Long term financial assets

In the course of 2005 the changes occurred (increments) to the long-term financial assets. The balance at the end of the year is higher by the share value of the company TIPKURZ, Inc., in the amount of SKK 23,217,876.95 and also by the loan provided for this company in the amount of SKK 10,000,000 in terms of the loan contract. By this investment the company aims to new business opportunities in the field of fixed-odds bettings through its subsidiary using the nationwide net of terminals in ON-LINE processing system and approaching the players with this segment of games even in meanwhile unoccupied market places.

In current year the company didn't form the adjusting entry to these assets. In 2005 the adjusting entry is registered to the financial assets that represents the share of TIPOS in the company CASINO SLIAČ SLOVAKIA in liquidation in the amount of SKK 8,874,000. This adjusting entry was formed in 1999 and in 2002. We register the adjusting entry to the financial assets of Kasino Inovec accounted in 2002 in the amount of SKK 1,500,000. Tipos has 10% share in this company

The company CASINO SLIAČ SLOVAKIA, Inc., in liquidation, entered into liquidation on the basis of Extraordinary General meeting decision held on 21 February 2000. This legal form is still valid. The last financial statements of this company is compiled as an extraordinary financial statements as of 17 May 2000. The company didn't compile any other financial statements. In the closing standpoint of the auditors the opinion is expressed that the extraordinary financial statements do not reflect truly its assets, financial situation and economic result.

Notes as of 31 December 2005_

Company	Equity in current year	Equity in preceding year	Profit/loss for current period	Profit/loss for preceding period	% share in share capital	Book value in current period	Book value in preceding period
CASINOS SLOVAKIA, Bratislava	102 825	107542	24 736	26 526	51	35 412	35 412
CASINO SLIAČ, v likvidácii	4 812	4 812	-4 694	-4 694	51	0	0
Kasíno Inovec, Ltd., Bratislava					10	0	0
TIPKURZ, Inc.	2 946	4 810	-1 864	-641	100	23 218	

Inventory data

The specific type of inventories are instant win lotteries. The registration of tickets is done in terms of inner directive 'about system and responsibility for transactions related to the ticket movement.' The method of their assessing is mentioned in the part E, point: 'The method of assessing of individual assets and liabilities'. No adjusting entries to the inventories are registered by the company

Receivables

Receivables	31. 12. 2004	31. 12. 2005
Receivables from games – against agents		
Pending	63 457	73 065
Overdue	14 064	14 022
Total	77 521	87 087

The overdue receivables are registered against agents arising from the agency contracts.

In 2003 the company accounted the adjusting entry to the receivables arising from the reconciliation of the receivables from 1998 in the amount of SKK 6,363,724.70. These receivables are risky as the debtor might not settle them totally or partially. It concerns the debtors who are suited regarding the settlement of these receivables and henceforth they remain in litigations. Out of given receivables there were accounted SKK 66,420.21 in 2004 and accounted SKK 138,350.60 in 2005.

In 2004 the company accounted adjusting entry to the receivables in the amount of SKK 1,766,728.80 which are in litigation. In 2005 SKK 229,311.20 was accounted.

In 2005 the company accounted adjusting entry to the receivables against agents in the amount of SKK 1,513,375.40 and SKK 1,581,588.00 as a long term suited receivables from business relationship that is in litigation at present.

The company allows the involved adjusting entries in terms of tax duties (income tax) as well as in consequence with deferred tax accounting.

The deferred tax receivables arose from deductible temporary differences in relation to the different book value of receivables compared to its tax basis. The balance of 481 account – the differed tax receivables in the amount of SKK 6,464,754 . In 2003 the differed tax was accounted from the difference between book value and tax value of the long-term assets in amount of SKK 718,390. The recalculation for 2003 accounts for SKK 288,703 and for recalculation for 2004 accounts for SKK 1,118,889. In 2005 the deferred tax receivables was accounted for the reason of reserve creation for ticket returns. Total deferred receivables accounted in 2005 represents SKK 4,338,772.

Considerable accrual data of deferred costs

The amount of accrual deferred costs against the preceding year increased. The expenses of current accounting period were posted on this account related to deferred costs pursuant to § 56 – accounting procedures.

Deferred costs	31. 12. 2004	31. 12. 2005
ČR premium	666	758
Other deferred costs	1 170	33 169
Total	1 836	33 927

07 Data posted on the liability side of the balance sheet

Equity data

Share capital:	11 000 SKK
Number of shares:	11
Par value:	1 000 SKK

Notes as of 31 December 2005_

Equity ↓	As of 31. 12. 2004 ↓	Settlement of loss for 2004 ↓	Other movements ↓	Other movements ↓	31. 12. 2005 ↓
Share capital	11 000				11 000
Capital funds	81 530	-81 030			500
Statutory reserve fund	42 284				42 284
Game security fund	75 931		-45 931		30 000
Retained profit	23 393	-52 893	45 931	-3 820	12 611
Income from operations	-133 923	133 923			0
Income from operation in current year					148 307
Total	100 215	0	0	-3 820	244 702

XXXVIII General Meeting of the company held on 28 April 2005 decided to settle the loss from 2004 in the amount of SKK 133,923,000.

The loss from 2004, arising from the reserve accounting for litigation risk, was settled from the preceding years capital funds and the retained profit. The transfer of security game fund resources was accounted to the preceding year retained profit in the amount of SKK 45,931,000.

XXXIX General Meeting held on 22 June 2005 decided about the allocation of retained profit of preceding years in the amount of SKK 3,820,000 as follows:

Contribution to the social fund:	SKK 1, 000, 000
Employee's shares in retained profit. of preceding years:	SKK 1,200,000
Special dividends from retained profit of preceding years:	SKK 1, 620, 000

Proposal for allocation of the income from operation for 2005

Text ↓	SKK ↓
Profit for allocation	148 306 630,84
Allocation to Game Security Fund	40 000 000,00
Allocation to Social Fund	2 000 000,00
Dividend for Ministry of Finance SR	60 000 000,00
Shares in income from operation	2 000 000,00
Special dividends	4 000 000,00
Retained profit	40 306 630,84
Total allocation	148 306 630,84

Notes as of 31 December 2005

Reserves data

As of 1. January of current year:	SKK 165, 353, 306.26
Formation:	SKK 30, 303, 170.25
Released:	SKK 8, 753,047.26
As of 31. December of current year:	SKK 186, 903, 429.25

Overview of reserves	31. 12. 2004	Formation	Released	31. 12. 2005
reserve for returns of tickets	0	19 700		19 700
wages for holiday, premium, bonuses	3 070	4 292	3 070	4 292
uninvoiced deliveries, services	709	192	709	192
audit, annual report	1 247	2 392	1247	2 393
Law suit	160 326			160 326
Total	165 353	26 576	5 026	186 903

Reserves were formed and released in the course of the year upon monthly accounting and as of 31 December 2005 on the basis of precaution concerning risk and loss to the expected amount of liability.

Reserves were accounted in this way related to:

- untaken holiday including social security;
- payout of bonuses including social security;
- costs for verification of the financial statements, costs for annual report, uninvoiced deliveries and services that had not been charged as of the day when the financial statement was compiled and accounting unit cannot estimate the exact amount of liabilities from such deliveries
- returns of tickets with regard to the actual ticket sale

In the preceding accounting period the company accounted the reserve for litigation risk with ŠPORTKA company Inc., in the amount of SKK 160,326,000. The amount of reserve for litigation risk was given on the basis of 'partial judgement' pursuant to the Regional Court judgement from 6 July 2004 in Bratislava. The Supreme Court of SR canceled this judgement on 26 April 2005 and returned the case to the Court of First Instance for further proceeding. Total value of the litigation represents according to company lawyer's opinion SKK 307,600,908 without interests. Up to the company management's opinion, based on the lawyer's standpoint, the risk from the litigation is ongoing and the created reserve is considered to be appropriate for covering the expected low economic gains related to the litigation. The deferred receivables concerning this reserve were not accounted. From the tax point of view the formation of the reserve was settled even in the tax return for 2004 as a taxless expense.

Payables data

Pending payables	31. 12. 2004	31. 12. 2005
Suppliers from trade relation	45 502	54 030
Towards employees	1 409	1 974
From social security	933	1 075
Taxes and levies:	53 090	56 752
Total	100 931	113 831

Overdue payables:

from trade relation: 0,00 Sk

Social Fund	2004	2005
Balance of SF as of 1. January	681 885,00	751 123,00
Formation	1 206 095,00	1 180 229,00
Released	1 136 856,00	1 266 565,00
Balance of SF as of 31. December	751 123,00	664 787,00

Notes as of 31 December 2005_

Timing differences of key deferrals and accruals data

Key deferrals and accruals:

Deferred expenses:

Jackpots, unpaid prizes from prize claims of 2005 pending which are to be paid at the beginning of 2006 pursuant to valid legal regulations.

Accrued revenues

Prepayment for 2006 from accepted wagers in 2005 in terms of game menu of individual games. Concerning the prepayment wagers that are accounted to the gross wager (sales) of 2006 and therefore to the next year's sales.

	31.12.2004	31.12.2005
Unpaid prizes from previous year's claim	97 147	72 186
Miscellaneous	16 575	35 506
Unsettled levies for instant lotteries		15 750
Total	113 722	123 442
Accrued revenues	22 983	16 178

08 Revenues

Sales from lottery operation (in, 000 SKK)

	31.12.2004	31.12.2005
LOTO	1 026 831	1 558 987
JOKER	64 724	91 935
LOTO 5 z 35	51 880	49 044
KENO 10	630 740	654 763
KLUB KENO	559 488	661 133
TIPOS Bingo	162 217	125 626
Internet gambling room (TIPCLUB)	627	3 071
Euromillions	95 196	100 488
Internet bettings (e-KURZ)		220 201
Scratching tickets total	337 988	341 857
Sales from gambles total	2 929 691	3 807 106

Key operating revenue items:

Non-lottery products – in 2004: SKK 22,341,000 and in 2005: SKK 27,178,000. It concerns services provided for ORANGE and T-Mobile companies related to recharging EASY and PRIMA credits per terminal net of TIPOS company. Total number of recharges for these companies accounts for SKK 476,506,410 in 2004 and SKK 362,568,240 in 2005.

Financial revenues:

from interests: in 2004: SKK 7, 671,000 , in 2005: SKK 5, 998,000

exchange rate profits: in 2004: SKK 1, 362,000 , in 2005: SKK 858,000

received dividends from Casinos Slovakia: in 2004: SKK 7, 989,000, in 2005: SKK 15, 740,000

Extraordinary revenues:

In extraordinary revenues no movements on accounts are registered.

09 Costs information (in ,000 SKK)

	2004	2005
Costs for tickets	25 700	22 443
Fees for outlets	265 219	325 753
Lottery processing	275 858	330 398
Production and broadcasting of programs and information	87 661	98 991
advertising	50 234	53 632
Levy of proceeds	504 414	592 213
Fees to State Supervision	29 457	19 342
Costs for prizes	1 568 018	2 060 805
Other costs	141 102	172 135
Financial costs	4 154	6 633
Extraordinary costs	160 327	0
Total	3 112 144	3 682 345

There was considerable change related to the costs for ON-LINE processing of games which are invoiced by GTECH CORPORATIN, USA company, TIPOS, Inc., became VAT payer pursuant the Act No222/2004 Coll. on VAT § 69 sub.3 and § 15 sub.8, for services provided for the company by the third party from foreign country. Paid VAT is fully accounted to the costs of the company for 2004 and 2005, because there is no claim for deduction with regard to exemption pursuant the Act on VAT. In 2004 this amount accounted for SKK 34,059,000 and in 2005 this VAT accounts for 54,323,000.

The change of levy duties was the significant breakpoint in 2005 compared to 2004 related to new Act No 171/2005 Coll. on gambles which replaced the Act No 194/1990 Coll. on lotteries and similar games. By the enforcement of new Act the basis for calculation of levies were changed and the state supervision fees in amount of 2% of proceeds were canceled. The company for the first time calculated and settled the advanced payment pursuant to the new Act for the month of July

10 Income tax

Tax adjustment_

	↓ Base	↓ Tax
Pre- tax profit	183 430 959	
Tax at 19 %		34 851 882
permanent differences	2 799 547	531 914
Influence of deferred tax from preceding period	-1 365 618	-259 468
Total tax in PaLA		35 124 329
Due taxes		39 463 101
Deferred taxes		-4 338 772
Total tax in PaLa		35 124 329

11 Off-balance sheet accounts

On the base of judgment on the behalf of Slovak Republic from 28 December 2001 the receivable against the litigated company ALDYSOFT, Ltd. was accounted to off-balance sheet records as the existence of the litigated company in question is not certain.

The amount of the receivable is SKK 16,009,567.00

12 Other assets and liabilities

Non is registered by the company.

13 Incomes and benefits of board members for their activities

Financial and fringe benefits of members of the Board of Directors:

SKK 2, 370,000

Financial and fringe benefits of members of the Supervisory Board:

SKK 1, 437,000

14 Economic relations of the accounting entity and its related parties

Related parties:

1. CASINOS SLOVAKIA, Inc. , Miletičova 821 08 Bratislava, significant influence
2. CASINO SLIAČ SLOVAKIA, Inc., in liquidation
3. TIPKURZ, Inc., Brečtanová 1, 830 07
4. members of the Board of Directors and Supervisory Board as listed in Notes
5. members of the Board of Directors and Supervisory Board of CASINOS SLOVAKIA for the accounting entity TIPOS, Inc., (Ing. Stanislav Žiačik, Ing. Milan Homola a Ing. Ivan Jaroš)
6. members of the Board of Directors and Supervisory Board of TIPKURZ for shareholder (Ing. Stanislav Žiačik, Mgr. Miloš Prelec, Ing. Katarína Janoková, Ing. Milan Homola, Štefan Dobák, Ing. Peter Malík)
7. shareholder

Subsidiary: Casino Sliach Slovakia, incorporated company in liquidation. The value of transaction – contract on financial loan : SKK 73,257.30. Due date was agreed as of 31 December 2001. The loan wasn't paid-up as of this date from the reason of insolvency. At present the company meets the requirements for bankruptcy which was proposed as of 31 October 2001. The loan repayment is conditioned by the decree of bankruptcy and by the determination of the official receiver.

As of 31 December the loan accounts for SKK 63,275.30. Proposal for the bankruptcy was refused because the company is in litigation with spa Kupele Sliac on the surrender of assets. The litigation was suspended due to insolvency of the company.

The agency contract and contract on cooperation is completed between TIPOS and TIPKURZ companies. All business is done in terms of this contract. The loan provided for the company is limited by the purpose. The loan interests are regularly paid and calculated as ordinary interests.

No other business activities are registered between the accounting entity and related parties.

15 Circumstances arising after the date to which the financial statements were compiled

None known.

16 Cash-flow overview

The structure of cash and cash equivalents:

Accounts:

211:	INTIAL = 1 623 497,00	BALANCE = 2 133 444,66
213:	INTIAL = 124 714,00	BALANCE = 149 464,00
221:	INTIAL = 242 902 759,00	BALANCE = 343 545 042,00
261:	0,00	BALANCE = 25 870 800,00
Total:	244 650 970,00	Total: 371 698 751,00

The stated sum of balances in accounts corresponds to the balance of cash and cash equivalents at the beginning and at the end of the accounting period in the CASH FLOW statements excluding stamps and vouchers.(account 213)

Cashflow overview (direct method) – 2005

Text ↓	Designation. ↓	Current accounting period. ↓	Preceding accounting period. ↓
Cashflow from operating activities	A.		
Income from the sale of services (+)	A.4.	2 428 878,00	1 874 703,00
Expenses on acquisition of materials, energy and other non-storable supplies (-)	A.5.	-35 694,00	-52 516,00
Expenses on services (-)	A.6.	-500 789,00	-394 075,00
Staff costs (-)	A.7	-44 176,00	-39 144,00
Expenses on taxes and fees, other than income tax expenses of the accounting entity (-)	A.8.	-707 212,00	-601 916,00
Other income from operating activities, other than those stated separately in other parts of the cashflow overview (+)	A.15.	37 785,00	27 823,00
Other expenses on operating activities, other than those stated separately in other parts of the cashflow overview (-)	A.16.	-1 007 046,00	-707 497,00
Cashflow from operating activities, other than those stated separately in other parts of the cashflow overview (+/-), (sum of A.1 to A.16)	A*	171 746,00	110 378,00
Interest received, other than that included in investment activities (+)	A.17.	6 930,00	7 638,00
Income from dividends and other shares in profit, other than those included in investment activities (+)	A.19.	15 740,00	7 990,00
Expenses on dividends paid out and other shares in profit, other than those included in investment activities (-)	A.20.	0,00	-30 000,00
Cashflow from operating activities (sum A.1. to A.20.)	A.**	194 416,00	96 006,00
Income tax expenses of the accounting entity, other than that included in investment activities or financial activities (+/-)	A.21.	-8 236,00	-37 673,00
Expenses of an extraordinary nature related to operating activities (-)	A.23.	-24,00	-49,00
Net cashflow from operating activities (sum of A.1. to A.23.)	A	186 156,00	58 284,00
Cashflow from investment activities	B		
Expenses on acquisition of non-current intangible assets (-)	B.1.	-9 602,00	-10 450,00
Expenses on acquisition of non-current tangible assets (-)	B.2.	-14 197,00	-27 380,00
Expenses on acquisition of non-current securities and ownership interests in other accounting entities, other than securities deemed cash equivalents and securities intended for sale or trading (-)	B.3.	-23 218,00	0,00
Income from the sale of non-current tangible assets (+)	B.5.	987,00	1 210,00
Expenses on long-term intercompany loans (-)	B.7.	-10 000,00	0,00
Net cashflow from investment activities (sum of B.1. to B.20.)	B	-56 030,00	-36 620,00
Cashflow from financial activities	C.		
Net cashflow from financial activities (sum of C.1. to C.9.)	C.	0,00	0,00
Net cash increase or decrease (+/-) (sum of A+B+C)	D.	130 126,00	21 664,00
Balance of cash and cash equivalents at the start of the accounting period (as at 1 January)	E.	244 526,00	223 145,00
Balance of cash and cash equivalents at the end of the accounting period prior to consideration of exchange rate differences calculated as at the date of financial statement (+/-)	F.	374 652,00	244 809,00
Exchange rate differences calculated for cash and cash equivalents as at the date of financial statement (+/-)	G.	-3 103,00	-283,00
exchange rate losses	G.1.	-3 960,00	-1 668,00
exchange rate gains	G.2.	857,00	1 385,00
Balance of cash and cash equivalents at the end of the accounting period adjusted for exchange rate differences calculated as at the date of financial statement (+/-)	H.	371 549,00	244 526,00

Overview of non-current asset movements

Type		Acquisition price	Provisions and value adjustments	Net book value
Non-current intangible assets	as at 1 Jan 2005	27 313 732,97	11 098 525,42	16 215 207,55
	+ increase	15 719 722,10	5 870 737,00	9 848 985,10
	- decrease	4 129 508,55	0,00	4 129 508,55
	+/- movement	0,00	0,00	0,00
	as at 31 Dec 2005	29 197 210,89	16 677 814,42	21 934 684,10
Software	as at 1 Jan 2005	26 494 988,34	11 036 241,42	15 458 746,92
	+ increase	2 702 222,55	5 641 573,00	-2 939 350,45
	- decrease	0,00	0,00	0,00
	+/- movement			
	as at 31 Dec 2005	29 197 210,89	16 667 814,42	12 519 396,47
Valuable rights	as at 1 Jan 2005	699 744,63	62 284,00	637 460,63
	+ increase	1 427 286,00	229 164,00	1 198 122,00
	- decrease	0,00	0,00	0,00
	+/- movement			0,00
	as at 31 Dec 2005	2 127 030,63	291 448,00	1 835 582,63
Acquisition of non-current intangible assets	as at 1 Jan 2005	119 000,00		119 000,00
	+ increase	11 590 213,55		11 590 213,55
	- decrease	4 129 508,55		4 129 508,55
	+/- movement			
	as at 31 Dec 2005	7 579 705,00		7 579 705,00
Advance payments made for non-current intangible assets	as at 1 Jan 2005	0,00	0,00	0,00
	+ increase			
	- decrease			
	+/- movement			
	as at 31 Dec 2005	0,00	0,00	0,00
Non-current tangible assets	as at 1 Jan 2005	189 983 339,24	98 305 870,90	100 958 533,34
	+ increase	30 474 951,80	15 593 701,78	14 881 250,02
	- decrease	24 093 999,88	5 500 418,50	18 593 581,38
	+/- movement			
	as at 31 Dec 2005	205 645 356,16	108 399 154,18	97 246 201,98
Land	as at 1 Jan 2005	9 281 065,00		9 281 065,00
	+ increase	275 500,00		275 500,00
	- decrease			0,00
	+/- movement			
	as at 31 Dec 2005	9 556 565,00		9 556 565,00

Overview of non-current asset movements

Type		Acquisition price	Provisions and value adjustments	Net book value
Structures	as at 1 Jan 2005	71 312 194,42	22 358 104,00	48 774 090,42
	+ increase	9 139 152,90	3 184 582,00	5 954 570,90
	- decrease	0,00	0,00	0,00
	+/- movement			
	as at 31 Dec 2005	80 451 347,32	25 722 686,00	54 728 661,32
Individual movable assets and sets of movable assets	as at 1 Jan 2005	102 995 171,19	75 203 344,41	27 791 826,78
	+ increase	6 907 994,38	11 954 239,78	-5 046 245,40
	- decrease	5 500 418,50	5 500 418,50	0,00
	+/- movement			
	as at 31 Dec 2005	104 402 747,07	81 657 165,69	22 745 581,38
Other non-current tangible assets	as at 1 Jan 2005	8 268 676,33	564 422,49	7 704 253,84
	+ increase	882 574,00	454 880,00	427 694,00
	- decrease	0,00	0,00	0,00
	+/- movement			
	as at 31 Dec 2005	9 151 250,33	1 019 302,49	8 131 947,84
Acquisition of non-current assets	as at 1 Jan 2005	7 407 297,30		7 407 297,30
	+ increase	11 881 370,52		11 881 370,52
	- decrease	17 205 221,38		17 205 221,38
	+/- movement			
	as at 31 Dec 2005	2 083 446,44		2 083 446,44
Advance payments made on non-current assets	as at 1 Jan 2005	0,00		0,00
	+ increase	1 388 360,00		1 388 360,00
	- decrease	1 388 360,00		1 388 360,00
	+/- movement			
	as at 31 Dec 2005	0,00		0,00
Non-current financial assets	as at 1 Jan 2005	45 786 000,00	10 374 000,00	35 412 000,00
	+ increase	56 435 753,90	0,00	56 435 753,90
	- decrease	23 217 876,95	0,00	23 217 876,95
	+/- movement			
	as at 31 Dec 2005	79 003 876,95	10 374 000,00	68 629 876,95
Shares and ownership interests in a controlled entity	as at 1 Jan 2005	44 286 000,00	8 874 000,00	35 412 000,00
	+ increase	23 217 876,95		
	- decrease	0,00	0,00	0,00
	+/- movement			
	as at 31 Dec 2005	67 503 876,95	8 874 000,00	58 629 876,95

Overview of non-current asset movements

Type		Acquisition price	Provisions and value adjustments	Net book value
Realised shares and ownership interests	as at 1 Jan 2005	1 500 000,00	1 500 000,00	0,00
	+ increase	0,00	0,00	0,00
	- decrease	0,00	0,00	0,00
	+/- movement			
	as at 31 Dec 2005	1 500 000,00	1 500 000,00	0,00
Acquisition of non-current financial assets	as at 1 Jan 2005	0,00	0,00	0,00
	+ increase	23 217 876,95	0,00	23 217 876,95
	- decrease	23 217 876,95	0,00	23 217 876,95
	+/- movement			
	as at 31 Dec 2005	0,00	0,00	
Intercompany loans	as at 1 Jan 2005	0,00	0,00	0,00
	+ increase	10 000 000,00	0,00	0,00
	- decrease		0,00	10 000 000,00
	+/- movement			0,00
	as at 31 Dec 2005	10 000 000,00		
	Non-current assets			187 810 763,03

SPRÁVA NEZÁVISLÉHO AUDÍTORA

Akcionárom TIPOS, národná lotériová spoločnosť, a.s.:

1. Vykonalí sme audit pripojenej účtovnej závierky spoločnosti TIPOS, národná lotériová spoločnosť, a.s. („Spoločnosť“) za rok 2005, ktorá sa skladá zo súvahy zostavenej k 31. decembru 2005, súvisiaceho výkazu ziskov a strát za rok, ktorý sa k uvedenému dátumu skončil a poznámok. Za uvedenú účtovnú závierku je zodpovedné predstavenstvo Spoločnosti. Našou zodpovednosťou je na základe výsledkov auditu vyjadriť názor na túto účtovnú závierku.
2. Audit sme vykonali v súlade s Medzinárodnými audítorskými štandardmi. V súlade s týmito štandardmi sme audit plánovali a vykonali s cieľom získať primerané uistenie, že účtovná závierka neobsahuje významné nesprávnosti. Audit zahŕňa overenie dôkazov, ktoré dokladujú sumy a iné údaje v účtovnej závierke, na základe testov. Audit ďalej obsahuje zhodnotenie použitých účtovných princípov a zhodnotenie významných odhadov, ktoré uskutočnil manažment, ako aj zhodnotenie prezentácie účtovnej závierky ako celku. Sme presvedčení, že náš audit poskytuje dostatočné východisko pre náš názor.
3. Podľa nášho názoru účtovná závierka vyjadruje verne vo všetkých významných súvislostiach finančnú situáciu spoločnosti TIPOS, národná lotériová spoločnosť, a.s. k 31. decembru 2005 a výsledok jej hospodárenia za rok, ktorý sa skončil k uvedenému dátumu v súlade so zákonom o účtovníctve platným v Slovenskej republike a nadväzujúcimi postupmi účtovania.


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




Ing. Ivan Kupkovič
Licencia SKAU č. 689

Bratislava, 28. februára 2006



Good luck!