

## OPAP S.A. Consolidated Financial Results For The Three and Twelve Months Ended December 31, 2006

- 12-month Revenues up 25.4% to €4,633.4 m (2005: €3,695.2m)
- 12-month EBITDA up 3.3% to €738.2m (2005: €714.5m)
- 12-month Net profit up 11.2% to €509.8m (2005: €458.3m)
- Total 2006 Dividend up 11.3% to €1.58 per share (2005: €1.42 per share)

**ATHENS, Greece – March 21, 2007** – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, today announces its consolidated financial results for the three- and twelve-month periods ended December 31, 2006, prepared in accordance with International Financial Reporting Standards.

### 1. OVERVIEW

(€ m)	Q4 06	Q4 05	Δ%	2006	2005	Δ%
<b>Revenues</b>	1,259.4	1,095.8	14.9%	4,633.4	3,695.2	25.4%
<b>EBITDA</b>	224.2	229.5	(2.3%)	738.2	714.5	3.3%
<b>EBITDA Margin</b>	17.8%	20.9%	-	15.9%	19.3%	-
<b>Net Profit</b>	154.4	142.1	8.6%	509.8	458.3	11.2%

OPAP reports another solid set of financial results for the twelve-month period ended December 31, 2006. Revenues for the period grew to €4,633.4m, an increase of 25.4% on 2005. Revenues from *Stihima* increased by 58.7% year-on-year to €2,283.0m (2005: €1,438.3m), primarily due to the exceptional performance of the game during the football World Cup, the success of the rejuvenation measures since the second half of 2005 and the inclusion of Greek football matches in the coupon as of August 2006. Revenues from *KINO*, the Company's second largest game reached €1,850.4m (2005: €1,715.0m), up 7.9%, mainly due to the improvement in the performance of the game in the second half of the year.

EBITDA for the period amounted to €738.2m, up 3.3% compared to 2005. EBITDA margin for the year decreased to 15.9% from 19.3% in the same period last year, mainly due to an increase in the payout ratio of *Stihima* and distribution costs and a lump sum payment of €7.8m for personnel compensation for the period 1998-2005. Net Profit for the period amounted to €509.8m, 11.2% up on 2005.

EBITDA in the fourth quarter of 2006 posted slight decrease by 2.3%, with EBITDA margin at 17.8% compared to 20.9% at 2005, while Net Profit reached €154.4m, 8.6% up on 2005. The decrease in EBITDA operating profit is the result of the increase in the payout ratio of *Stihima*.

Commenting on the full-year 2006 results Mr. Basile Neiadas, OPAP's CEO, noted:

**"We are pleased with the performance of our business in 2006 and in particular that of our two flagship games, *KINO* and *Stihima*, which continued their strong performance. We look forward to completing the process of transitioning the management of *Stihima* in-house and are encouraged by our progress to date. We remain committed to further optimising our existing operations and delivering further growth."**

## 2. FINANCIAL REVIEW

### Operating revenues for the three-month and twelve-month periods ended December 31, 2006 and 2005

(€' m)	Q4 06	Q4 05	%Δ	2006	2005	%Δ
<b>Stihima</b>	548.7	491.7	11.6%	2,283.0	1,438.3	58.7%
<b>PROPO</b>	19.1	22.2	(13.9%)	64.7	79.3	(18.4%)
<b>PROPO-GOAL</b>	0.4	0.3	9.2%	1.5	1.3	15.5%
<b>Total Sports Betting</b>	<b>568.2</b>	<b>514.2</b>	<b>10.5%</b>	<b>2,349.2</b>	<b>1,518.9</b>	<b>54.7%</b>
<b>JOKER</b>	95.5	67.5	41.4%	248.8	268.4	(7.3%)
<b>LOTTO</b>	16.2	15.2	6.7%	54.2	58.2	(6.9%)
<b>PROTO</b>	14.3	11.9	19.9%	48.7	44.7	9.1%
<b>Extra 5</b>	3.9	4.7	(17.2%)	16.4	20.0	(18.2%)
<b>Super 3</b>	16.1	17.1	(5.8%)	65.7	70.0	(6.2%)
<b>KINO</b>	545.2	465.2	17.2%	1,850.4	1,715.0	7.9%
<b>Total Numerical Games</b>	<b>691.1</b>	<b>581.6</b>	<b>18.9%</b>	<b>2,284.2</b>	<b>2,176.3</b>	<b>5.0%</b>
<b>Total Revenues</b>	<b>1,259.4</b>	<b>1,095.8</b>	<b>14.9%</b>	<b>4,633.4</b>	<b>3,695.2</b>	<b>25.4%</b>

Total revenues increased by 25.4% to €4,633.4m in 2006 from €3,695.2m in 2005. Sports betting revenues grew by 54.7% from last year as a results of i) a strong performance of the *Stihima* game due to the rejuvenation measures implemented since July 2005, ii) the increased revenues during the 2006 football World Cup event and iii) specifically for the fourth quarter, the introduction of Greek football matches in the coupon. During the fourth quarter of 2006, revenues from *Stihima* increased by 44% in October, 6.4% in November and decreased by 13.6% in December due to lower pay out ratios offered by Intralot during the last months of the contract.

The significant increase in *Stihima* revenues has affected PROPO revenues which decreased by 13.9% in the fourth quarter and by 18.4% year on year.

Revenues from numerical games in 2006 were up 5.0%, to €2,284.2m from €2,176.3m in 2005, representing 49.3% of total revenues, compared to 58.9% in 2005.

Revenues from *KINO* increased by 7.9% in 2006 to €1,850.4m. The last quarter was particularly strong with a revenue increase of 17.2% mainly due to the extension of the game's playing hours as of September 22, 2006. Daily *KINO* revenues per agent in the fourth quarter averaged approximately €1,130 from €964, up 17.2% from the same period of 2005.

*JOKER* revenues decreased by 7.3% year on year. In the fourth quarter revenues increased by 41.4% due to favorable JACK-POT rollovers in December and the addition of uncollected winnings. In the last draw of the year, the largest amount in the history of the game (€14m) was distributed.

## Cost of Sales for the three-month and twelve-month periods ended December 31, 2006 and 2005

(€'.000)	Q4 06	Q4 05	Δ%	2006	2005	Δ%
Prize payouts to lottery and betting winners	815,600	681,730	19.6%	3,071,421	2,356,803	30.3%
Lottery agents' commissions	104,330	88,209	18.3%	373,539	298,640	25.1%
Betting commissions	55,412	49,638	11.6%	233,007	147,311	58.2%
Depreciation	981	961	2.1%	3,943	3,983	(1.0%)
Amortization	5,059	4,342	16.5%	19,108	17,351	10.1%
Repairs and maintenance	4,129	2,834	45.7%	13,100	9,426	39.0%
Third parties' outsourcing	3,000	2,713	10.6%	10,826	10,582	2.3%
Greek Professional Football Association	1,498	2,022	(25.9%)	5,185	6,634	(21.9%)
Staff cost	4,155	2,923	42.2%	15,054	13,058	15.3%
Other expenses	7,817	5,292	47.7%	23,632	21,631	9.3%
Provisions for bad debtors	3,427	900	280.8%	5,000	2,500	100.0%
Retirement benefit costs	347	256	35.3%	1,068	1,052	1.5%
<b>Total Cost of Sales</b>	<b>1,005,755</b>	<b>841,820</b>	<b>19.5%</b>	<b>3,774,883</b>	<b>2,888,971</b>	<b>30.7%</b>

OPAP's largest cost item relates to payouts to lottery and betting winners, which in 2006 increased by 30.3% to €3,071.4m. Overall, payouts as a percentage of operating revenues increased to 66.3% in 2006, compared to 63.8% in 2005 primarily due to: i) higher payout ratios in *Stihima*, which grew to 66.8% in 2006 from 62.7% in 2005 ii) higher payout ratios in *KINO*, at 70.2% in 2006 (target average payout of 70%) and iii) higher contribution of *Stihima* and *KINO* in total revenues (increased to 89.2% in 2006 from 85.3% in 2005) which have a lower margin.

Agents' commissions increased by 25.1% year on year in line with revenues. For the fourth quarter the increase in commissions outpaced the increase in revenues due to the introduction of higher commissions in *KINO* (0.5% as of October 6, 2006).

Betting commissions paid to Intralot amounted to €233m (up 58.2%), in line with the increased *Stihima* revenues in 2006.

Repair and maintenance costs increased by 39% in 2006 compared to 2005 mainly due to maintenance services undertaken in relation to the upgrading of the existing main IT system and operation of the back-up center.

Staff costs included in cost of sales are a component of total staff costs. Total staff costs amounted to €39.1m in 2006 versus €32.8m in 2005, a 19.1% increase year-on-year due to i) the pay rise resulting from the collective employment agreement, ii) the expansion of the performance-related compensation scheme to include a wider group of corporate executives and iii) the change in the calculation of over-time compensation following the settlement of a pay-related dispute.

Other expenses increased by 9.3% in 2006, to €23.6m, primarily due to increased cost of IT maintenance services and payouts to the Cyprus Republic.

Provisions for bad debt of agents amounted to €5.0m in 2006 from €2.5m in 2005 primarily as a result of the increased revenues of *Stihima*.

**Gross Profit**

Gross profit in 2006 increased by 6.5% to €858.5m from €806.3m in 2005. Gross profit margin slightly decreased to 18.5% in 2006 from 21.8% in 2005 reflecting the increased payout of *Stihima* and its increased proportion in the revenue mix alongside *KINO*. Gross profit margin reached 20.1% for the fourth quarter of 2006 versus 23.2% in 2005.

**Other Operating Income**

Other operating income decreased by 46.9% to €2.5m in 2006 from €4.8m in 2005 primarily due to reimbursement from the Greek Government for expenses relating to the Public Offering of July 2005.

**Distribution Costs**

Distribution costs increased by 18.6% to €95.9m in 2006 from €80.9m in 2005 mainly due to increases in advertising and sponsorship expenses (€85.3m in 2006 versus €72.2m in 2005). Advertising and sponsorship expenses for the fourth quarter of 2006 stood at €21.6m up from €19.2m in the corresponding quarter last year.

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**

Administrative expenses increased by 11.6% to €41.7m in 2006, from €37.4m in 2005 mainly due to an increase in staff costs.

**Other Operating Expenses**

Other operating expenses increased to €10.9m in 2006 from €2.3m in 2005, primarily due to a one-off payment of €7.8m which was made to settle the pay-related staff dispute pertaining to the period 1998 – 2005.

**Profit from Operations**

Reflecting the above factors, our profit from operations increased by 4.4% to €712.6m in 2006 from €682.7m in 2005. Profit from operations in the fourth quarter of 2006 stood at €217.5m from €215.2m in the corresponding quarter of 2005.

**Tax Expense and Deferred taxes**

Tax expense decreased to €212.3m in 2006 from €233.9m in 2005. The reduction in tax expense mainly reflects the decrease in the corporate income tax rate to 29% from 32% previously. Deferred tax expense increased to €3.4m in 2006 from €1.2m in 2005, mainly due to the completion of a tax audit for the fiscal year 2005.

**Net Profit**

Net profit for the year increased by 11.2% to €509.8m from €458.3m in 2005. In the fourth quarter of 2006 net profit stood at €154.4m, an increase of 8.6% compared to the same period in 2005.

## Cash Flow Statement for the three-month and twelve-month periods ended December 31, 2006 and 2005

(€'m)	Q4 06	Q4 05	%Δ	2006	2005	%Δ
<b>Cash Flow from Operating Activities</b>	115.4	82.8	39.4%	452.9	481.6	(6.0%)
<b>Cash Flow from Investing Activities</b>	2.3	2.1	13.8%	(8.7)	2.1	
<b>Cash Flow from Financing Activities</b>	(190.4)	(161.4)	18.0%	(497.0)	(470.4)	5.7%

### Cash Flow from Operating Activities

Cash generated from operations decreased by 6.0% during 2006. The decrease is primarily attributable to i) a non-recurring cash inflow of €52m from Intralot in 2005, and ii) the claim by Intralot for the increase in targeted payout ratio from 60% to 66% for the period 30/01/2005-31/12/2006, partly offset by lower taxes paid in 2006.

The comparable increase in cash flows for the fourth quarter is mainly due to increased tax expenses in the fourth quarter of 2005.

### Cash Flow from Investing Activities

Cash flow from investing activities was a negative €8.7m in 2006 primarily due to higher expenditure for software and equipment for the upgrade of our IT system. This was partly counterbalanced by an increase in interest income.

### Cash Flow from Financing Activities

The cash flow from financing activities was €(497.0)m in 2006 compared to €(470.4)m in 2005 mainly due to a substantial increase in the interim dividend paid.

## 3.MAIN DEVELOPMENTS

### Full Year Dividend

OPAP's Board of Directors decided on March 21, 2007 to propose to the Annual General Meeting (AGM) of shareholders the distribution of a dividend for the fiscal year 2006 of €1.58 per share, compared to €1.42 in 2005, (total dividend payment of €504m in 2006 versus €453m in 2005). Excluding the interim dividend of €0.55 per share already paid, the net payment to shareholders is €1.03 per share, or €329m. Subject to AGM approval, the ex-dividend date is June 11, 2007 and payment date is June 19, 2007.

### In house management of *Stihima*

The contract with Intralot for the organization, operation and management of *Stihima* expired on January 29, 2007. As of that date OPAP has undertaken the management of *Stihima* in house, with the support of Intralot until July 29, 2007. To date, the transition has been satisfactory as evidenced by the sustained positive trends in revenues and the containment of the payout ratio.

### Update on the Tender for Technological Upgrade

The BoD expects the submission of the technical evaluation report by the committee. Independently of the submission date and in view of the remaining procedures of the tender, the committee has asked for a three month extension of the participating companies offers validity.

## **Recent Court rulings in Europe**

The last two weeks, the European Court of Justice and the European Free Trade Association Court have reached three decisions (Placanica, Unibet, Kingdom of Norway).

In three consecutive press releases, the President of the European State Lotteries and Toto Association Dr. Winfried Wortmann has commented on the outcome of the above judgments, stating that they are all in favor of the maintenance of the existing state monopolies in the gaming sector.

**Athens, March 21, 2007**

**OPAP S.A.**

## APPENDIX

- I. OPAP S.A.. Balance Sheet for the years ended December 31, 2006 and 2005
- II. OPAP S.A.. Income statement for the one year period ended December 31, 2006 and 2005
- III. OPAP S.A.. Cash flow Statement for the years ended December 31, 2006 and 2005

## I. Balance Sheet

For the years ended December 31, 2006 and 2005

(Amounts in thousand of euro)

	GROUP		COMPANY	
	31.12.2006	31.12.2005	31.12.2006	31.12.2005
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	384,126	437,001	324,044	375,610
Inventories	608	404	608	404
Trade receivables	102,050	61,979	100,128	62,354
Other assets	184,666	172,124	184,388	171,762
<b>Total current assets</b>	<b>671,450</b>	<b>671,508</b>	<b>609,168</b>	<b>610,130</b>
<b>Non-current assets</b>				
Intangible assets	222,361	227,655	222,309	227,594
Property, plant and equipment	34,072	36,038	33,104	34,663
Goodwill	13,646	13,646	-	-
Investments in subsidiaries	-	-	41,577	41,577
Investments in associates	-	-	1,200	1,200
Other non-current assets	16,480	11,484	16,471	11,475
Deferred tax assets	1,919	5,355	10,952	11,490
<b>Total non-current assets</b>	<b>288,478</b>	<b>294,178</b>	<b>325,613</b>	<b>327,999</b>
<b>TOTAL ASSETS</b>	<b>959,928</b>	<b>965,686</b>	<b>934,781</b>	<b>938,129</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short-term liabilities</b>				
Borrowings	-	15,118	-	15,118
Trade and other payables	160,929	143,155	167,628	137,761
Tax liabilities	242,555	281,215	240,844	279,838
Accrued liabilities	12,879	3,077	10,651	1,582
<b>Total short-term liabilities</b>	<b>416,363</b>	<b>442,565</b>	<b>419,123</b>	<b>434,299</b>
<b>Long-term liabilities</b>				
Borrowings	-	10,227	-	10,227
Employee benefit plans	19,604	23,491	19,604	23,491
Provisions	301	301	301	301
Other long-term liabilities	5,941	5,779	5,820	5,661
<b>Total long-term liabilities</b>	<b>25,846</b>	<b>39,798</b>	<b>25,725</b>	<b>39,680</b>
<b>Equity</b>				
Share capital	95,700	95,700	95,700	95,700
Reserves	43,700	43,700	43,060	43,060
Proposed dividends	328,570	299,860	328,570	299,860
Exchange differences	84	179	-	-
Retained earnings	49,531	43,744	22,603	25,530
	<b>517,585</b>	<b>483,183</b>	<b>489,933</b>	<b>464,150</b>
Minority interest	134	140	-	-
<b>Total Equity</b>	<b>517,719</b>	<b>483,323</b>	<b>489,933</b>	<b>464,150</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>959,928</b>	<b>965,686</b>	<b>934,781</b>	<b>938,129</b>



## II. Income statement

For the one year period ended December 31, 2006 and 2005

(Amounts in thousand of euro except for per share amounts)

	GROUP		COMPANY	
	1.1-31.12.2006	1.1-31.12.2005	1.1-31.12.2006	1.1-31.12.2005
Revenues	4,633,429	3,695,234	4,524,105	3,592,943
Cost of sales	(3,774,883)	(2,888,971)	(3,683,467)	(2,804,017)
<b>Gross profit</b>	<b>858,546</b>	<b>806,263</b>	<b>840,638</b>	<b>788,926</b>
Other operating income	2,545	4,795	11,485	13,887
Distribution costs	(95,905)	(80,867)	(108,847)	(93,392)
Administrative expenses	(41,689)	(37,352)	(36,534)	(31,915)
Other operating expenses	(10,909)	(2,287)	(10,905)	(2,287)
Income /loss from associates	-	(338)	-	-
Impairment of assets	-	(7,550)	-	(10,100)
<b>Profit from operations</b>	<b>712,588</b>	<b>682,664</b>	<b>695,837</b>	<b>665,119</b>
Financial results, net	12,929	10,754	12,115	9,650
Dividends	-	-	5,581	-
<b>Profit before tax</b>	<b>725,517</b>	<b>693,418</b>	<b>713,533</b>	<b>674,769</b>
Income Tax	(212,280)	(233,936)	(211,902)	(235,998)
Deferred tax	(3,436)	(1,183)	(538)	4,952
<b>Profit after tax</b>	<b>509,801</b>	<b>458,299</b>	<b>501,093</b>	<b>443,723</b>
Minority interest	6	21	-	-
<b>Net profit for the period</b>	<b>509,807</b>	<b>458,320</b>	<b>501,093</b>	<b>443,723</b>
<b>Basic earnings per share in euro</b>	<b>1.60</b>	<b>1.44</b>	<b>1.57</b>	<b>1.39</b>

## III. Cash flow Statement

For the years ended December 31, 2006 and 2005

(Amounts in thousand of euro)

	GROUP		COMPANY	
	2006	2005	2006	2005
<b>OPERATING ACTIVITIES</b>				
Profit Before tax	725,517	693,418	713,533	674,769
<b>Adjustments for:</b>				
Depreciation & Amortization	25,623	23,678	25,070	22,857
Financial results (net)	(12,929)	(10,754)	(12,115)	(9,650)
Employee benefit plans	(3,888)	122	(3,888)	122
Provisions for bad debts	5,000	2,500	5,000	2,500
Other provisions	-	301	-	301
Dividends from subsidiaries	-	-	(5,581)	-
Exchange differences	(226)	465	-	-
Impairment losses	-	7,550	-	10,100
(Income) /loss from associates	-	338	-	-
Results from investing activities	<u>24</u>	<u>1</u>	<u>30</u>	<u>5</u>
<b>Cash flows from operating activities before changes in working capital</b>	<b>739,121</b>	<b>717,619</b>	<b>722,049</b>	<b>701,004</b>
<b>Changes in Working capital</b>				
Increase (Decrease) in inventories	(204)	78	(204)	78
Increase (Decrease) in trade & other receivable	(71,333)	37,756	(69,022)	32,509
Increase (Decrease) in payables (except borrowings)	24,295	26,459	35,484	26,659
Increase (Decrease) in taxes payables	<u>6,105</u>	<u>(3,250)</u>	<u>5,666</u>	<u>(2,725)</u>
	<b>697,984</b>	<b>778,662</b>	<b>693,973</b>	<b>757,525</b>
Interest expenses	(924)	(1,474)	(896)	(1,390)
Taxes Paid	<u>(244,203)</u>	<u>(295,543)</u>	<u>(243,788)</u>	<u>(295,084)</u>
<b>Cash flows from operating activities</b>	<b>452,857</b>	<b>481,645</b>	<b>449,289</b>	<b>461,051</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from the sale of tangible and intangible assets	31	6	21	-
Guarantees	(196)	(36)	(196)	(33)
Loans paid to personnel	(4,013)	(290)	(4,013)	(290)
Purchase of tangible assets	(3,899)	(9,148)	(3,784)	(8,797)
Purchase of intangible assets	(14,465)	(621)	(14,432)	(564)
Dividends from subsidiaries	-	-	5,581	-
Interest received	<u>13,853</u>	<u>12,228</u>	<u>13,011</u>	<u>11,040</u>
<b>Cash flows used in investing activities</b>	<b>(8,689)</b>	<b>2,139</b>	<b>(3,812)</b>	<b>1,356</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	(25,345)	(21,574)	(25,345)	(21,574)
Dividends paid	<u>(471,698)</u>	<u>(448,776)</u>	<u>(471,698)</u>	<u>(448,776)</u>
<b>Cash flows used in financing activities</b>	<b>(497,043)</b>	<b>(470,350)</b>	<b>(497,043)</b>	<b>(470,350)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(52,875)</b>	<b>13,434</b>	<b>(51,566)</b>	<b>(7,943)</b>
Cash and cash equivalents at the beginning of the year	<u>437,001</u>	<u>423,567</u>	<u>375,610</u>	<u>383,553</u>
<b>Cash and cash equivalents at the end of year</b>	<b>384,126</b>	<b>437,001</b>	<b>324,044</b>	<b>375,610</b>