



News Release

OPAP S.A. Interim Financial Results For The Six Month Period Ended June 30, 2007

- Revenues up 3.7% to €2,375.3m (H1 2006: €2,289.8m)
- EBITDA up 20.6% to €396.9m (H1 2006: €329.2m)
- Net Profit up 25.1% to €285.3m (H1 2006: €228.2m)

Athens, Greece – August 23, 2007 – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, announces today its interim financial results for the six-month period ended June 30, 2007, prepared in accordance with International Financial Reporting Standards.

1. OVERVIEW

(€' m)	Q2 2007	Q2 2006	% Change	H1 2007	H1 2006	% Change
Revenues	1,224.0	1,245.8	(1.8)	2,375.3	2,289.8	3.7
EBITDA	201.1	152.1	32.2	396.9	329.2	20.6
EBITDA Margin	16.4%	12.2%		16.7%	14.4%	
Net Profit	141.9	105.5	34.5	285.3	228.2	25.1

OPAP's revenues for the period grew to €2,375.3m, up by 3.7% primarily due to *KINO*'s very strong performance, throughout the period, which more than offset a reduction in *Stihima*'s revenues in Q2 2007 as compared to Q2 2006, which at the time was particularly strong following the 2006 World Cup.

EBITDA for the period amounted to €396.9m, increased by 20.6% compared to the corresponding period in 2006 due to reduced costs following the expiration of the contract with Intralot on January 29, 2007. EBITDA margin also increased to 16.7% from 14.4% in H1 2006 despite increased payouts to the winners of *Stihima* during the second quarter of the period, increased distribution costs and increased agents' commissions for *KINO* as of January 1, 2007. EBITDA amounted to €201.1m during the second quarter, increased by 32.2% compared to Q2 2006, while the EBITDA margin increased to 16.4% from 12.2% for the same period in 2006.

Net Profit for H1 2007 amounted to €285.3m, an increase of 25.1% over the respective period of 2006, while net profit for Q2 2007 amounted to €141.9m an increase of 34.5% compared to Q2 2006.

Commenting on the H1 2007 results, OPAP'S CEO, Mr Basile Neiadas noted:
"We are very pleased with the particularly strong increased profitability during the first half of 2007. The ongoing strong performance of our two major games *Stihima* and *KINO*, together with the additional operational capabilities that were recently ensured, both in terms of technological infrastructure and supporting services, allow us to be optimistic about our future operational performance."

2. FINANCIAL REVIEW

Operating revenues for the three-month and six-month periods ending June 30, 2007 and 2006

(€' 000)	Q2 2007	Q2 2006	% Change	H1 2007	H1 2006	% Change
Stihima	525,757	709,542	(25.9)	999,217	1,191,218	(16.1)
PROPO	12,426	13,191	(5.8)	32,925	35,682	(7.7)
PROPO-GOAL	598	362	65.0	978	800	22.1
Total Sports Betting	538,781	723,095	(25.5)	1,033,120	1,227,700	(15.9)
KINO	567,835	425,203	33.5	1,125,391	862,121	30.5
JOKER	73,453	50,904	44.3	127,325	108,786	17.0
Super 3	14,909	16,317	(8.6)	30,022	32,539	(7.7)
LOTTO	12,959	12,915	0.3	27,094	25,624	5.7
PROTO	12,577	13,296	(5.4)	25,092	24,364	3.0
Extra 5	3,494	4,117	(15.1)	7,219	8,658	(16.6)
Total Numerical Games	685,227	522,752	31.1	1,342,143	1,062,092	26.4
Total Revenues	1,224,008	1,245,847	(1.8)	2,375,263	2,289,792	3.7

Total revenues increased by 3.7% to €2,375.3m in H1 2007 from 2,289.8m in H1 2006.

Sports betting revenues for H1 2007 decreased by 15.9% as a result of the lack of the strong additional income that had been generated during the World Cup in June 2006. Furthermore, following the undertaking of the organisation and operation of *Stihima*, the income from the game increased by 16.6% in April, 19.2% in May, while it decreased by 67.2% in June compared to the corresponding months in 2006. Sports betting games represented 43.5% of the Company's total revenues compared to 53.6% for the same period in 2006.

Revenues from numerical games in H1 2007 increased by 26.4%, reaching €1,342.1m from €1,062.1m in H1 2006. Numerical games increased by 31.1% during Q2 2007. It should be noted that numerical games represented 56.5% of the Company's total revenues in H1 2007, compared to 46.4% during last year's corresponding period, mainly due to *KINO*'s strong performance.

Revenues from *KINO* strongly increased by 30.5% to €1,125.4m in H1 2007, mainly due to the extension of the game's playing hours since September 2006, as well as due to the installation of new terminals in the majority of our agents. In Q2 2007 the revenues from *KINO* increased by 33.5% compared to the corresponding period last year. In particular, revenues from *KINO* increased by 33.6% in April, 32.0% in May and 35.1% in June.

Regarding the rest of the Company's numerical games, *JOKER* revenues increased by 17.0% to €127.3m, primarily due to the game's strong performance during Q2 following favourable jack-pots in May; *LOTTO* and *PROTO* revenues increased by 5.7% and 3.0% respectively, whereas *SUPER3* and *EXTRA 5* revenues decreased by 7.7% and 16.6% respectively.

Cost of sales for the three-month and six-month periods ending June 30, 2007 and 2006

(€' 000)	Q2 2007	Q2 2006	% Change	H1 2007	H1 2006	% Change
Prize payouts to lottery and betting winners	874,899	861,358	1.6	1,629,233	1,537,263	6.0
Agents' commissions	103,003	99,518	3.5	199,718	183,366	8.9
Betting commissions	101	71,678	n/m	9,558	122,751	(92.2)
Depreciation	956	987	(3.2)	1,928	1,947	(1.0)
Amortisation	14,238	4,595	209.9	19,324	8,938	116.2
Repairs and maintenance expenses	3,627	3,016	20.2	7,039	5,621	25.2
Third party expenses	(22,696)	2,454		6,161	4,997	23.3
Greek Football Federation & Greek Professional Leagues	574	931	(38.3)	2,455	3,086	(20.5)
Personnel costs	5,258	4,092	28.5	9,176	7,486	22.6
Other expenses	8,777	5,228	67.9	16,015	10,429	53.6
Bad debt provision	600	200	200.0	1,400	1,000	40.0
Retirement benefit costs	596	226	164.3	1,089	477	128.3
Total	989,933	1,054,283	(6.1)	1,903,096	1,887,361	0.8

OPAP's largest cost item relates to the payouts to lottery and betting winners, which in H1 2007 increased by 6.0% to €1,629.2m. Overall payouts as a percentage of operating revenues increased to 68.6% from 67.1% in H1 2006 primarily due to: i) the higher payout *in Stihima*, which increased to 71.5% from 68.3% in H1 2006, and ii) the increased contribution of *KINO* in the Company's revenue mix.

Agents' commissions increased to 8.4% of revenues, compared to 8.0% in H1 2006 due to the increase in *KINO* commissions to 8% of the game's sales since January 1, 2007.

Betting commissions paid to Intralot amounted to €9.6m compared to €122.8m in H1 2006, due to the contract expiration on January 29, 2007.

Amortisation expense for H1 2007 reached €19.3m compared to €8.9m in H1 2006 due to a €9.2m charge relating to the 6-month contract with Intralot regarding the transfer of know-how, which expired on July 29, 2007.

Third party expenses reached €6.2m compared to €5.0m in H1 2006. During Q2 2007, a reversal of €25.8m was written, which related to the two instalments paid to Intralot for the aforementioned contract and had initially been recorded in Q1 2007. In accordance with the accounting treatment of the new 36-month contract, the amount of €65.0m plus VAT relating to the 6-month contract is now being amortised over a period of 42 months.

Staff costs included in the Cost of Sales represent a portion of total staff costs, which amounted to €23.7m versus €18.8m in H1 2006, a 262% increase, mainly due to i) personnel hiring at the Betting division and ii) a provision for staff salary increases according to the collective employment agreement.

Other expenses included in Cost of Sales increased to €16.0m from €10.4m in 2006, reflecting mainly the increased costs of the inhouse undertaking of Stihima (including lottery tickets, programme brochure, risk management software service, etc.).

Gross Profit

Gross profit in the H1 2007 increased by 17.3% to €472.2m from €402.4m in H1 2006. Gross profit margin increased to 19.9% from 17.6% compared to H1 2006.

Distribution Costs

Distribution costs increased by 30.4% to €73.0m in H1 2007 compared to €56.0m in H1 2006 mainly due to increased sponsorships and advertising expenses, which increased to €66.2m in H1 2007 from €51.3m in H1 2006. It should be noted that as of January 29, 2007, *Stihima* advertising costs are included in the total Distribution costs.

Administrative Expenses

Administrative expenses increased to €22.9m from €20.1m in H1 2006, mainly due to the increase in personnel costs, as mentioned above.

Profit from Operations

Reflecting the above mentioned factors, profit from operational activities increased by 18.0% to €374.2m compared to €317.2m in H1 2006, while an increase of 26.9% to €185.3m was recorded in Q2 2007.

Tax Expenses

Tax expenses increased to €98.4m in H1 2007 from €95.6m. Despite, the decrease of the corporate tax rate in Greece to 25% from 29%, the Company's tax expenses were increased as a result of the improved profitability compared to the corresponding period in 2006.

Net Profit

Net profit for H1 2007 increased by 25.1% to €285.3m compared to €228.2m in H1 2006, while in the Q2 2007 net profit increased by 34.5% to €141.9m.

Cash Flows for the three-month and six-month periods ending June 30, 2007 and 2006

(€' 000)	Q2 2007	Q2 2006	% Change	H1 2007	H1 2006	% Change
Cash Flow from Operating Activities	198,516	156,607	26.8	416,466	301,841	38.0
Cash Flow from Investing Activities	(71,788)	(11,500)	524.2	(69,338)	(10,517)	559.3
Cash Flow from Financing Activities	(330,665)	(307,532)	7.5	(333,143)	(306,592)	8.7

Cash Flow from Operating Activities

Cash Flow from Operating Activities in H1 2007 increased by 38.0% to €416.5m compared to €301.8m in H1 2006, mainly attributable to the collection of the remaining receivables from agents pertaining to 2006 in early 2007 as well as the collection of Intralot's receivables relating to the settlement of the increased *Stihima* payout. In Q2 2007 cash flow from operating activities increased by 26.8% to €198.5m compared to €156.6 m in Q2 2006.

Cash Flow from Investing Activities

Cash Flow from Investing Activities in H1 2007 increased to €69.3m compared to €10.5m in H1 2006, due to the payment associated with the transfer of know-how agreement with Intralot, dated January 29, 2007.

Cash Flow from Financial Activities

The cash flow from financial activities amounted to an outflow €333.1m in H1 2007 compared to the outflow of €306.6m in H1 2006.

MAIN DEVELOPMENTS

Dividend payment

On June 6, 2007, the Annual Ordinary General Assembly of shareholders resolved the distribution to shareholders of the total dividend for the fiscal year 2006 of €1.58 per share. Following the distribution of €0.55 per share which was paid as an interim dividend, on December 19, 2006, the remaining amount of €1.03 per share, was paid on June 19, 2007.

Update on the IT Tender

On July 9, 2007, the Board of Directors of OPAP, after taking into consideration the opinion of its legal department and following the resignation of two members of the evaluation committee, decided to cancel the IT tender results.

Agreement with Intralot and Betting Company consortium

On July 31, 2007, a three year agreement was signed, which contains among others the following main features:

- Provision of new betting activities, as well as upgraded risk management software for *Stihima* and upgraded consultancy and operational services
- Hardware and software of OPAP's central IT platform and operation of the IP network at 1Q 2008
- OPAP obtains the right to use a total of 29,400 terminals, including Main Outlet Terminals (MOT), terminals for independent use by the players, as well as Ticket Checkers (TC), which will be gradually installed across our agency network. Specifically: (i) Up to September 30, 2007, every agency will be provided with at least a new MOT, (ii) up to December 31, 2007, all the remaining new MOTs will be provided to the agency network as well as the TCs terminals, (iii) up to April 30, 2008, the terminals for independent use by the players will be provided to the network also
- Ability to introduce value-added services such as payment of utility bills, players club, sale of tickets for sporting and cultural events etc.

The total fee for the use of the equipment and the software, the provision of support services for *Stihima* and the transfer of know how for the development of software for the three year duration of the agreement, is Euros 96.5 million (plus VAT).

Finally, this agreement additionally regulates the terms and cost for the provision by Intralot of maintenance, technical and operational services for all the equipment (with OPAP's right to extend for an additional year), and defines the intention rights for both parties concerning the transfer of all infrastructure and rights to use to OPAP S.A.

Following this development, the G-Tech led consortium submitted a complaint to OPAP against its Board of Directors' decision sanctioning this agreement. To date, the Company has not been served with any notice for injunction measures or any other legal action.

Athens, August 23, 2007

ATTACHMENTS

- 1. Income statement of the group for the six-month period ended at 30th of June 2007 and 2006**
- 2. Income statement of the parent company OPAP S.A. for the six-month period ended at 30th of June 2007 and 2006**
- 3. Balance sheet as at June 30th, 2007 and December 31st, 2006**
- 4. Cash flow statement for the six-month period ended at 30th of June 2007 and 2006**

1. INCOME STATEMENT OF THE GROUP

For the Six- Month Period ended at 30th of June 2007 and 2006

(Amounts in thousand euro except for per share amounts)

	2007		2006	
	1/1-30/6/07	1/4-30/6/07	1/1-30/6/06	1/4-30/6/06
Revenues	2,375,263	1,224,008	2,289,792	1,245,847
Cost of sales	(1,903,096)	(989,933)	(1,887,361)	(1,054,283)
Gross profit	472,167	234,075	402,431	191,564
Other operating income	1,924	991	1,009	525
Distribution costs	(73,007)	(34,670)	(55,993)	(28,939)
Administrative expenses	(22,945)	(11,573)	(20,131)	(10,557)
Other operating expenses	(903)	(545)	(10,143)	(6,619)
Impairment of assets	(3,000)	(3,000)	=	=
Operating result	374,236	185,278	317,173	145,974
Financial results, net	9,460	5,733	6,647	3,828
Dividends	=	=	=	=
Profit before tax	383,696	191,011	323,820	149,802
Income Tax	(101,534)	(52,536)	(94,647)	(43,213)
Deferred tax	3,162	3,434	(988)	(1,046)
Profit after tax	285,324	141,909	228,185	105,543
Minority interest	16	17	(26)	(20)
Net profit for the period	285,340	141,926	228,159	105,523
Basic earnings per share in euro	0.89	0.44	0.72	0.33

2. INCOME STATEMENT OF THE PARENT COMPANY OPAP S.A.
For the Six- Month Period ended at 30th of June 2007 and 2006

(Amounts in thousand euro except for per share amounts)

	2007		2006	
	1/1-30/6/07	1/4-30/6/07	1/1-30/6/06	1/4-30/6/06
Revenues	2,311,947	1,190,092	2,240,196	1,221,004
Cost of sales	(1,849,784)	(961,521)	(1,846,296)	(1,033,785)
Gross profit	462,163	228,571	393,900	187,219
Other operating income	6,881	3,521	4,986	2,539
Distribution costs	(83,045)	(39,086)	(62,121)	(31,803)
Administrative expenses	(20,086)	(10,016)	(16,887)	(8,921)
Other operating expenses	(902)	(544)	(10,141)	(6,617)
Impairment of assets	(4,000)	(4,000)	-	-
Operating result	361,011	178,446	309,737	142,417
Financial results, net	9,019	5,484	6,226	3,648
Dividends	2,587	-	5,506	-
Profit before tax	372,617	183,930	321,469	146,065
Income Tax	(100,773)	(52,250)	(94,485)	(43,145)
Deferred tax	5,447	4,585	1,040	(47)
Profit after tax	277,291	136,265	228,024	102,873
Minority interest	-	-	-	-
Net profit for the period	277,291	136,265	228,024	102,873
Basic earnings per share in euro	0.87	0.43	0.71	0.32

3. BALANCE SHEET

As at June 30th, 2007 and December 31st, 2006

(Amounts in thousand euro)

	GROUP		COMPANY	
	30/6/2007	31/12/2006	30/6/2007	31/12/2006
ASSETS				
Current assets				
Cash and cash equivalents	398,111	384,126	312,486	324,044
Inventories	1,111	608	1,111	608
Trade and other receivables	51,401	102,050	53,548	100,128
Other assets	<u>158,230</u>	<u>184,666</u>	<u>157,398</u>	<u>184,388</u>
Total current assets	608,853	671,450	524,543	609,168
Non-current assets				
Intangible assets	279,995	222,361	279,961	222,309
Property, plant and equipment	32,864	34,072	32,033	33,104
Goodwill	10,646	13,646	-	-
Investments in subsidiaries	-	-	37,577	41,577
Investments in associates	-	-	1,200	1,200
Other non-current assets	16,155	16,480	16,145	16,471
Deferred tax assets	<u>5,081</u>	<u>1,919</u>	<u>16,399</u>	<u>10,952</u>
Total non-current assets	<u>344,741</u>	<u>288,478</u>	<u>383,315</u>	<u>325,613</u>
TOTAL ASSETS	953,594	959,928	907,858	934,781
EQUITY & LIABILITIES				
Short-term liabilities				
Trade and other payables	136,128	160,929	131,319	167,628
Tax liabilities	283,542	242,555	281,267	240,844
Accrued liabilities	<u>32,961</u>	<u>12,879</u>	<u>30,186</u>	<u>10,651</u>
Total short-term liabilities	452,631	416,363	442,772	419,123
Long-term liabilities				
Employee benefit plans	20,117	19,604	20,117	19,604
Provisions	159	301	159	301
Other long-term liabilities	<u>6,279</u>	<u>5,941</u>	<u>6,156</u>	<u>5,820</u>
Total long-term liabilities	26,555	25,846	26,432	25,725
Equity				
Share capital	95,700	95,700	95,700	95,700
Reserves	43,700	43,700	43,060	43,060
Dividends payable	-	328,570	-	328,570
Exchange differences	19	84	-	-
Retained earnings	<u>334,871</u>	<u>49,531</u>	<u>299,894</u>	<u>22,603</u>
Total equity	474,290	517,585	438,654	489,933
Minority interest	<u>118</u>	<u>134</u>	-	-
Total equity	<u>474,408</u>	<u>517,719</u>	<u>438,654</u>	<u>489,933</u>
TOTAL EQUITY & LIABILITIES	953,594	959,928	907,858	934,781

4. CASH FLOW STATEMENT

For the Six-Month Period Ended at June 30th, 2007 and 2006

(Amounts in thousand euro)

	GROUP		COMPANY	
	1/1-30/6/07	1/1-30/6/06	1/1-30/6/07	1/1-30/6/06
OPERATING ACTIVITIES				
Profit Before tax	383,696	323,820	372,617	321,469
Adjustments for:				
Depreciation & Amortization	22,681	12,018	22,386	11,747
Financing results (net)	(9,460)	(6,647)	(9,019)	(6,226)
Employee benefit plans	514	(2,227)	514	(2,227)
Provisions for bad debts	1,400	1,000	1,400	1,000
Other provisions	(143)	-	(143)	-
Exchange differences	(191)	(85)	-	-
Results from investing activities	2,777	(19)	3,777	(21)
Dividends from subsidiaries	-	-	(2,587)	(5,506)
Total	401,274	327,860	388,945	320,236
Changes in working capital				
Increase (Decrease) in inventories	(503)	(437)	(503)	(437)
Increase (Decrease) in trade & other receivables	76,617	8,336	73,246	7,582
Increase (Decrease) in payables	372	36,534	(11,865)	52,764
Increase (Decrease) in taxes payables	(3,782)	(1,814)	(3,693)	(1,614)
	473,978	370,479	446,130	378,531
Interest expenses	(36)	(504)	(26)	(491)
Taxes paid	(57,476)	(68,134)	(57,462)	(68,134)
Cash flow from operating activities	416,466	301,841	388,642	309,906
INVESTING ACTIVITIES				
Sale of tangible assets	-	11	-	11
Guarantees	(71)	(1)	(71)	(1)
Loans raised to personnel	61	(831)	61	(831)
Purchase of tangible assets	(1,416)	(3,008)	(1,278)	(2,942)
Purchase of intangible assets	(77,408)	(13,839)	(77,401)	(13,832)
Interest received	9,496	7,151	9,045	6,717
Dividends from subsidiaries	-	-	2,587	5,506
Cash flows used in investing activities	(69,338)	(10,517)	(67,057)	(5,372)
FINANCING ACTIVITIES				
Repayments of borrowings	-	(7,559)	-	(7,559)
Dividends paid	(333,143)	(299,033)	(333,143)	(299,033)
Cash flows used in financing activities	(333,143)	(306,592)	(333,143)	(306,592)
Net increase (decrease) in cash and cash equivalents	13,985	(15,268)	(11,558)	(2,058)
Cash and cash equivalents at the beginning of the year	<u>384,126</u>	<u>437,001</u>	<u>324,044</u>	<u>375,610</u>
Cash and cash equivalents at the end of the year	398,111	421,733	312,486	373,552