



CORPORATE
REPORT
2013







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INTERVIEW WITH THE CHAIRMAN OF THE BOARD

Mr. General Director, in 2013, TIPOS, národná lotériová spoločnosť, a. s. entered its 20th anniversary year. What did TIPOS achieve during this period and what is its position on the Slovak market for lottery and betting games? What was year 2013 like for TIPOS?

In two decades, TIPOS has established itself on the Slovak market for lottery and betting games as a significant and stable business. Over the course of its existence the company can be profiled as one of the most significant contributors to the state budget of the Slovak Republic and as a partner in a multitude of sports, cultural, social and philanthropic projects and events.

If we review the anniversary year 2013 via figures, I may dare say that compared to the previous years we have reached much better results. Our revenues amounted to EUR 370,048,870. We contributed to the country's state budget by levies from the games of chance in the amount of EUR 34,529,788 and compared to 2012 it was an increase of almost EUR 2.5 million. I would like to present also the amount of paid-out winnings in the past year which reached the level of EUR 276,856,281, which compared to the previous year represents an increase of approximately EUR 9.41 million.

According to the presented data, TIPOS is a well-functioning company. What would you like to stress in this regard?

TIPOS is a company in constant process. It must respond to the requirements of players, to the market, to new trends in the field of games of chance and marketing. We strive to maintain the number of our network of points of sale on a level to make them physically accessible for all players. At the end of 2013, we had up to 2,440 points of sale with 2,507 active terminals. From a historical point of view, this is the biggest number of points of sale and active terminals at the end of any calendar year in the history of TIPOS. Easily accessible, quality services, a vast offer and innovations are the priorities for TIPOS for the future as well.

There is further room for the offer of our products on the internet. The internet game room eTIPOS was not only redesigned but it also extended its offer with globally popular games of a casino character. The games are certified by the Technical Testing Institute. Our game room, of course, also offers the possibility to play any of our number lotteries or players may try their luck with bets on sports events. Bonus programmes in which players may increase their winnings have become popular. And we guarantee the pay-out of winnings to all players in the eTIPOS game room.

Within our extension of the internet network and its options, TIPOS will launch a new offer, with new games in the eTIPOS game room.

The National Receipt Lottery might be deemed the most significant novelty among the TIPOS games. It is a project that is exceptional also within the European area. What are the goals of this lottery?

In 2013, we triggered the implementation of the National Receipt Lottery in its full range. We were assigned this task by the TIPOS shareholder – the Ministry of Finance of the Slovak Republic. The primary project goal is to limit the space for tax evasion and to increase public awareness on their rights upon provision of services and sale of goods. The project is unique on the European level. The lottery is anchored in the Act on Games of Chance. Consumers are provided with incentives to ask for their sales receipt when paying for their purchase – the receipt from the electronic cash register. With these receipts issued by vendors, consumers can become registered in the National Receipt Lottery and thus win money or other material goods. The receipt registration was launched on September 16, 2013. In less than six months consumers who entered the National Receipt Lottery managed to register 39,433,315 receipts into the system. In theory it is possible to win three times in the National Receipt Lottery with only one registered receipt – in the PRVÁ ŠANCA (FIRST CHANCE) drawing with one out of ten financial winnings, in the DRUHÁ ŠANCA (SECOND CHANCE) drawing with one out of eight winnings and in the TRETIA ŠANCA (THIRD CHANCE) drawing where there is one material winning. The TRETIA ŠANCA drawing was added to the National Receipt Lottery at the end of 2013 and due to this the receipt lottery drawing also appeared on TV screens.

The National Receipt Lottery became a game for all families and the fact it can be played free via the internet is really attractive. The receipt registrations via the internet and mobile applications have made up to 96% of all registrations for individual drawings.

There are several big transnational lottery projects running in the world. Is TIPOS planning to join any such project in the future?

The goal of every lottery company is to involve as big a number of players in a game as possible. As part of TIPOS we have decided to join the international project EUROJACKPOT. Slovak players will thus be offered a really attractive possibility in the future to play for winnings which for now they could only read about in the foreign news.

OF DIRECTORS AND THE GENERAL DIRECTOR

Every success of the company is supported especially by its employees...

Yes, TIPOS is a stable and prospering company thanks to its employees. Within our pro-employee policy the Company has elaborated a social programme and also provides its employees with the possibility of further education. Our employees' competence is documented also by their certificates in the field of adhering to the principles and safety requirements of the lottery industry that TIPOS has acquired thus far. In 2013, expert employees of TIPOS commenced work on introducing and using the managerial system of information safety according to the ISO/IEC 27001:2005 standard. Their effort culminated in February 2014 when the certification company QSCert, spol. s.r.o. granted TIPOS the information safety management system certificate in the field of provision and management of lottery and betting services licensed by the state, adoption of bets and pay-out of winnings within the territory of the Slovak Republic, including development, design, sale, operation and supporting services according to the Act on Games of Chance.

In February 2014, TIPOS acquired the certificate of Responsible Gaming of the Third Level from the World Lottery Association – WLA. Currently, TIPOS is preparing to launch the international WLA Standard for Security Control – WLA-SCS (Security Control Standard). This standard defines standards for security, integrity and risk management that should be adhered to by the sector of lotteries and games of chance. The standard is elaborated in compliance with the mentioned standard ISO/IEC 27001:2005. Based on the aforementioned certifications, TIPOS may apply for participation in transnational lottery projects such as the above-mentioned EUROJACKPOT.

The TIPOS brand has been seen in connection with support for both sports and culture. Within its social responsibility policy, charitable and philanthropic projects are also supported.

As I mentioned at the beginning, in 2013 TIPOS contributed levies from the games of chance to the state budget in an amount exceeding EUR 34.5 million. These levies are the annual source for many state investments in the fields of education, sport, health care, science, etc. The company has also been fulfilling its obligation to contribute financially to anti-flood measures on a regular basis. It contributed EUR 2,004,000 for this purpose to the state in 2013.

In 2013, as in previous years, TIPOS also helped in social responsibility in the form of financial grants to individuals, civil associations and non-profit organizations. The philosophy and the main goal of TIPOS within the area of social responsibility is to support several efforts, especially sports, education, upbringing of children and youth, help to groups of people with health disabilities, as well as charitable, social and cultural projects.

Mr. General Director, what would you like to add to conclude this interview?

To conclude, let me thank all our employees, players and business partners for the trust they have shown for TIPOS for the past twenty years. I believe this good foundation can and will be used into the future and we will continue together in the coming decades of the national lottery company TIPOS.



About TIPOS



TIPOS, národná lotériová spoločnosť, a. s., with registered office Brečtanová 1, 830 07 Bratislava, Comp. ID No.: 31 340 822 is a business company registered in the Commercial Register of the District Court Bratislava I, Section Sa, Insert No. 499/B (hereinafter referred to as the "Company" or "TIPOS Company") which operates number lotteries, lottery of documents on adoption of revenues executed by electronic cash registers and games of chance operated via the internet, forming the state lottery pursuant to Act No. 171/2005 Coll. on Games of Chance and on amendment and supplementation of certain acts as amended. The company operates the state lottery, instant lotteries and other lotteries and betting games based on individual licenses granted by the Ministry of Finance of the Slovak Republic. The company was established by the Articles of Incorporation signed on December 11, 1992 and originated by its registration in the Commercial Register of the District Court Bratislava I on January 28, 1993. At present, the Company has share capital amounting to EUR 365,133.107625.

Ing. Ján Barczy

Deputy Chairman
of the Board of Directors

Ing. Peter Vanek

Member of the Board
of Directors

JUDr. Renáta Pisárová

Member of the Board
of Directors

Ing. Ivan Litvaj

Member of the
Board of Directors



General Meeting

is the highest Company body. The rights of the sole shareholder, which is the Slovak Republic, are performed by the Ministry of Finance of the Slovak Republic in compliance with the provision of Art. 52 par. 1 of Act No. 171/2005 Coll. on Games of Chance and on amendment and supplementation of certain acts as amended.

Board of Directors

is a statutory body of the Company. It is entitled to act on behalf of the Company in all matters against third parties, before courts and other bodies. The Board of Directors manages Company activities and decides on all Company matters, unless these fall within the competence of other Company bodies according to the legal regulations or the Company Articles of Association.

Members of the Board of Directors:

PhDr. Ladislav Kriška - Chairman of the Board of Directors

Ing. Ján Barczy - Deputy Chairman of the Board of Directors

Ing. Peter Vanek - Member of the Board of Directors

JUDr. Renáta Pisárová - Member of the Board of Directors

Ing. Ivan Litvaj - Member of the Board of Directors

PhDr. Ladislav Kriška

General Director & Chairman of the Board of Directors



Supervisory Board

is the highest control body of the Company. It supervises performance of the competences of the Board of Directors and implementation of business activities of the Company. The Company General Meeting informs on the results.

Members of the Supervisory Board:

JUDr. Marián Valko - Chairman of the Supervisory Board

Ing. Radko Kuruc , PhD. - Deputy Chairman of the Supervisory Board

Ing. Vladimír Štric - Member of the Supervisory Board

Ing. Veronika Manduchová - Member of the Supervisory Board

Ing. Ján Štefanek - Member of the Supervisory Board

General Director

is the executive of the Company and manages the Company within the range of powers resulting from a written assignment from the Board of Directors and from the Company organizational order. The function of the General Director is performed by the Chairman of the Board of Directors.

Mission

The TIPOS Company adheres to the following values in all of its activities:



Important
figures in
2013



EUR 370,048,870

REVENUES FROM GAMES OF CHANCE

EUR 276,856,281

COSTS OF WINNINGS

EUR 34,529,788

LEVIES FROM OPERATION
OF GAMES OF CHANCE FOR
THE STATE BUDGET

EUR 2,004,000

EXTRAORDINARY
ANTI-FLOOD LEVY



THE MOST SIGNIFICANT



January 2013

For the first time in TIPOS history a scratch-off lottery ticket with a nominal value of EUR 10 was issued on the occasion of the Company's 20th anniversary and called **Jubilejný žreb** (Anniversary Lottery Ticket).

May 2013

LOTO – Bonus – SUPERJACKPOT



From May 13 to December 22 the **Premium Game** in the LOTO number lottery **amounting to EUR 4 million** was announced. A new winning category called Bonus, which is common for both draws of the LOTO game, was added. Concurrently, the term SUPERJACKPOT, which consists of the sum of the Bonus value and the value of the higher from Jackpots for the current betting period, was introduced.

June 2013



LOTOMÁNIA – the second chance to win. Using the form of a promotional competition, TIPOS Company provided players with a second chance to win by sending a non-winning confirmation on conclusion of the betting period in the LOTO game with a weekly drawing competing for attractive cash winnings, with the main prize of EUR 10,000.

July 2013



In July TIPOS Company applied an interesting way to extend the range of its internet games by adding a new game in a casino game room. Visitors can play new games with top-quality graphics. The entire online game room is associated under the eTipos roof and is transparently divided into individual game rooms. A player can get oriented quickly and easily. The biggest attraction is undoubtedly the casino, which currently has more than sixty games.

EVENTS IN 2013



September 2013

On September 16 a unique lottery game was launched – the National Receipt Lottery.



Bonus has its first winner

On Sunday, September 29, the amount won in the first Bonus category was EUR 2,754,463 and this was concurrently the biggest win in 2013. The winner had sent the bet via SMS.

October 2013



Substantial changes were made in lottery **EUROMILIÓNY** in 2013. The changes covered a combined matrix, number of bet periods, division of winning quotas for individual winning orders, winning structure and the stake amount for one bet. The winning in the 1st order has been reached just once, i.e. in June 2011 and the winner received EUR 7,782,560 .



EVENT OF 2013

Launch of The National Receipt Lottery



**Národná
bločková
lotéria**

The National Receipt Lottery is a lottery game pursuant to Act No. 171/2005 Coll. on Games of Chance and on amendment and supplementation of certain acts as amended in which it is defined as a “lottery of documents on the revenue receipt issued by an electronic cash register”.

The goal of operating this state lottery is to provide incentives for citizens and entrepreneurial entities to engage in conscientious and responsible behaviour when paying and receiving payments for goods and services and to use its educational potential to become one of the instruments for dissemination of tax education.

The prizes are used to motivate citizens to request cash register receipts even in cases when they do not consider it to be necessary, something that may increase tax discipline and narrow the possibility of the grey economy. The National Receipt Lottery is contributing to the overall trend of decreased tax frauds and tax evasions.

In the course of the educational campaign, every citizen has learned what substantial requirements a cash register receipt should have. The receipt from an electronic cash register is valid if it meets all requirements pursuant to Act No. 289/2008 Coll. on Use of Electronic Cash Register as amended, especially the cash tax code, issuance data, issuance time, total amount of the paid price, logo of the Ministry of Finance of the Slovak Republic.

The launch of the National Receipt Lottery took place on September 16, 2013 and from this date receipts could be registered directly in the lottery.

The 16- or 17-digit DKP, date and time of issuance of the cash receipt and the total amount of the paid price are to be registered.



Prvá šanca (First Chance) game and Druhá Šanca (Second Chance) game

Every validly-registered receipt in the lottery has two chances to win, PRVÁ ŠANCA (First Chance) game and DRUHÁ ŠANCA (Second Chance) game

PRVÁ ŠANCA (FIRST CHANCE)	
NUMBER OF DRAWINGS	7
NUMBER OF WINNERS	70
PAID-OUT WINNINGS	EUR 157,500

DRUHÁ ŠANCA (SECOND CHANCE)	
NUMBER OF DRAWINGS	3
NUMBER OF WINNERS	24
PAID-OUT WINNINGS	13 x KIA cee'd passenger car and EUR 80,000

Interesting Issues

- In the first 24 hours from launch of registration there were almost 500,000 receipts registered.
- Online registration registered more than 253,000 players in the first drawing. The record holder is a player who registered 2,672 receipts in two weeks.
- The biggest number of receipts, 899,036, was registered on Sunday, September 29, 2013, a day before the first drawing.
- The first drawing included 7,086,299 receipts registered.
- The www.narodnablockovaloteria.sk website reached the Slovak record for the site-visitor rate during its first week – more than 9 million visitors.



EXPECTATIONS FOR THE FUTURE

Last year, TIPOS Company repeatedly confirmed its position as the quality and efficiency operator in the field of lottery and betting games in the Slovak Republic. The Company strategy is to further maintain this positive trend and to use innovative elements and quality services to maintain the attractiveness of our games for players.

Number Lotteries

In number lotteries, TIPOS Company will face a breakthrough year as at the end of 2014, the Company plans to participate in the transnational project of the EUROJACKPOT number lottery that could substantially contribute to increasing players' interest in new games. The Company is not forgetting its key products such as the LOTO game and for spring it again is preparing a favourite premium game for players relating to the SUPERJACKPOT category. Interesting innovations will also be applied to the KENO 10 and KLUB KENO games with the aim to increase the possibilities of attractive winnings for players.

Internet games

For internet games TIPOS Company will focus on players having a positive experience with internet gaming and increasing the entertainment factor. New casino games and loyalty and bonus programmes supported by advertising are to continuously build awareness of the most comprehensive Slovak internet game room and prevent cross-border gaming. In the field of sports the Company supported wagering especially on the most important sports events such as the Winter Olympic Games in Sochi, the Ice Hockey World Championship and the FIFA World Cup. The significant communication instrument aimed at building and entertaining the Slovak gaming community in 2014 includes Facebook fan pages for TIPOS and eTipos.

Instant Lotteries

More than five-year of growth in revenues confirms the high popularity of scratch-off lottery tickets and justification of an increase in our vast offer, attractive visuals and new elements on lottery tickets. And also in 2014, TIPOS Company will be preparing many novelties in the field of instant lotteries. In March, for the first time in its history, the Company will release a lottery ticket created on the basis of an international platform via cooperation among four lottery companies belonging to the Visegrad Four. The TIPOS Company has not forgotten hockey fans and from the beginning of 2014 there will be a special release of lottery tickets prepared for them involving NHL Slovak Stars with the possibility to play for the perfect non-monetary prize – a journey to NHL matches in the USA or Canada. And at the end of 2014 lottery players can look forward to the increasingly popular Vianočná lotéria (Christmas Lottery).

STRATEGIC GOALS

1. **Active creation of values**
2. **Search for innovative solutions**
3. **Upgrade of the selling network**
4. **Creation of new distribution channels**
5. **Creation of new products according to the marketing survey**
6. **Reaching sustainable development of the Company**
7. **Support and education of employees and business partners**
8. **Solidarity and transparency in business**
9. **Creation of a favourable gaming environment**
10. **Meeting high standards of social responsibility**



REPORT ON BUSINESS ACTIVITIES OF THE COMPANY

Financial results in 2013



TIPOS Company had a successful year in 2013. It was the year of successful, innovative projects in the LOTO number lottery, in the EUROMILIÓN lottery and extension of internet games.

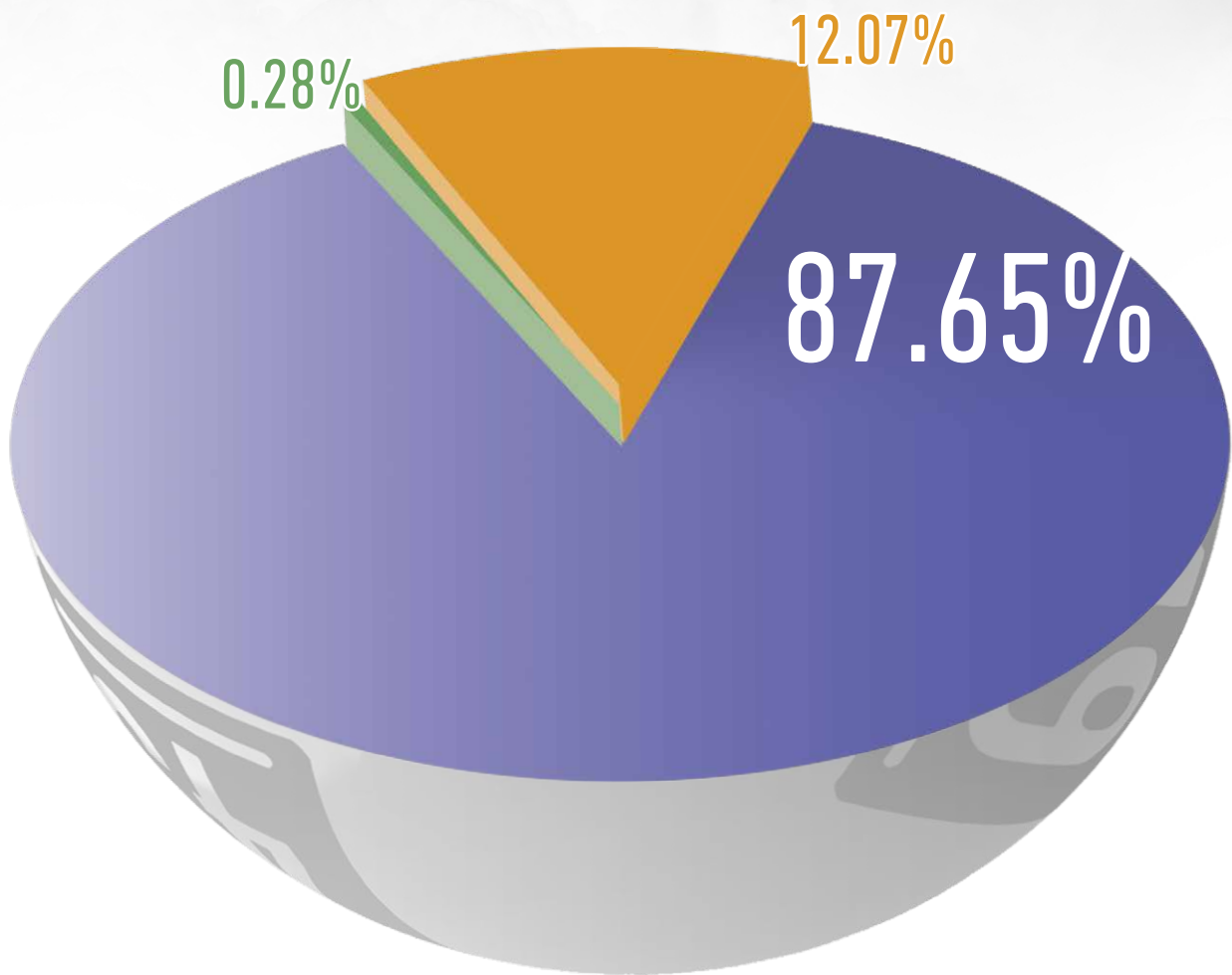
The Company revenues in 2013 reached EUR 371,248,852 and compared to 2012 that was a 3.07% increase.

Revenues from the games of chance represented up to 99.68% of total Company revenues. In 2013, they reached EUR 370,048,870, an increase of 3.18% compared to 2012.

The Company's economic result in 2013 before levies and taxes was a profit of EUR 45,099,344. After considering non-deductible and deductible items the Company had a tax base of EUR 10,305,906 from which it calculated its corporate income tax of EUR 2,370,358. The tax on interest amounted to EUR 25,500 and the deferred income tax on ordinary income meant a tax obligation amounting to EUR 308,060. For the year, the Company had an after-tax profit of EUR 7,865,638.

REVENUES FROM GAMES OF CHANCE IN EUR	YEAR 2013	YEAR 2012	RELATION.% 13/12
STATE LOTTERY	324,332,243	316,244,764	102.56
INSTANT LOTTERIES	44,666,078	41,239,955	108.31
BETTING GAMES	1,050,549	1,165,249	90.16
TOTAL	370,048,870	358,649,968	103.18

AND ON PROPERTY



State lottery

Instant lotteries

Betting games

Company costs before calculation of income tax amounted to EUR 360,679,296 which exceeded those in 2012 by EUR 12,511,490. The increase in costs in 2013 all involved direct costs relating to the increase of total revenues from operation of the games of chance.

The costs of winnings amounted to EUR 276,856,281 including extraordinary costs of the Bonus winning category reaching EUR 1 million and obligatory subsidies, meaning as much as 76.76% of total Company costs. The total winning rate represented 74.82% of total Company revenues from the games of chance.

The second highest cost item, after the costs of winnings, which has regularly been the case, are legal levies from the games of chance. The Company contributed EUR 34,529,788 to the state budget for useful, general purposes.

Other costs immediately relating to the gaming operation are payments for services provided by GTECH Slovakia Corporation for online processing of data and remunerations to collection points which receive the wagers and pay out winnings.

The Company's financial situation is favourable. The Company fulfilled all levy duties toward the state due to games of chance levies, income taxes on employment, corporate income tax, withholding taxes, value added tax, premiums and other legal obligations within the required periods. Similarly, it fulfilled its obligations towards winners, suppliers and employees. The liquidity indicators confirm the solvency and financial independence of the Company, free of leverage.

In 2013, the Company had no significant movement in fixed assets.

Current assets increased from EUR 40,197,951 to EUR 52,625,178 especially due to the increase in the balance on the financial accounts.

In 2013, there were no transfers of Company property that according to the special regulations or Articles of Association would be subject to the prior approval by the General Meeting or the Supervisory Board.

In 2013, the Company had a capital interest in CASINO SLIAČ SLOVAKIA, a. s. in liquidation, with holdings in the share capital of 51%, valued at EUR 294,563, including the adjusting item in the same amount.

In the course of 2013 Company equity increased from 2012 by a total of EUR 4,768,638, i.e. it increased by the after-tax profit of EUR 7,865,638 and, based on the decision on the 2012 profit distribution, it was reduced by the paid out dividends to the Ministry of Finance of the Slovak Republic in the amount of EUR 3,000,000, by paid-out shares to members of control and supervisory bodies of EUR 67,000 and by a contribution to the social fund amounting to EUR 30,000. As of December 31, 2013, the Company's total equity was EUR 13,712,347.

The Company's obligations (including reserves) increased by EUR 4,052,616. The unpaid amount of an extraordinary levy was EUR 13,988,000, of which the long-term obligation is in the amount of EUR 11,984,000. In 2013, the extraordinary levy was settled in the amount of EUR 2,004,000.

The statutory body has not so far proposed a profit distribution for 2013. The accounting unit does not have the organizational body abroad.

Cost of winnings

In 2013, the costs of winnings totalled EUR 276,856,281.

WINNING FUNDS IN EUR	YEAR 2013**	YEAR 2012*	RELATION% 13/12
STATE LOTTERY	246,658,546	238,175,826	103.56
INSTANT LOTTERIES	27,292,737	25,815,587	105.72
BETTING GAMES	903,712	961,533	93.99
TOTAL	274,854,995	264,952,946	103.74

* The data are without obligatory subsidies amounting to EUR 491,969 and are free of extraordinary winning amounting to EUR 2,000,000

** The data are free of obligatory subsidies amounting to EUR 1,001,286 and are free of extraordinary winning Bonus amounting to EUR 1,000,000

Levies from games of chance

The summary volume of levies from the operated games of chance for the state budget of the Slovak Republic amounted to EUR 34,529,788, an increase from 2012 of EUR 2,461,577, or a 7.68% rise. Concurrently, it is the highest value of the total levies paid during the Company's existence.

The highest share in total levies was reached by the number lotteries that have the largest standard levy burden. The levies from the number lotteries represented 84.07% of the Company's total levies.

LEVY STRUCTURE FROM GAMES OF CHANCE IN EUR YEAR 2013	YEAR 2012	RELATION.% 13/12	
NUMBER LOTTERIES	29,030,106	27,263,831	106.48
GAMES OF CHANCE OPERATED VIA INTERNET	1,699,739	1,511,856	112.43
INSTANT LOTTERIES	3,736,909	3,228,435	115.75
BETTING GAMES	63,033	64,089	98.35
TOTAL	34,529,788	32,068,211	107.68

Business Partners

Terminal coverage in Slovakia

At the end of 2013, TIPOS Company operated 2,507 active terminals via its business partners – mandators all over Slovakia. Also this year, TIPOS Company strived to get closer to the players and increase the availability of lottery games and non-lottery products available to them at points of sale equipped with online terminals.

Number of terminals in the entire business network of online collection points



Year 2012



A The number of active terminals at the end of 2012 and 2013

Year 2013



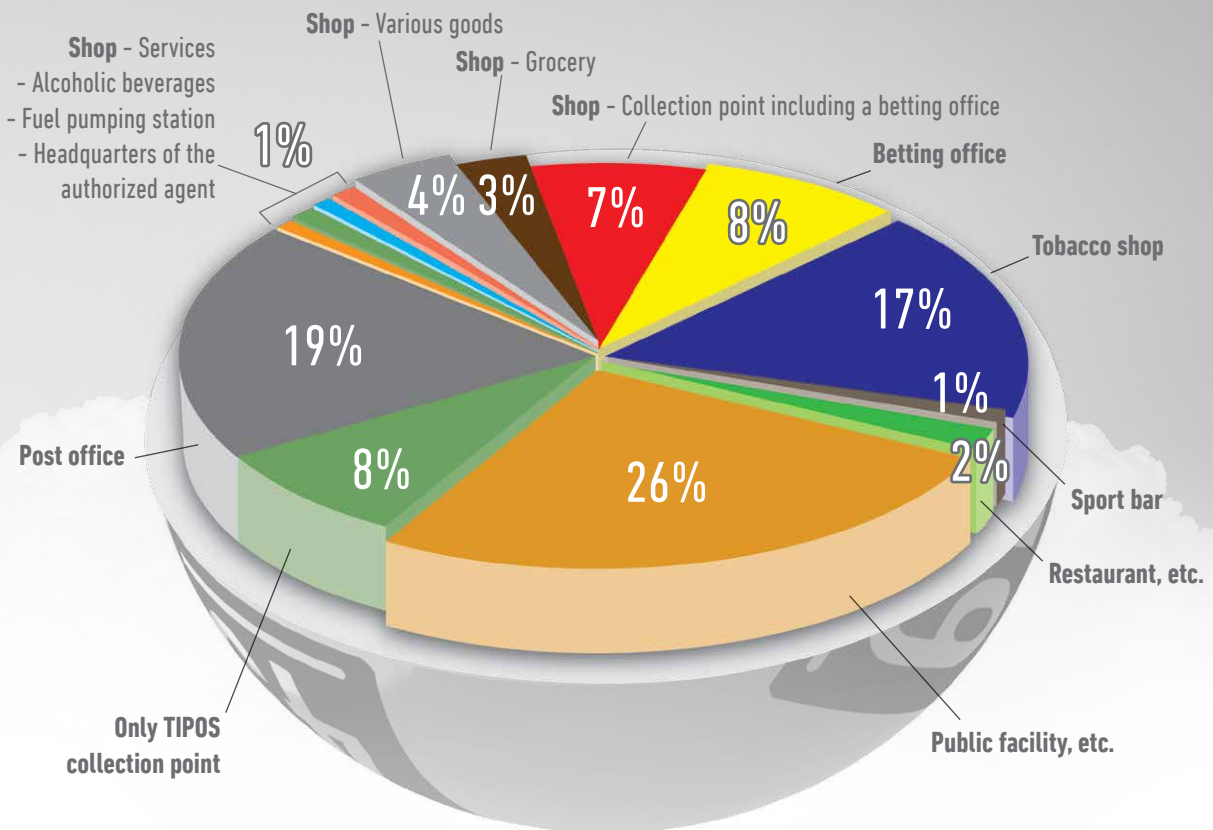
B The number of active terminals in the course of 2012 and 2013

In 2013, there was a new categorization of points of sales aimed at updating the point of sale database according to the business activities performed by the authorized agents.

The most significant position over the course of the year and at the end of 2013 was led by Slovenská pošta a. s. which, however, is being chased by points of sale at newspaper, magazines and tobacco agents based on their percentage expression.

As in previous years, the biggest representation can be attributed to public facilities, which in the point of sale networks, have a significant place in terms of their opening hours and their concentration on the KLUB KENO number lottery.

Types of points of sale at the end of 2013



Business partners – mandators

In the course of 2013, there were 1,503 authorized agents cooperating with TIPOS Company. The biggest representation from among the business partners was attributed to physical entity – entrepreneurs (1,117), followed by legal entities (352), while the smallest share was educational facilities and sports clubs (34).

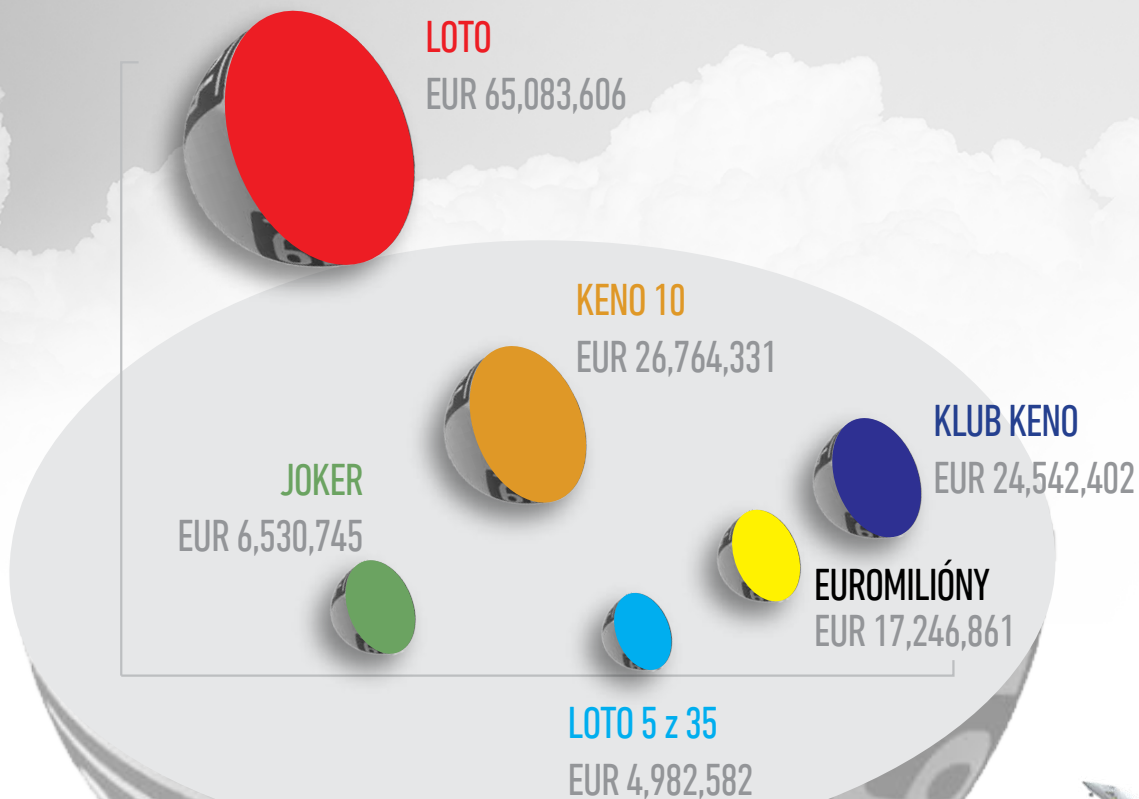
REPRESENTATION OF BUSINESS PARTNERS – MANDATORS IN THE COURSE OF THE YEAR

	Number of	Revenues in EUR	Share in total revenues	Number of terminals	Share in total number of terminals
FO – NATURAL PERSON	1,117	69,602,478	34.86%	1262	42.64%
PO – LEGAL ENTITY	352	121,113,182	60.67%	1629	55.03%
TJ AND ŠK (EDUCATIONAL FACILITIES AND SPORTS CLUBS)	34	8,919,419	4.47%	69	2.33%
TOTAL MANDATORS:	1,503	199,635,079	100.00%	2,960	100.00%

COMPANY PRODUCTS

Number lotteries

Share of revenues in number lotteries



REVENUES IN 2013

EUR **65,083,606**

WINNINGS IN 2013

EUR **33,881,123**

The most successful number lottery of the lotto type had a significant change in 2013, i.e. introduction of a new joint Bonus winning category for both drawings. The sum of the Bonus value and the value of the higher from Jackpots for the current betting period is called SUPERJACKPOT. The condition for winning the Bonus is that the player had 10 tips placed per one bet of the LOTO game or the system bet LOTO (system 8 to 13) and, concurrently, a bet for the JOKER additional game. The Bonus can be won by the player whose guess in the LOTO game met the conditions for winning the Bonus and who had reached the winning in 1st order of the respective draw and, concurrently, had acquired the last drawn number in the JOKER additional game. In 2013 the Jackpot in the LOTO game was reached sixteen times, i.e. six times in the 1st drawing and tentimes in the 2nd drawing.

Drawing days: Wednesday and Sunday

The bet price for one tip per one betting period: EUR 0.70

THE THREE BIGGEST WINNINGS IN THE LOTO GAME IN 2013:

1st draw + BONUS, September 29, 2013, the bet sent via SMS: EUR **2,754,463**

2nd draw, April 28, 2013, the bet sent via SMS: EUR **2,058,556**

1st draw, September 1, 2013, the bet placed at an online collection point: EUR **1,917,833**





REVENUES IN 2013

EUR **26,764,331**

WINNINGS IN 2013

EUR **13,140,433**

The number lottery of the keno type in which a player chooses 1 to 10 numbers from the numerical series from 1 to 80. For each drawing there are 20 winning numbers drawn. The KENO 10 number lottery can be played with a bet for KENO PLUS. In KENO PLUS, a player additionally wagers that one of his guessed numbers will be drawn as the last one in the order of the drawn winning numbers (the so-called KENO PLUS number).

Drawing days: every day.

A stake for a game per one tip and per one betting period is optional by a player. The minimum stake for the KENO 10 game without a bet for KENO PLUS is EUR 0.20 and the maximum stake is EUR 4 per one playing field and one drawing.

THE THREE BIGGEST WINNINGS IN THE KENO 10 GAME IN 2013 :

EUR **160,000**

the win occurred on July 26, 2013 with the winning level 10/10 - A (10 tipped and 10 guessed numbers) with a stake of EUR 0.80, meaning the player won a 200,000 multiple of his stake, the bet placed at an online collection point.

EUR **120,000**

the win occurred on November 11, 2013, with the bet placed at an online collection point.

EUR **100,000**

the win occurred on September 1, 2013, with bet placed at an online collection point.



REVENUES IN 2013

EUR **24,542,402**

WINNINGS IN 2013

EUR **14,540,794**

The number lottery of the keno type in which a player guesses 1 to 7 numbers from the numerical series from 1 to 80. With each drawing there are 20 winning numbers drawn.

The betting period: every 4 minutes of the calendar (playing) day.

A stake for a game per one tip and per one betting period is optional by a player. The minimum price for bet for the KLUB KENO game is EUR 0.30 and the maximum price for a bet is EUR 1.80.

The maximum win of **EUR 5,400** in the KLUB KENO game in 2013 occurred eleven times.



REVENUES IN 2013

EUR **17,246,861**

WINNINGS IN 2013

EUR **8,384,603**

The number lottery of the lotto type with a power ball element. From October 12, 2013, seven numbers from the numerical series from 1 to 33 (instead of seven numbers out of thirty-five) are chosen and, concurrently, one number from the numerical series from 1 to 6 (instead of one number out of five). The lottery has a combined 7/33 and 1/6 matrix.

Drawing days: Tuesday and Friday.

The stake price for one tip per one betting period: EUR 1.20.



REVENUES IN 2013

EUR **6,530,746**

WINNINGS IN 2013

EUR **3,097,061**

An additional game to the number lottery LOTO and LOTO 5 z 35. The JOKER game is a bet on the six digits provided on the confirmation of the bet-placing created by the generator of random numbers. The Jackpot in the JOKER game was won twenty times in 2013. Drawing days: Wednesday and Sunday.

The stake price for one tip per one betting period: EUR 0.35.

THE THREE BIGGEST WINNINGS IN THE JOKER ADDITIONAL GAME IN 2013:

EUR **161,769** the win occurred on November 20, 2013, the bet was placed at an online collection point.

EUR **109,577** the win occurred on August 28, 2013, the bet was placed at an online collection point.

EUR **106,951** the win occurred on May 12, 2013, the bet was placed at an online collection point.



REVENUES IN 2013

EUR **4,982,582**

WINNINGS IN 2013

EUR **2,488,894**

The number lottery of the lotto type, in which a player guesses five numbers out of thirty-five numbers from the numerical series from 1 to 35. There are 5 winning numbers drawn. The Jackpot in the LOTO 5 z 35 game was won thirty-four times in 2013.

Drawing days: Wednesday and Sunday.

The stake price for one tip per one betting period: EUR 0.30.

THE THREE BIGGEST WINNINGS IN THE LOTO 5 Z 35 GAME IN 2013:

EUR **98,672** with the win occurring on June 19, 2013, the bet was placed via the internet.

EUR **94,342** with the win occurring on October 27, 2013, the bet was placed via the internet.

EUR **74,696** with the win occurring on April 07, 2013, the bet placed at an online collection point.

Games of chance operated via the internet

REVENUES IN 2013

EUR **179,044,355**

WINNINGS IN 2013

EUR **172,749,023**

In 2013, TIPOS Company significantly changed the design of its internet site and simplified access to internet games via the www.etipos.sk website. Concurrently, our offer of internet games in the casino e-game room was extended to sixty different games. The most favourite game with players is eRuleta supplemented by four new roulette wheels with extended options of bets. Players can play American, European or multi-wheel roulette. The developed graphics include 3D elements that are typical for the Premier Roulette Diamond Edition. The offer of variants of Blackjack was extended with so-called secondary bets, 3-cylinder and 5-cylinder slot machines were supplemented, new so-called soft games such as Baccarat, Turtley Awesome, Pharaoh's Gems, Beer Fest, Bunny Boiler, and Crown and Anchor were introduced. A favourite, e-ŽREBY, was redesigned and players may continue to select from among online scratch-off lottery tickets in a price from EUR 0.50 to EUR 3.

Brief characteristics:

- internet games (games of chance) are operated expressly via the internet network and only on the official website www.tipos.sk;
- a participant applies for access to internet games and must be registered and subsequently a player's account is generated upon the registration and payment portal of the operator from which the stakes for internet games are paid and to which the financial winnings are credited;
- funds are transferred by the player from the player's TIPOS account to the personal bank account using standard commercial bank instruments;
- Groups of internet games:
 - a) internet bets TIPKURZ.SK
 - b) internet games e-CASINO



INTERNET BETS TIPKURZ.SK

REVENUES IN 2013

EUR **29,819,938**

WINNINGS IN 2013

EUR **27,610,949**

The TIPOS Company has operated internet sites already for ten years and winning is conditioned on wagering on sport or non-sport betting events. The game room is accessible nonstop, 24 hours a day, seven days a week. All bets are placed free of any handling charge. Over the course of the year, TIPOS also offers interesting competitions or a possibility to acquire attractive bonuses. The most popular wagering sports are football, tennis and the Slovak phenomenon – ice hockey.



REVENUES IN 2013**EUR 149,224,417****WINNINGS IN 2013****EUR 145,138,074**

Board games	the portfolio of board games consists of: eRuleta, eMultiRuleta, American Roulette, European Roulette Gold, Premier Roulette Diamond Edition, Multi Wheel Roulette
Card games	the portfolio of card games consists of several variants of the classical card game BLACKJACK (eBlackjack, MultiBlackjack, Atlantic City Blackjack, European Blackjack Redeal, Premier Blackjack Hi-Lo, Spanish 21 Blackjack, and Double Exposure), as well as the Baccarat Gold game and ePoker and eMultiPoker
Video Poker games	the portfolio of video poker games consists of All American Poker, Bonus Poker Deluxe, Deuces Wild Power Poker, Double Joker Poker; these games were introduced in July 2013
Internet slot machines	(3-cylinder, 5-cylinder and 20-cylinder)
Internet game e-Texas Hold ´em Poker	a specific type of a poker card game enabling two or several players to play against one another on the playing table, so called multipoker
Internet game e-KLUB KENO	a number internet game
Internet games e-ŽREBY	internet games representing simulation of classical lottery tickets in the electronic environment
Internet game e-BINGO	a game based on graphic simulation of a game of the bingo type with a cumulative JACKPOT
Soft games	the portfolio of games consists of Bunny Boiler, Keno, Crown and Anchor, Turtley Awesome, Germinator, Four by Four, Hairy Fairies, Enchanted Wood, Beer Fest, Pharaoh ´s Gems, Freezing Fuzzballs, and Mumbai Magic; these games were introduced in July 2013

In 2013, internet players were provided with bonuses amounting to EUR 114,621.



In January 2013, for the first time in its history, TIPOS Company launched a scratch-off lottery ticket with a nominal value of EUR 10 as part of the instant lottery Jubilejný žreb (Anniversary Lottery Ticket), issued at the occasion of the 20th anniversary of the Company, with an attractive main prize of EUR 200,000.

This lottery ticket, with the higher nominal value, found its position in the product portfolio of scratch-off lottery tickets bearing the slogan "Šťastie na počkanie" (Luck While You Wait).



In September 2013, a brand-new product of scratch-off lottery tickets called RENTA was launched that has the specific character of paying a monthly annuity, making it absolutely differentiable from other types of instant lotteries. This type of an instant lottery has a stable position in the lottery world. This lottery ticket is sold in the nominal value of EUR 2 and two million of these lottery tickets were released.

The gaming principle has the character of the so-called "key number match". The added value is a bonus element consisting in searching for three identical symbols having the form of the word RENTA. If a player does so, the main prize is EUR 36,000 that is paid out in the form of a monthly annuity of EUR 1,000 over the period of three years.



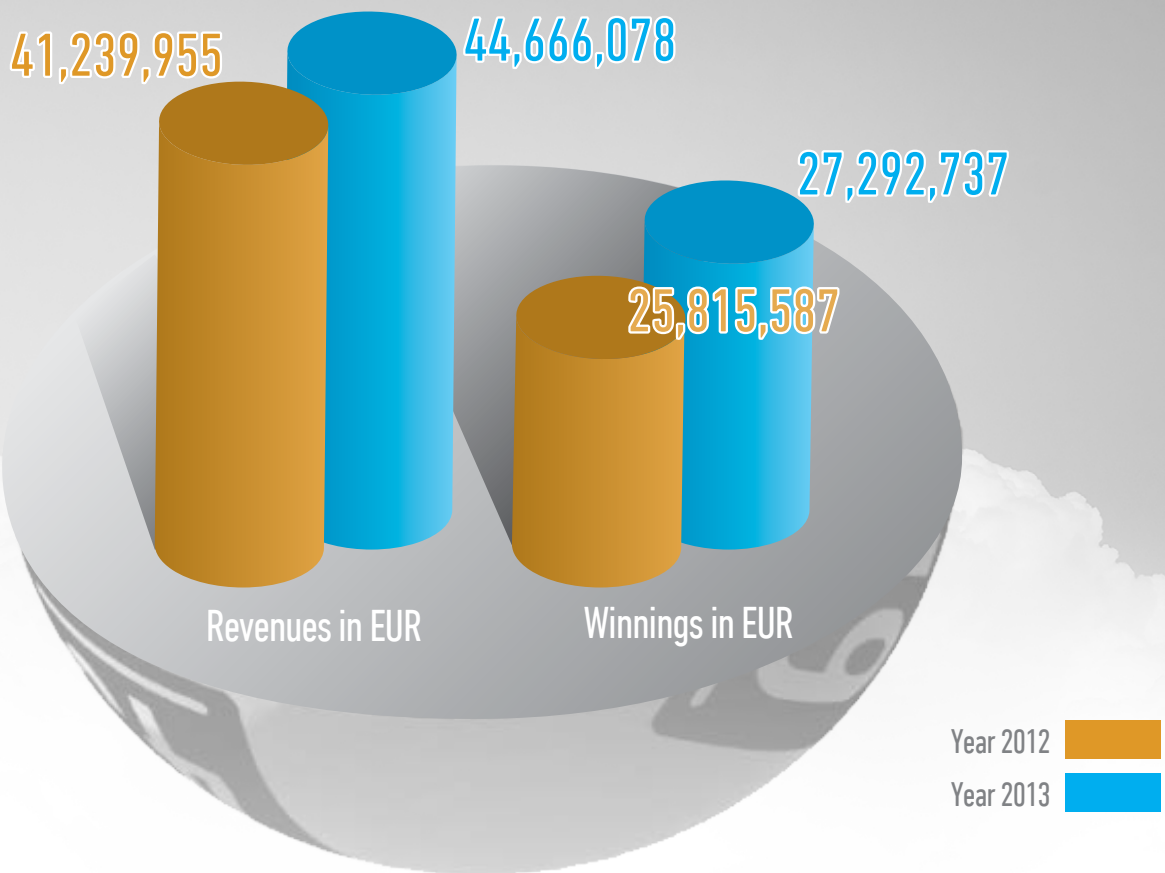
In October 2013, TIPOS Company launched Vianočná lotéria (Christmas Lottery), a very popular lottery among players every year. Its advantage is an easily-recognizable visual, an attractive winning structure and a typical gaming principle based on a search for Christmas symbols. The total release volume was 1.5 million pieces, the nominal value of the lottery ticket was EUR 5 and the main prize was EUR 100,000.

Vianočná lotéria (Christmas Lottery) 2013 had the character of opening a postcard and its significant benefit was the possibility of giving it to family or friends. The success of this lottery was confirmed by the sale results. In the course of the 3-month sales period the Company sold more than 1 million of these lottery tickets.

Overview of instant lotteries (IL) sold in 2013

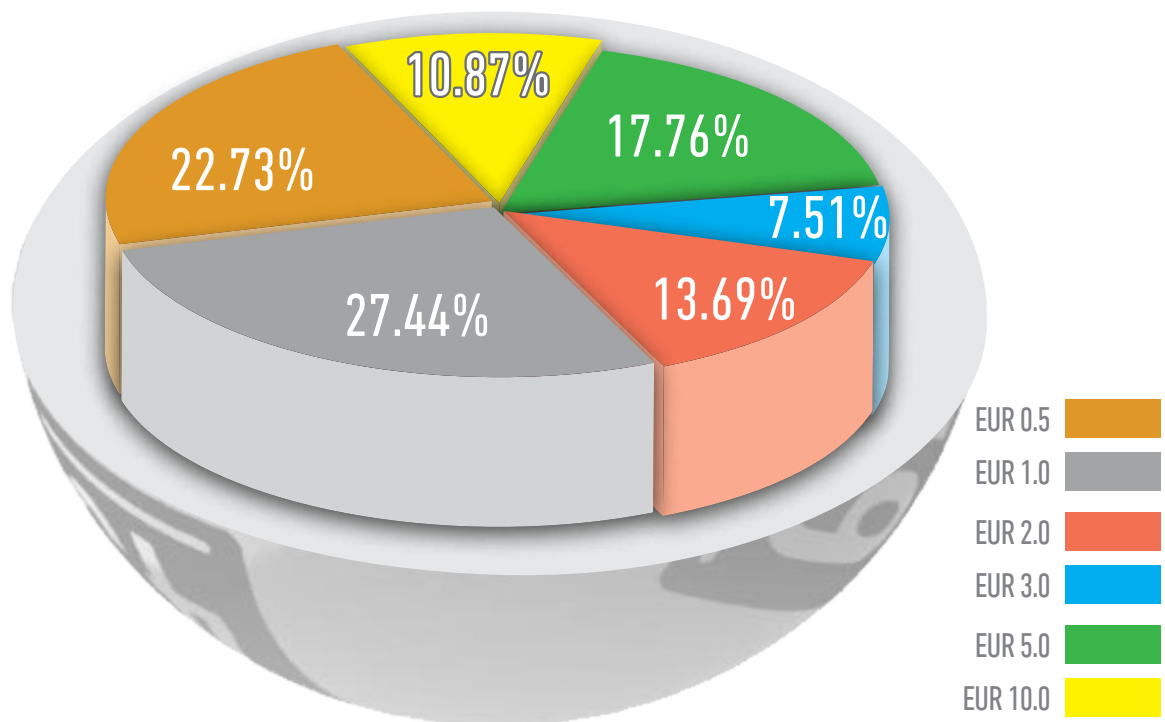
	NAME OF IL	Nominal price in EUR	Release volume in pcs
OLD RELEASES	ZLATO	3	
	PRASA V ŽITE	0.50	
	SEJF	5	
	RÝCHLA 5	1	
	KOMINÁR	0.50	
	SUPER PRASA V ŽITE	1	
	BINGO	2	
	SMAJLÍK	1	
	ZNAMENIA	2	
	OVOCÍČKO	1	
	VIANOČNÁ LOTÉRIA	5	
	DRAHOKAMY	3	
NEW RELEASES	PIŠKIVORKY	0.50	12,000,000
	JUBILEJNÝ ŽREB	10	1,000,000
	AMOR A DIABOL	1	4,000,000
	NAJ 7	1	3,000,000
	PRASA V ŽITE	0.50	15,000,000
	BINGO	2	2,000,000
	SUPER PRASA V ŽITE	1	4,000,000
	DOVOLENKA SNOV	3	500,000
	POKLADNIČKA	1	3,000,000
	ZNAMENIA	2	2,000,000
	ŠTVORLÍSTOK	1	4,000,000
	10X	5	1,000,000
	RENTA	2	2,000,000
	VIANOČNÁ LOTÉRIA	5	1,500,000
	DIAMANTY A PERLY	3	1,000,000
	TOTAL		56,000,000

Instant lotteries - sale and winnings in the years 2012 and 2013



Note: the overview of sales includes the influence of back revenues and financial settlements

The share of lottery tickets sold according to the nominal value



Betting games

TIPKURZ SMS

REVENUES IN 2013

EUR **1,050,549**

WINNINGS IN 2013

EUR **903,712**

Betting games – fixed-odds bets TIPKURZ SMS are bets on sport or non-sport events placed via short text messages (SMS) in an exactly defined format sent to the shortened telephone number.



Non-lottery products

In addition to games of chance, TIPOS Company also provided non-lottery products and services in 2013. These included recharging of EASY credit for customers of Slovak Telekom, a. s., the mobile operator, and recharging of PRIMA credit for customers of Orange Slovensko, a. s., another mobile operator. Recharging is executed via filling in a recharging ticket or by verbally providing the data to the terminal operator. The Company also offered sale of tickets for sports and cultural events via the TIPOSTICKET service.

The value of the credit recharging in EUR

SERVICE	YEAR 2013	YEAR 2012
PRIMA	10,521,459	13,524,695
EASY	6,621,671	8,439,061



FOR GOOD CAUSES

TIPOS Company contributed more than EUR 34.5 million to the state budget of the Slovak Republic from the operated lotteries and betting games in 2013. These funds were to be spent for development of sport, culture, education, provision of social help and health care and other useful general purposes. As in previous years TIPOS Company also contributed EUR 2,004,000 to the state budget under the extraordinary anti-flood levy. In this way the Company helps to fight flooding and ameliorate the consequences of flooding..





The Company support young talents

Through regular financial contributions the Company supports children and youth with significant sports talent. This was also the case in 2013 when TIPOS Company provided a financial gift for the young holder of the gold medal in the Slovak Chess Championship in the category of up to eight years so that she could represent the Slovak Republic in a prestigious event, the World Chess Championship in Dubai. Similarly, it provided a financial gift to the Social Club of Blind and Purbblind Sportsmen in Levoča to create conditions for downhill skiing of blind and purblind children and youth.

The Company helps seniors

In 2013, the Company supported a group of senior citizens via a financial gift for a non-profit organization called SENIOR HOUSE. The support is aimed at the project "Zeleň pre seniorov" ("Greenery for Seniors") through which the seniors may spend more pleasant moments during the autumn of their lives in the Facility for Seniors, House of Social Services and Facilities of Day Care.



The Company also remembers people with physical disabilities

A financial gift was also provided to the Slovak Ski Association of Sportsmen with Physical Disabilities, a civil association, focused on creating better and higher quality conditions for talented sportsmen, successful representatives of the Slovak Republic in important domestic and foreign sports events. The Company also helped a blind boy who is being brought up by an unmarried mother through a financial contribution. The gift served to enhance life conditions for the boy who has been blind from birth.

In 2013, TIPOS Company was a significant partner of many other meaningful, quality projects that are recognized by the public:

Zober loptu, nie drogy (Take the Ball, not Drugs)



In 2013, the Company became a partner of the project "Zober loptu, nie drogy" ("Take the Ball, not Drugs") which is aimed at support of pupils of primary schools and eight-year grammar schools across all of Slovakia to be interested in and participate in a sport, sports activities, based on a strong educational and instructional idea – to be involved in a sport and not be interested in drugs or other addictions. The project has a social, charitable and educational character.



It is necessary to help those who really need it

The most significant partnerships have included projects with a deep idea, philosophy – helping others. These definitely include the big charitable project “Srdce pre deti 2013” which provides help to socially or physically disadvantaged families, individuals, children, health-care facilities or various foundations and non-profit organizations.

Another interesting project is The UNICEF Mission in Slovakia and the World”. It is characterized by its uniqueness, exceptionality and its brand is extremely popular among the general public – it has its credit and professional name built. The basic attribute of UNICEF is the idea that speaks to everything important – to help people, to develop oneself and to fight for one’s rights.



Partnerships with sports organizations

In 2013, the Company entered partnerships with significant sports organizations such as the Slovak Olympic Committee, Slovak Athletic Federation, Slovak Cycling Federation, Slovak Football Association, Slovak Volleyball Federation, and Slovak Ice Hockey Federation. TIPOS Company became a partner of many important sports events with preparation for the Winter Olympic Games in Sochi 2014 being one of the biggest efforts.

PLAY RESPONSIBLY

GAMING IN LIFE

- There is not a better term which would characterize the TIPOS Company better than the word GAME.
- TIPOS Company strives to offer new, interesting games which bring joy and excitement to all from the possibility of winning.

GAMING FOR FUN

- Play is essentially fun, a joyful and a basic human need.
- The Company intends to remind its players not to forget to enjoy life.

GIVING BACK THROUGH GAME

- TIPOS Company has brought new forms of entertainment to the general public via support of sport, culture and other spare-time activities.

***“It is just playing a game..... for the majority of people.
But some players become addicted.”***

TIPOS Company offers its players joy from playing its games and winning while preserving the idea that all its games are a form of entertainment and not a financial investment.

TIPOS Company adheres to and declares its support for European and world standards of responsible gaming. Within its support for responsible gaming it co-finances the activities of the Help Line for Gaming.

The Help Line has been established with the aim to prevent and to fight addiction to games of chance and it is intended to help not only people having problems with gaming but also to help family members and friends who would like to jointly find a solution for problems that arise from addiction on games of chance.

To maintain a responsible approach to gaming and to preserve joy from gaming it is important that gaming is controlled by the players, not the game controlling the players. For this purpose TIPOS Company has prepared several instruments that enable players to set up limits for their responsible gaming. Currently it consists of an overview of time spent in an e-game room and, if necessary, the possibility to make access to games or to the gaming house unavailable (to lock access). A player may set up a time (hourly) limit per day, week or month. When exceeding this limit, the system will automatically notify the player that the set limit has been exceeded. The player can then decide whether to continue or leave the game. A player may also set up a so-called self-exclusion from a game and from the gaming room by locking some of the games, thus disabling participation in those games.

HELP LINE FOR PROBLEMS WITH GAMING

0800 800 900

Free telephone number of the specialized health institution operating in the field of prevention, diagnosis and treatment of substance and non-substance addictions

Working hours: Monday to Friday from 9.00 a.m. to 5.00 p.m.
A recorder is available outside working hours.

It operates the Drug Addiction Treatment Centre
Hraničná 2 827 99 Bratislava

TIPOS Company is aware of its responsibility to the public and to its players. The definition of Responsible Gaming can be summarized in one sentence “the integrity of our players is superior to company profit”. This basic postulate was defined on the international level by the World Lottery Association (WLA), of which the TIPOS Company is an active member, as a basic principle for operation of a national lottery company. WLA associates national lottery companies from all over the world in order to help its members implement the principles for Responsible Gaming. A system for certification of the Responsible Gaming principles was created to implement it jointly throughout the world. Ten main areas of certification are defined, starting with surveys through to advertising, expert help, education, etc.. Fulfilment of individual elements of the Responsible Gaming system is evaluated by independent experts from across the world and according to the fulfilment level of the system elements they grant the certificate of Responsible Gaming. By using an independent audit, the World Lottery Association enables its members to prove their Responsible Gaming programme meets the required standards and that their implementation has been verified by an independent body.

In December 2013, TIPOS Company sent a request to the World Lottery Association (WLA) to be granted the Responsible Gaming certificate of the Third Level.



INTERNATIONAL COOPERATION

TIPOS Company is a long-term, fully-fledged member of the biggest and most significant international lottery organizations – European Lotteries (EL) and WLA. TIPOS Company also actively participated in international activities in the field of games of chance in 2013. Company employees participated in seminars and expert trainings organized by EL and WLA, particularly in the Marketing Seminar in London, the Seminar on Sports Bets in the Netherlands, the European Lottery University in Krakow and the Congress of Directors of the European Lottery Companies called EL Congress in Tel Aviv.

Within international cooperation and exchange of experience, TIPOS Company welcomed a visit from representatives of the Japan Lottery System in September 2013. The delegation leader was its Executive Vice-President Tadashi Sano. The visitors focused on acquiring experience from the number lottery KENO 10 that they would like to launch on the Japanese market as an additional number lottery. They visited collection points of TIPOS Company where they were presented with information on Company products. The most positive reaction was related to the KLUB KENO lottery and they were also interested in the just-launched National Receipt Lottery.

Also in the field of international cooperation TIPOS Company participated in organizing a seminar covering the issues of manipulation of sports results and corruption in sports held in November 2013 in Bratislava. The lecturers were experts from the non-profit organization Institut des Relations Internationales et Stratégiques (IRIS) which in 2012 prepared a White Book covering the issue “sports betting and corruption” as a result of its annual survey concerning this particularly sensitive topic. The seminar was intended for sports representatives in Slovakia as well as concerned state institutions. The highest representatives of the most important group sports in Slovakia – football, professional and youth ice hockey, basketball, and handball as well as a representative of the Slovak Olympic Committee took an active part in the seminar. State institutions included representatives of the Ministry of Education of the Slovak Republic, the Ministry of Justice of the Slovak Republic, the Ministry of Finance of the Slovak Republic and the Police Force of the Slovak Republic. Secretary General Bernadette Lobjois participated in the seminar on behalf of the European Lotteries organization.



HUMAN RESOURCES



People are the most important component of TIPOS Company. The Company strives to ensure optimal work and development of the work environment because satisfied and motivated employees are behind the Company's results.

As of December 31, 2013, TIPOS Company employed 125 staff, 68 men and 57 women. As of December 31, 2012 TIPOS Company had 120 employees.

The average age of employees in 2013 was 42 years and it was at the same level of the previous year.

Education:

In 2013, as in the previous year, the Company continued to support improvement in the qualifications of its employees.

In 2013, the Company spent **EUR 31,812** for education:

- expert trainings, seminars aimed at public procurement, individual coaching, managerial abilities, training for protection against legalization of criminal income, etc.;
- language courses;
- lectures, courses and seminars in the economic area, especially about legislation changes.

Social policy:

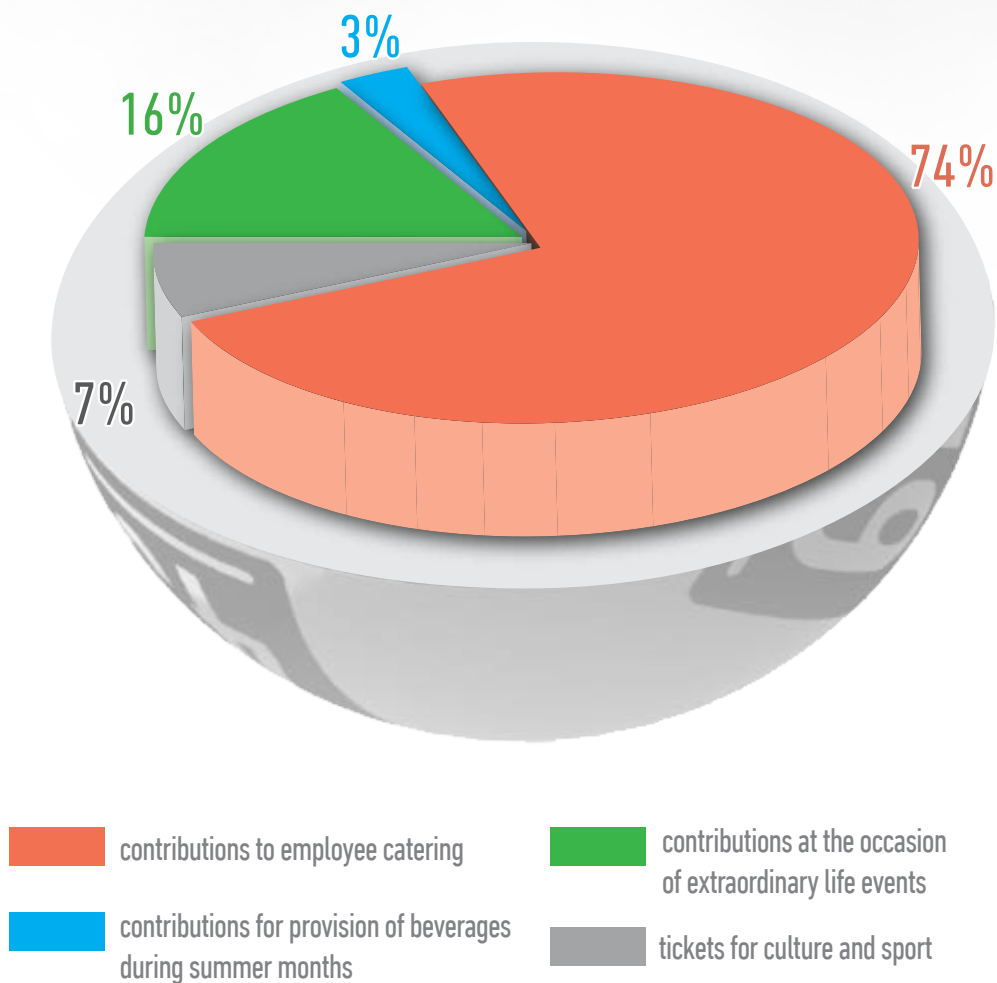
Within the area of social policy the Company proceeded according to the approved budget of the social fund for 2013. The drawdown of funds from the social fund in 2013 amounted to **EUR 39,993**:



In addition to expenditures from the social fund, the Company provided its employees with further funds in the area of care for employees amounting to **EUR 186,531** for:

- supplementary pension savings;
- employee catering;
- workplace health service, compulsory legal trainings, e.g. OHS, fire protection;
- compulsory preventive health care;
- drinking habits;
- remuneration to employees at the occasion of their 15th and 20th anniversaries with the Company.

Drawdown of social fund in 2013



ORGANIZATIONAL



GENERAL MEETING

SUPERVISORY BOARD

BOARD OF DIRECTORS

GENERAL DIRECTOR

SECRETARIAT OF THE GENERAL DIRECTOR

PROCUREMENT SECTION

DIVISION OF AGENCY RELATIONS, MARKETING AND SALES

DIVISION OF LOTTERY GAMES AND NON-LOTTERY PRODUCTS

DIVISION OF IT AND INTERNET GAMES

DIVISION OF INTERNAL OPERATION

STRATEGY AND DEVELOPMENT DIVISION

GENERAL DIRECTOR DIVISION

ADVISOR TO THE GENERAL DIRECTOR

INTERNAL AUDITOR

COMPANY STRUCTURE

Valid as at December 31, 2013

DEPARTMENT OF COLLEC-
TION POINTS AND AGENCY
RELATIONS

DEPARTMENT OF REGIONAL
CENTRES AND SALES

DEPARTMENT
OF LOTTERY MARKETING

DEPARTMENT OF MARKETING
FOR INTERNET GAMES

DEPARTMENT OF
MARKETING FOR NON-
LOTTERY PRODUCTS

DEPARTMENT OF SALES
SUPPORT AND MARKETING

DEPARTMENT OF NUMBER
LOTTERIES AND NON-
LOTTERY PRODUCTS

INSTANT LOTTERY
DEPARTMENT

IT DEPARTMENT

INTERNET BETTING
DEPARTMENT

SECTION OF OTHER
INTERNET GAMES

CUSTOMER SUPPORT
DEPARTMENT

SECTION OF TECH.
SUPPORT FOR NON-LOTTERY
PRODUCTS

ACCOUNTING AND
REPORTING DEPARTMENT

FINANCING AND PLANNING
DEPARTMENT

RECEIVABLE ADMINISTRATION
DEPARTMENT

ASSET ADMINISTRATION
DEPARTMENT

DISTRIBUTION
DEPARTMENT

SOCIAL RESPONSIBILITY
DEPARTMENT

SECTION OF RELATIONS TO
REGULATION ENVIRONMENT

STRATEGY SECTION

REPORTING SECTION

DEPARTMENT OF HUMAN
RESOURCES AND INTERNAL
COMMUNICATION

EXTERNAL
COMMUNICATION SECTION

LEGAL SECTION



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e-mail: tipos@tipos.sk
internet: www.tipos.sk
infoline: 18 177, 18 277

