

OPAP S.A. Consolidated Financial Results For The Three and Twelve Months Ended December 31, 2005

- 12-month Revenues up 16.3% to €3,695.2m (2004: €3,177.2m)
- 12-month EBITDA* up 8.4% to €714.3m (2004: €658.9m)
- 12-month Net Profit down 9.4% to €458.3m (2004: €505.6m)
- 12-month Adjusted Net Profit* up 11.9% to €458.3m (2004: €409.4m)
- Total 2005 Dividend of €1.42 per share (2004: €1.48 per share)

ATHENS, Greece – March 8, 2006 – OPAP S.A. (OPAr.AT), the leading gaming company in Greece, today announces its consolidated financial results for the three-month and twelve-month periods ended December 31, 2005, prepared in accordance with International Financial Reporting Standards.

1. OVERVIEW

(€'m)	Q4 05	Q4 04	Δ%	12M 05	12M 04	Δ%
Operating Revenues	1,095.8	967.8	13.2%	3,695.2	3,177.2	16.3%
EBITDA	229.7	203.6	12.8%	714.3	806.9	(11.5%)
Adjusted EBITDA*	229.7	203.6	12.8%	714.3	658.9	8.4%
Adjusted EBITDA Margin	21.0%	21.0%	0.3pt	19.3%	20.7%	(1.4pt)
Adjusted Net Profit*	142.0	130.2	9.1%	458.3	409.4	11.9%
Net Profit	142.0	130.2	9.1%	458.3	505.6	(9.4%)

* Excluding the reversal of the provision of €148.0m in 2004. For 2005, EBITDA excludes a €7.6 m provision for impairment of associates. Adjusted Net Profit reflects tax implications of the abovementioned adjustments.

OPAP reports another strong set of financial results for the twelve-month period ended December 31, 2005. Revenues for the period grew to €3,695.2m, an increase of 16.3% on 2004. Revenues from *Stihima*, the Company's largest sports betting game decreased by 10.8% year-on-year to €1,438.3m (2004: €1,612.9m), with a strong fourth quarter mitigating the 23.3% drop experienced in the first nine months of 2005. Revenues from OPAP's numerical games amounted to €2,176.3m (2004: €1,483.2m), up 46.7%, largely driven by the strong performance of *Kino*.

EBITDA for the period amounted to €714.5m, up 8.4% on the comparable 2004 figure which excludes a €148.0m release of provisions. Adjusted EBITDA margin for the year decreased to 19.3% compared to 20.7% at 2004. Adjusted Net Profit for the year reached €458.3m, 11.9% up on 2004, taking into account the tax implications of the abovementioned adjustments.

Commenting on the full-year 2005 results Mr. Basil Neiadas, OPAP's CEO, noted:

“We are very pleased with the performance of our business in 2005. The changes implemented in Stihima have been very effective in reviving the game, as evidenced by its strong performance in the fourth quarter and beyond. We are excited by the prospects of this year as we look to capitalize on the current momentum.”

2. FINANCIAL REVIEW

Operating Revenues for the Three-month and Twelve-month periods ended December 31, 2005 and 2004

(€'m)	Q4 05	Q4 04	Δ%	12M 05	12M 04	Δ%
Stihima	491.7	378.4	29.9%	1,438.3	1,612.9	(10.8%)
PROPO	22.2	24.9	(10.8%)	79.3	79.4	(0.1%)
PROPO-GOAL	0.3	0.3	0.0%	1.3	1.7	(23.5%)
Total Sports Betting	514.2	403.6	27.4%	1,518.9	1,694.0	(10.3%)
JOKER	67.5	85.4	(20.9%)	268.4	270.7	(0.8%)
LOTTO	15.2	14.5	4.8%	58.2	61.3	(5.1%)
PROTO	11.9	14.8	(19.6%)	44.7	50.1	(10.8%)
EXTRA 5	4.7	6.3	(25.4%)	20.0	34.1	(41.3%)
SUPER 3	17.1	21.9	(21.9%)	70.0	122.9	(43.0%)
Kino	465.2	421.3	10.4%	1,715.0	944.1	81.7%
Total Numerical Games	581.6	564.3	3.1%	2,176.3	1,483.2	46.7%
Total Revenues	1,095.8	967.8	13.2%	3,695.2	3,177.2	16.3%

Revenues increased by 16.3% from €3,177.2m in 2004 to €3,695.2m in 2005. Sports betting revenues were down by 10.3% in 2005 mainly due to a decline in revenue from *Stihima* in the first nine months of the year. The strong performance of *Stihima* in the fourth quarter was primarily due to the increased payout to winners (c.63% for 2005; the target payout ratio for the two year period ending January 2007 is 66%) since last July and the introduction of new playing features such as live betting and under/over since November 21st. This trend has continued in the first two months of 2006. Revenues from *Propo* decreased by 10.8% in the fourth quarter, while they remained flat year on year.

Revenues from numerical games in 2005 were up 46.7% to €2,176.3m (from €1,483.2m in 2004) largely driven by the continuing successful performance of *Kino*. Numerical games represented 58.9% of total revenues in 2005 compared to 46.7% in 2004.

Daily *Kino* revenues per agent in the fourth quarter were in excess of €950. This increase compared to the same period last year is primarily due to the increased playing hours of *Kino* introduced during the last 12 days of the year and despite the strong performance of *Stihima*.

Notwithstanding the strong performance of *Kino*, revenues from *Joker* remained almost flat on the basis of similar favourable jackpot rollovers as in 2004. While *Lotto* revenues experienced a decline of 5.1% in 2005, they recorded a 4.8% increase in the fourth quarter.

As expected, the continued negative performance of *EXTRA 5* and *SUPER 3* is mainly due to the continuing success of *Kino*. We expect their performance to stabilize around current levels.

Cost of Sales for the Three-month and Twelve-month periods ended December 31, 2005 and 2004

(€'000)	Q4 05	Q4 04	Δ%	12M 05	12M 04	Δ%
Prize payouts to lottery and betting winners	681,730	601,928	13.3%	2,356.803	1,934.734	21.8%
Lottery agents' commissions	88,209	79,429	11.1%	298.640	266.050	12.3%
Betting commissions	49,638	37,841	31.2%	147.311	163.816	(10.1%)
Depreciation	961	2,112	-54.4%	4.015	7.487	(46.8%)
Amortisation	4,342	4,158	4.4%	17.319	17.394	(0.2%)
Repairs and maintenance	2,834	2,193	29.3%	9.426	7.636	23.4%
Outsourcing	2,713	3,487	(22.2%)	10.582	12.324	(14.1%)
Greek Professional Football Association	2,022	2,184	(7.4%)	6.634	6.299	5.3%
Staff cost	2,923	4,431	(34.0%)	13.058	13.968	(6.5%)
Other expenses	5,292	6,856	(22.8%)	21.631	25.322	(14.6%)
Provisions for bad debtors	900	1,436	(37.3%)	2.500	5.233	(52.2%)
Retirement benefit costs	256	235	8.9%	1.052	926	13.6%
Total Cost of Sales	841,820	746,290	12.8%	2,888.971	2,461.189	17.4%

OPAP's largest cost item relates to payouts to lottery and betting winners, which in 2005 increased by 21.8% to €2,356.8m. Overall, payouts as a percentage of operating revenues increased from 60.9% in 2004 to 63.8% in 2005 primarily due to *Kino's* and *Stihima's* higher payout ratios. Agents' commissions increased by 12.3%, growing less than sales due to the higher proportion of revenues from *Kino*, which pays a lower commission to agents (7.0%).

Betting commissions paid to Intralot S.A. decreased by 10.1%, reflecting decreased *Stihima* revenues in the period.

Depreciation charges decreased in 2005 mainly due to the full depreciation of a proportion of OPAP's fixed asset base.

Repairs and maintenance expenditures increased by 23.4% in 2005 compared to 2004 mainly due to maintenance services undertaken in relation to *Kino* decoders.

The increase in Greek Professional Football Teams' Association costs in 2005 is directly related to the increase in Greek championship games as a proportion of the total games featured in *PROPO*.

Although payroll expenses recorded an overall increase, the staff costs allocated to Cost of Sales decreased by 6.5% year-on-year as a result of the reclassification of certain cost items. More specifically, the activities of northern Greece became a new General Directorate and its costs are now classified under administration expenses.

Other expenses decreased by 14.6% largely due to the elimination of payments related to professional services and other costs with respect to our new headquarters.

Provisions for bad debts of agents decreased 52.2% as a result of the implementation of stricter collection policies. OPAP will seek to recoup outstanding amounts through legal action where necessary.

Gross Profit

Our gross profit in 2005 increased by 12.6% to €806.3m from €716.0m in 2004. Our gross profit margin slightly decreased to 21.8% from 22.5% in 2004 reflecting the increased payout of *Stihima* and the increased proportion of *Kino* in our revenue mix.

Other Operating Income

Other operating income increased by 29.2% in 2005 to €4.8m from €3.7m in 2004. The company is due to receive a reimbursement from the Hellenic Republic for expenses related to the secondary offering of OPAP shares in July 2005.

Distribution Costs

Distribution costs increased by 41% from €57.3m in 2004 to €80.9m in 2005. This rise is primarily due to the increase in sponsoring from €50m to €72m approved by the Extraordinary General Assembly in October 2005.

The increased spending on sponsoring underpins OPAP's continued commitment to support social, cultural, and athletic events, to restrict illegal betting and to facilitate the introduction of Greek sporting events into *Stihima*.

Administrative Expenses

Our administrative expenses increased significantly to €37.4m from €28.6m in 2004, mainly due to increased headcount combined with salary increases and the increased administration costs of our subsidiaries.

Impairment Loss on associates

Provisions for impairment of associates totaled €7.6m in 2005. This impairment relates to a revaluation based on a fair value adjustment.

Profit from Operations

Reflecting the above factors, our profit from operations decreased by 12.2% from €777.8m in 2004 to €682.7m in 2005.

Tax Expense and Deferred taxes

Our tax expense decreased to €233.9m in 2005 from €266.2m in 2004 and deferred tax expense was reduced to €1.2m from €13.1m in 2004, mainly due to the release of the Intralot arbitration provisions as discussed above. It should be noted that the corporate income tax rate in Greece was reduced from 35% in 2004 to 32% in 2005.

Net Profit for the Period

Our net profit for the period decreased by 9.3% from €505.6m in 2004 to €458.3m in 2005. However, adjusted net profit for 2005 increased by 11.9% to €458.3m from €409.4m in 2004, after adjusting for the effect of the Intralot arbitration provisions.

Cash Flows for the Three-month and Twelve-month periods ended December 31, 2005 and 2004

(€m)	Q4 05	Q4 04	Δ%	12M 05	12M 04	Δ%
Cash Flow from Operating Activities	82.8	172.7	(52.1%)	481.3	488.8	(1.5%)
Cash Flow from Investing Activities	2.1	(0.1)	N.M.	2.4	(9.3)	N.M.
Cash Flow from Financing Activities	(161.4)	(191)	(15.5%)	(470.4)	(350.8)	34.1%

Cash Flows from Operating Activities

Our primary source of liquidity is cash generated from our operations. Our cash flow from operating activities decreased slightly in 2005 compared to 2004 due to a significant increase in income tax paid which was partially offset by improved working capital management. The year on year decrease in our cash flow from operating activities in the fourth quarter is mainly attributable to an increase in income tax payables and the higher payout for *Stihima*.

Cash Flows used in Investing Activities

Cash flow from investing activities was €2.4m in 2005 compared to €(9.3)m in 2004. The reduced capital expenditure compared to last year is primarily due to the completion of the investment in district operational centers undertaken in 2004. Capital expenditure in 2005 primarily relates to an upgrade in our telecommunications infrastructure.

Cash Flows used in Financing Activities

The cash flow from financing activities was €(470.4)m in 2005 compared to €(350.8)m mainly due to a substantial increase in the dividend paid.

3. MAIN DEVELOPMENTS

Full Year Dividend

OPAP's Board of Directors decided on March 8, 2006 to recommend to the Annual General Meeting of shareholders the distribution of a dividend in respect of 2005 of €1.42 per share, compared to €1.48 in 2004, which included the reversal of the Intralot-related provision. Excluding the interim dividend of €0.48 per share already paid, the net payment to shareholders is €0.94 per share, or €300m.

Tender for Central Systems and Terminals

In early January 2006, OPAP received three proposals from the leading industry participants which are currently being evaluated by an independent committee.

Implementation of Changes in *Stihima*

In addition to increasing the payout as of July 2005, on November 21, OPAP introduced under/over and live betting as additional features of the game.

On January 12, 2006, the competent Ministers signed the regulation allowing the introduction of Greek sporting events in *Stihima*. This Inter-ministerial Decision was published in the Government Gazette on February 13. According to this, OPAP is allowed to include the first Greek sporting events in *Stihima* no later than 50 days from the publication date.

On February 10, 2006, we introduced, for the first time, a non-sporting event on the *Stihima* ticket (Oscar Awards). This will be followed with the inclusion of other similar events in the future such as the upcoming Eurovision song contest to be hosted in Greece.

Final court decision on Intralot arbitration issue

Earlier this year, the Greek Supreme Court issued its final ruling, rejecting Intralot's petition for the annulment of the decision made by the Court of Appeals. Under this ruling, OPAP is not liable to pay damages to Intralot as a result of the non-inclusion of greyhound and horse racing in *Stihima*.

European Services Directive

On February 16, 2006, the European Parliament voted with a clear majority to exclude all gambling activities from the scope of the Services Directive, recognizing the particular social aspects of the sector. We view this as a positive development and we share the hope of the European Lotteries Association that the revised Commission proposal on the Services Directive, due in the coming months, will take into account this clear signal from the European Parliament and exclude gambling entirely from its scope.

About OPAP

OPAP is the leading gaming company in Greece and currently holds the sole concession to operate and manage nine numerical lottery and sports betting games. In addition, OPAP holds the sole concession to operate and manage any new sports betting games in Greece as well as the right of first refusal to operate and manage any new lottery games permitted by the Hellenic Republic. OPAP is listed on the Athens Exchange and, following the recent public offering of OPAP shares by the Hellenic Republic, has a free float of 66% with the remainder held by the Hellenic Republic. Contact: Mr Konstantinos Tsaoussis, Tel: +30 210 57 98 205, email: tsaoussis@opap.gr

APPENDICES TO FINANCIAL STATEMENTS

(Prepared in accordance with International Accounting Standards)

- I. OPAP S.A. Consolidated Income Statements for the Twelve-month periods ended December 31, 2005 and 2004
- II. OPAP S.A. Consolidated Balance Sheets for the Twelve-month periods ended December 31, 2005 and 2004
- III. OPAP S.A. Consolidated Cash Flow Statements for the Twelve-month periods ended December 31, 2005 and 2004

APPENDIX I

OPAP S.A.

Consolidated Income Statements For the Twelve-month Periods Ended December 31, 2005 and 2004 (Thousands of Euros, except for per share amounts)

	1/1-31/12/2005	1/1-31/12/2004
Revenues	3.695.234	3.177.208
Cost of sales	(2.888.971)	(2.461.189)
Gross profit	806.263	716.019
Other operating income	4.795	3.711
Distribution costs	(80.867)	(57.286)
Administrative expenses	(37.352)	(28.609)
Other operating expenses	(2.287)	(1.928)
Income from provisions	0	148.012
Income from associates	0	338
Income loss from associates	(338)	
Amortization of Goodwill	0	(2.422)
Provision for impairment of associates	(7.550)	
Profit from operations	682.664	777.835
Net financing results	10.754	6.936
Profit before tax	693.418	784.771
Tax expense	(233.936)	(266.154)
Deferred tax	(1.183)	(13.076)
Profit after tax	458.299	505.541
Attributable to:		
Equity Holders	458.320	505.633
Minority Interest	21	92
Basic earnings per share	1,44	1,59

APPENDIX II

OPAP S.A.
Consolidated Balance Sheets
For the Twelve-month Periods Ended December 31, 2005 and 2004
(Thousands of Euros)

	2005	2004
ASSETS		
Current assets		
Cash and cash equivalents	437.001	423.567
Inventories	404	482
Trade receivables	61.979	36.381
Other receivables	172.124	227.967
Total current assets	<u>671.508</u>	<u>688.397</u>
Non - current assets		
Intangible assets	227.655	244.704
Property, plant and equipment	36.038	40.350
Goodwill	13.646	21.196
Investements in associates		338
Other non current assets	11.484	11.526
Deferred tax assets	5.355	6.538
Total non-current assets	<u>294.178</u>	<u>324.652</u>
TOTAL ASSETS	<u>965.686</u>	<u>1.013.049</u>
EQUITY & LIABILITIES		
Current liabilities		
Borrowings	15.118	21.574
Trade and other payables	143.155	117.179
Tax liabilities	281.215	340.771
Accrued Liabilities	3.077	4.858
Total current liabilities	<u>442.565</u>	<u>484.382</u>
Non - current liabilities		
Borrowings	10.227	25.345
Employee benefit plans	23.491	23.369
Provisions	301	-
Other liabilities	5.779	5.277
Total non current liabilities	<u>39.798</u>	<u>53.991</u>
Capital and Reserves		
Issued capital	95.700	95.700
Reserves	43.700	43.700
Dividends proposed	299.860	296.670
Exchange differences	179	41
Retained earnings	43.744	38.404
Equity attributable to equity Holders	<u>483.183</u>	<u>474.515</u>
Minority interest	140	161
Total equity	<u>483.323</u>	<u>474.676</u>
TOTAL EQUITY & LIABILITIES	<u>965.686</u>	<u>1.013.049</u>

APPENDIX III

OPAP S.A.
Consolidated Cash Flow Statements
For the Twelve-month Periods Ended December 31, 2005 and 2004
(Thousands of Euros)

	2005	2004
OPERATING ACTIVITIES		
Profit Before tax	693.418	784.771
<u>Adjustments for:</u>		
Depreciation & Amortization	23.416	29.067
Net financing costs	(10.754)	(6.936)
Employee Benefit Plans	122	(419)
Provisions for bad debts	2.500	4.734
Other provisions	301	21
Released provisions for contingent liabilities	0	(148.012)
Exchange differences	466	83
Impairment loss of goodwill	7.550	-
Loss (income) from associates	338	(338)
	717.356	662.971
Increase (Decrease) in inventories	79	59
Increase (Decrease) in trade & other receivable	37.756	(26.158)
Increase (Decrease) in payables	26.458	11.277
Increase (Decrease) in taxes payables	(3.250)	5.472
Cash flow from operating activities	778.399	653.621
Interest paid	(1.474)	(2.611)
Income taxes Paid	(295.543)	(162.209)
Cash flow from operating activities	481.382	488.801
INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	6	118
Guarranties	(36)	(27)
Loans raised to personel	(290)	(1.155)
Purchase of plant and equipment	(9.138)	(16.393)
Purchase of intangible assets	(368)	(1.343)
Interest received	12.228	9.548
Cash Flows from investing activities	2.402	(9.252)
FINANCING ACTIVITIES		
Repayment of borrowings	(21.574)	(36.762)
Dividends returns (paid)	(448.776)	(314.026)
Cash Flow from Financing Activities	(470.350)	(350.788)
Net increase (decrease) in cash and cash equivalents	13.434	128.761
Cash and cash equivalents at beginning of year	423.567	294.806
Cash and Cash equivalents at end of year	437.001	423.567