



# News Release

## OPAP Consolidated Financial Results For The Three and Twelve Months Ended December 31, 2007

- **12-month Revenues up 9.3% to €5,065.8m (2006: €4,633.4m)**
- **12-month adjusted EBITDA up 16.5% to €860.0m (2006: €738.2m)**
- **12-month adjusted Net Profit up 19.4% to €608.9m (2006: €509.8m)**
- **Total 2007 Dividend up 10.1% to €1.74 per share (2006: €1.58 per share)**

**ATHENS, Greece – March 26, 2008 – OPAP (OPAr.AT)**, the leading gaming operator in Greece, announces its consolidated financial results for the three- and twelve-month periods ended December 31, 2007, prepared in accordance with International Financial Reporting Standards.

### 1. OVERVIEW

(€'m)	Q4 07	Q4 06	Δ%	2007	2006	Δ%
<b>Revenues</b>	1,521.9	1,259.4	20.9	5,065.8	4,633.4	9.3
<b>EBITDA</b>	245.9	224.2	9.7	810.0	738.2	9.7
<b>Adjusted EBITDA*</b>	270.9	224.2	20.8	860.0	738.2	16.5
<b>Adjusted EBITDA margin</b>	17.8%	17.8%	n/a	17.0%	15.9%	n/a
<b>Net Profit</b>	174.0	154.4	12.7	571.4	509.8	12.1
<b>Adjusted Net Profit**</b>	192.8	154.4	24.9	608.9	509.8	19.4

\*For comparability reasons the amount of €50.0m (equally apportioned to the Q3 and Q4 results), which corresponds to the financial aid provided to the victims of the forest fires in Greece during the summer 2007, has been excluded.

\*\*The tax charge corresponding to the above financial aid, has been deducted from the adjusted net profit of the period.

OPAP's revenues for 2007 increased by 9.3% and reached €5,065.8m compared to €4,633.4m in 2006, primarily due to KINO's very strong performance. Revenues for Q4 2007 grew by 20.9% to €1,521.9m, compared to €1,259.4m for the same period in 2006, supported by the satisfactory performance of *Stihima*, whose revenues increased by 21.1% for the period.

The Company's adjusted EBITDA, excluding the two one-off payments of a total of €50.0m equally recorded in Q3 and Q4 2007, reached €860.0m from €738.2m, up 16.5% y-o-y, with adjusted EBITDA margin amounting to 17.0% from 15.9% in 2006. Despite the increase in distribution costs as well as in the *Stihima* payout, adjusted EBITDA increased mainly due to the reduced costs following the in-house undertaking of the organisation and operation of the *Stihima* game.

Adjusted EBITDA for Q4 2007 increased by 20.8% to €270.9m, while the EBITDA margin remained at the same levels for the corresponding period in 2006.

Adjusted net profit for 2007 amounted to €608.9m from €509.8m in 2006, an increase of 19.4% y-o-y, while in Q4 adjusted net profit increased by 24.9% and amounted to €192.8m from €154.4m for the corresponding period in 2006.

Commenting on the full-year 2007 results Mr. Christos Hadjiemmanuil, OPAP's Chairman & CEO, noted:

**"We are pleased with the our business results for the full year 2007. We are particularly pleased with the continuing strong performance of KINO, as well as the overall performance of *Stihima* during the first year of operating the game in-house. Our three priorities for 2008 are the reorganisation of our internal operations to improve efficiency, the strengthening and enrichment of *Stihima* with new forms of betting and the conclusion of a contractual**

agreement with our agents' network. At the same time, we aim to contain a number of operating expenses, such as advertising costs."

## 2. FINANCIAL REVIEW

### Operating revenues for Q4 and 12M of 2007 and 2006.

(€'m)	Q4 07	Q4 06	Δ%	2007	2006	Δ%
STIHIMA	664,765	548,739	21.1	2,145,952	2,282,983	(6.0)
PROPO	21,890	19,139	14.4	63,746	64,733	(1.5)
PROPO-GOAL	309	348	(11.3)	1,673	1,491	12.2
<b>Total Sports Betting</b>	<b>686,964</b>	<b>568,226</b>	<b>20.9</b>	<b>2,211,371</b>	<b>2,349,207</b>	<b>(5.9)</b>
JOKER	79,867	95,453	(16.3)	256,536	248,764	3.1
LOTTO	13,270	16,235	(18.3)	54,987	54,210	1.4
PROTO	14,561	14,250	2.2	50,288	48,716	3.2
EXTRA 5	3,481	3,905	(10.9)	13,915	16,396	(15.1)
SUPER 3	15,961	16,062	(0.6)	60,564	65,711	(7.8)
KINO	707,792	545,231	29.8	2,418,090	1,850,425	30.7
<b>Total Numerical Games</b>	<b>834,932</b>	<b>691,136</b>	<b>20.8</b>	<b>2,854,380</b>	<b>2,284,222</b>	<b>25.0</b>
<b>Total Revenues</b>	<b>1,521,896</b>	<b>1,259,362</b>	<b>20.9</b>	<b>5,065,751</b>	<b>4,633,429</b>	<b>9.3</b>

Total revenues increased by 9.3% to €5,065.8m in 2007 from €4,633.4m in 2006. In Q4 2007 revenues amounted to €1,521.9m, increased by 20.9% compared to the corresponding period in 2006.

Sports betting revenues for 2007 decreased by 5.9%, due to the absence of the incremental income from *Stihima* that was generated during the World Cup in June and July 2006. In Q4 2007 total revenues from Sports betting increased by 20.9% and amounted to €687.0m, while the most important game in this category, *Stihima*, increased by 21.1% compared to the corresponding period in 2006. In 2007 sports betting represented 43.7% of the Company's revenues compared to 50.7% in 2006.

Revenues from numerical games in 2007 increased by 25.0%, reaching €2,854.4m from €2,284.2m in 2006. Revenues from numerical games in Q4 2007 increased by 20.8%, reaching €834.9m compared to the corresponding period in 2006. In 2007, numerical games represented 56.3% of the Company's revenues, compared to 49.3% in 2006, mainly due to KINO's strong performance.

Revenues from the flagship numerical game, KINO, increased in 2007 by 30.7% to €2,418.1m, mainly due to the extension of the game's playing hours since September 22, 2006, as well as due to the installation of new terminals in approximately 60% of our total agencies' network since the beginning of 2007 as well as to 100% of the agent network since last September. During Q4 2007, revenues from KINO increased by 29.8% to €707.8m compared to the corresponding period in 2006. In particular, revenues from KINO increased by 25.3% in October, 30.6% in November and 33.1% in December. The average daily revenue per agency reached €1,465 in Q4 2007, compared to €1,130 for the same period in 2006.

Regarding the rest of the numerical games, revenues in 2007 amounted to €256.5m (up by 3.1% y-o-y) for JOKER, €55.0m (up by 1.4% y-o-y) for LOTTO and €50.3m (up by 3.2% y-o-y) for PROTO, whereas SUPER3 and EXTRA 5 revenues decreased by 7.8% and 15.1% respectively.

## Cost of sales for Q4 and 12M of 2007 and 2006.

(€'.000)	Q4 07	Q4 06	Δ%	2007	2006	Δ%
Prize payouts to lottery and betting winners	1,028,180	815,600	26.1	3,469,147	3,071,421	13.0
Agents' commissions	127,645	104,330	22.4	424,754	373,539	13.7
Betting commissions	192	55,412	(99.7)	9,863	233,007	(95.8)
Depreciation	1,803	981	83.7	4,813	3,943	22.1
Amortisation	10,375	5,059	105.1	40,772	19,108	113.4
Repairs and maintenance expenses	4,226	4,129	2.4	15,402	13,100	17.6
Third party expenses	5,400	3,000	80.0	17,500	10,826	61.7
Greek Football Federation & Greek Professional Leagues	1,682	1,498	12.4	4,503	5,185	(13.1)
Personnel costs	4,214	4,155	1.4	17,730	15,054	17.8
Other expenses	9,475	7,817	21.2	32,933	23,632	39.4
Bad debt provision	1,800	3,427	(47.5)	3,500	5,000	(30.0)
Retirement benefit costs	1,156	347	232.6	2,941	1,068	175.3
<b>Total</b>	<b>1,196,148</b>	<b>1,005,755</b>	<b>18.9</b>	<b>4,043,858</b>	<b>3,774,883</b>	<b>7.1</b>

OPAP's largest cost item relates to the payouts to lottery and betting winners, which in 2007 increased by 13.0% to €3,469.1m from €3,071.4m in 2006 mainly due to the increased payout to *Stihima*, which amounted to 71.2% as a percentage of revenues in 2007 versus 66.8% (as reflected in OPAP's cost of sales) in 2006.

In Q4 2007, payouts to lottery and betting winners increased by 26.1% to €1,028.2m with *Stihima* payout reaching 68.9% of the game's revenues versus 64.9% (as reflected in OPAP's cost of sales) in the corresponding quarter of 2006.

Average agents' commissions reached 8.4% of revenues compared to 8.1% in 2006 due to the increase to 8.0% of the game's revenues in KINO commissions since January 1, 2007.

Betting commissions paid to Intralot decreased to €9.9m in 2007 from €233.0m in 2006, due to the contract expiration on January 29, 2007.

Amortisation expense reached €40.8m in 2007 from €19.1m in 2006 due to a €20.3m charge relating to the 6-month agreement with Intralot consortium pertaining to the transfer of know-how for *Stihima*.

Repairs and maintenance expenses reached €15.4m in 2007 from €13.1m in 2006, reflecting increased expenses for the maintenance of part of the new terminals that are being gradually installed in the agencies since September 2007.

Third party expenses in 2007 reached €17.5m from €10.8m in 2006. This increase is mainly attributed to consulting services provided by the recent agreement with Intralot consortium for *Stihima* as well as to higher expenses related to the operation of the game.

Staff costs included in the cost of sales represent a portion of the total staff costs, which increased to €47.5m in 2007 from €39.1m in 2006, mainly due to (i) personnel hiring at the Betting Division and (ii) staff salary increases according to the collective employment agreement.

Other expenses, included in the cost of sales, increased to €32.9m from €23.6m in 2006, reflecting mainly the increased costs of the in-house undertaking of *Stihima* (including coupon tickets, programme brochure, risk management software service, etc.).

**Gross Profit**

Gross profit in 2007 increased by 19.0% to €1,021.9m. Gross profit margin increased to 20.2% from 18.5% in 2006. Q4 2007 Gross Profit reached €325.7m, increased by 28.5% from Q4 2006, while Q4 2007 gross profit margin increased to 21.4% from 20.1% in Q4 2006.

**Distribution Costs**

Excluding the one-off payment of €50.0m made towards the victims of forest fires that has been equally recorded in Q3 and Q4 2007, distribution costs reached €150.8m in 2007 compared to €95.9m in 2006, including sponsorships, grants and advertising costs which amounted to €135.3m from €85.3m in 2006. The latter increase is attributed to (i) the increased sponsorships, which fall within the company's corporate social responsibility programme and (ii) the *Stihima* advertising costs since January 29, 2007. In Q4 2007 the distribution costs reached €71.4m, including the second payment of €25.0m to the fire victims, from €25.2m for the corresponding period in 2006.

**Administrative Expenses**

Administrative expenses in 2007 increased by 13.8% to €47.5m from €41.7m in 2006, reflecting mainly the increase in staff costs, as mentioned above. In Q4 2007 administrative expenses increased by 8.6% to €12.5m from €11.5m in the corresponding period of 2006.

**Other Operating Expenses**

Other operating expenses of €10.8m in 2007 mainly relate to provisions of €8.0m for third party lawsuits against OPAP.

**Profit from Operations**

Profit from operations in 2007 – excluding the one-off payment of €50.0m– reached €812.1m, up by 14.0% y-o-y, while in Q4 2007 profit from operations increased by 18.8% to €258.4m from €217.5m in the corresponding period of 2006.

**Tax Expenses**

Tax expenses in 2007 decreased to €205.2m from €215.7m in 2006 despite the increase in profitability, as a result of the lower corporate tax rate in Greece (25% for 2007 versus 29% in the previous year).

**Adjusted Net Profit**

Adjusted net profit for 2007 increased by 19.4% to €608.9m from €509.8m in 2006. In Q4 2007 adjusted net profit increased by 24.9% to €192.8m from €154.4m in the corresponding period of 2006.



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## Cash Flows for Q4 and 12M of 2007 and 2006.

(€' 000)	Q4 2007	Q4 2006	% Change	2007	2006	% Change
<b>Cash Flow from Operating Activities</b>	229,098	115,418	98.5	704,438	452,869	55.6
<b>Cash Flow from Investing Activities</b>	4,475	2,341	91.1	(61,415)	(8,689)	606.9
<b>Cash Flow from Financing Activities</b>	(197,571)	(190,450)	3.7	(534,288)	(497,055)	7.5

### Cash Flow from Operating Activities

Cash flow from operating activities in 2007 increased by 55.6% to €704.4m compared to €452.9m in 2006 mainly attributed to: (i) the lower cash outflow for the payment of taxes due to the lower tax rate and (ii) the collection of receivables from our agents and Intralot following the termination of the agreement on January 29, 2007.

In Q4 2007, cash flow from operating activities increased by 98.5% to €229.1m compared to €115.4m in the corresponding period of 2006, mainly due to the increased collection of receivables from our agents as opposed to 2006 when latest agent settlement took place in the beginning of 2007.

### Cash Flow from Investing Activities

Cash flow from investing activities in 2007 amounted to €61.4m compared to €8.7m in 2006 mainly due to the payment associated with the "transfer of know-how" agreement with the Intralot consortium for *Stihima*, partially offset by increased interest income.

### Cash Flow from Financing Activities

Cash flow from financing activities amounted to €534.3m from €497.1m in 2006 reflecting an increase in dividend payments in the current period.

## 3. MAIN DEVELOPMENTS

### Full Year Dividend Payment

On March 26, 2008 the Board of Directors of OPAP resolved upon the proposal to the Annual Ordinary General Meeting (AGM) of distribution to the shareholders of a dividend for the fiscal year 2007 of €1.74 per share compared to €1.58 per share distributed in 2006 (totalling €555,060,000 in 2007 compared to €504,020,000 in 2006). Excluding the interim dividend of €0.60 per share already paid on December 21, 2007, the remaining dividend payment to the shareholders amounts to €1.14 per share, or €363,660,000. Subject to AGM approval, the ex-dividend date is June 17, 2008 (shareholders as at the close of Athex trading on June 13, 2008 will be entitled to this dividend payment) while the payment start date is June 25, 2008.

### European Commission correspondence with the Greek government

On February 28, 2008, the European Commission requested from the Greek Government the amendment of the legislation, which sets restrictions on the free movement of gaming services in Greece.

### Update on discussions with Agents

There are ongoing discussions with our agents in order to finalise and agree the key terms of the contractual agreements by June 2008.

### Suspension of payment of 1% of KINO to OPAP SERVICES as of January 1, 2008

Since January 1, 2008, OPAP has suspended the payment of 1% of KINO's revenues to our subsidiary OPAP Services.



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The accumulated amount of around €55.5 million will be utilised for the upgrade and branding of the agencies' network, once our discussions with our agents are final.

## **Operational reorganisation**

The management of OPAP, having set a goal to improve operational efficiency and to modernise the business processes both for the parent company as well as for its subsidiary OPAP Services conducted a procurement process and awarded the business process and re-engineering study to the consortium of companies "AT Kearney & Planning". This study is expected to be completed by the end of May and the implementation will start immediately thereafter.

## **Update on Implementation of Agreement with Intralot Consortium**

As of the end of 2007, 5500 Main Outlet Terminals (MOTs) had been installed throughout the network. As of today, a total of approximately 8,500 MOTs have already been installed in our agencies' network.

As of the end of 2007, approximately 1,230 Ticket Checkers had been installed, while as of today this number has been increased to approximately 6,750.

The installation of the Self Service Terminals is expected to commence in the first week of April 2008 and expected to be concluded before the end of Q2.

### **Note:**

OPAP's S.A. "Financial Status and Results" for the Full Year 2007 will be published in the following newspapers: Kathimerini, Eleftheros Typos Ta Nea, Express and Naftemporiki, on Thursday March 27, 2008 and will be available along with the "Financial Statements based on IFRS" on the company's website: [www.opap.gr](http://www.opap.gr) and the Athens Stock Exchange website: [www.ase.gr](http://www.ase.gr)



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## **ATTACHMENTS**

- 1. Balance Sheet for the fiscal years ended December 31, 2007 and 2006**
- 2. Income statement for the fiscal years ended December 31, 2007 and 2006**
- 3. Cash flow Statement for the fiscal years ended December 31, 2007 and 2006**

## 1. Balance Sheet

For the years that ended on December 31<sup>st</sup>, 2007 and 2006

(Amounts in thousand of euro)

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	492,860	384,126	404,825	324,044
Inventories	703	608	703	608
Trade receivables	36,839	102,050	38,213	100,128
Other current assets	155,136	184,666	154,248	184,388
<b>Total current assets</b>	<b>685,538</b>	<b>671,450</b>	<b>597,989</b>	<b>609,168</b>
<b>Non-current assets</b>				
Intangible assets	336,379	222,361	336,332	222,309
Property, plant and equipment	108,119	34,072	107,322	33,104
Goodwill	7,672	12,452	-	-
Investments in subsidiaries	-	-	35,627	41,577
Investments in associates	1,608	1,194	1,200	1,200
Other non-current assets	15,692	16,480	15,676	16,471
Deferred tax assets	11,915	1,919	25,420	10,952
<b>Total non-current assets</b>	<b>481,385</b>	<b>288,478</b>	<b>521,577</b>	<b>325,613</b>
<b>TOTAL ASSETS</b>	<b>1,166,923</b>	<b>959,928</b>	<b>1,119,566</b>	<b>934,781</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short-term liabilities</b>				
Trade and other payables	125,749	160,929	130,370	167,628
Payables from financial leases	61,394	16	61,394	16
Tax liabilities	237,345	242,555	234,593	240,844
Accrued liabilities	52,444	12,879	48,159	10,651
<b>Total short-term liabilities</b>	<b>476,932</b>	<b>416,379</b>	<b>474,516</b>	<b>419,139</b>
<b>Long-term liabilities</b>				
Payables from financial leases	84,429	57	84,429	57
Employee benefit plans	21,566	19,604	21,566	19,604
Provisions	8,159	301	8,159	301
Other long-term liabilities	6,756	5,868	6,631	5,747
<b>Total long-term liabilities</b>	<b>120,910</b>	<b>25,830</b>	<b>120,785</b>	<b>25,709</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	363,660	328,570	363,660	328,570
Exchange differences	(8)	84	-	-
Retained earnings	65,908	49,531	21,845	22,603
<b>Total Equity</b>	<b>568,960</b>	<b>517,585</b>	<b>524,265</b>	<b>489,933</b>
Minority interest	121	134	-	-
<b>Total Equity</b>	<b>569,081</b>	<b>517,719</b>	<b>524,265</b>	<b>489,933</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,166,923</b>	<b>959,928</b>	<b>1,119,566</b>	<b>934,781</b>



## 2. Income statement

**For the years that ended on December 31<sup>st</sup>, 2007 and 2006**

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

	GROUP		COMPANY	
	1.1-31.12.2007	1.1-31.12.2006	1.1-31.12.2007	1.1-31.12.2006
Revenues	5,065,751	4,633,429	4,929,708	4,524,105
Cost of sales	(4,043,858)	(3,774,883)	(3,930,066)	(3,683,467)
<b>Gross profit</b>	<b>1,021,893</b>	<b>858,546</b>	<b>999,642</b>	<b>840,638</b>
Other operating income	3,612	2,545	14,088	11,485
Distribution costs	(200,834)	(95,905)	(217,538)	(108,847)
Administrative expenses	(47,451)	(41,689)	(41,614)	(36,534)
Other operating expenses	(10,779)	(10,909)	(10,778)	(10,905)
Income / loss from associates	414	-	-	-
Impairment of assets	(4,780)	-	(5,950)	-
<b>Profit from operations</b>	<b>762,075</b>	<b>712,588</b>	<b>737,850</b>	<b>695,837</b>
Financial results, net	14,547	12,929	13,583	12,115
Dividends	-	-	2,587	5,581
<b>Profit before tax</b>	<b>776,622</b>	<b>725,517</b>	<b>754,020</b>	<b>713,533</b>
Income tax	(215,194)	(212,280)	(214,186)	(211,902)
Deferred tax	9,996	(3,436)	14,468	(538)
<b>Profit after tax</b>	<b>571,424</b>	<b>509,801</b>	<b>554,302</b>	<b>501,093</b>
Minority interest	13	6	-	-
<b>Net profit for the period</b>	<b>571,437</b>	<b>509,807</b>	<b>554,302</b>	<b>501,093</b>
<b>Basic earnings per share in €</b>	<b>1.79</b>	<b>1.60</b>	<b>1.74</b>	<b>1.57</b>

## 3. Cash flow Statement

**For the years that ended on December 31<sup>st</sup>, 2007 and 2006**

(Amounts in thousand of euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>OPERATING ACTIVITIES</b>				
Profit before tax	776,622	725,517	754,020	713,533
<b>Adjustments for:</b>				
Depreciation & Amortization	47,929	25,623	47,546	25,070
Financial results, net	(14,547)	(12,929)	(13,583)	(12,115)
Employee benefit plans	1,963	(3,888)	1,963	(3,888)
Provisions for bad debts	3,500	5,000	3,500	5,000
Other provisions	7,858	-	7,858	-
Dividends from subsidiaries	-	-	(2,587)	(5,581)
Exchange differences	(254)	(226)	-	-
Impairment losses	4,780	-	5,950	-
(Income) / loss from associates	(414)	-	-	-
Results from investing activities	(211)	24	(211)	30
<b>Cash flows from operating activities before changes in working capital</b>	<b>827,226</b>	<b>739,121</b>	<b>804,456</b>	<b>722,049</b>
<b>Changes in Working capital</b>				
Increase (Decrease) in inventories	(95)	(204)	(95)	(204)
Increase (Decrease) in trade & other receivable	87,794	(71,334)	84,734	(69,022)
Increase (Decrease) in payables (except borrowings)	10,058	24,308	5,688	35,496
Increase (Decrease) in taxes payables	(825)	6,105	(866)	5,666
	<b>924,158</b>	<b>697,996</b>	<b>893,917</b>	<b>693,985</b>
Interest expenses	(3,767)	(924)	(3,748)	(896)
Taxes paid	(215,953)	(244,203)	(215,508)	(243,788)
<b>Cash flows from operating activities</b>	<b>704,438</b>	<b>452,869</b>	<b>674,661</b>	<b>449,301</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from the sale of tangible & intangible assets	-	31	-	21
Guarantees	(85)	(196)	(78)	(196)
Loans paid to personnel	552	(4,013)	552	(4,013)
Purchase of tangible assets	(2,142)	(3,899)	(1,967)	(3,784)
Purchase of intangible assets	(78,054)	(14,465)	(78,016)	(14,432)
Dividends from subsidiaries	-	-	2,587	5,581
Interest received	18,314	13,853	17,331	13,011
<b>Cash flows used in investing activities</b>	<b>(61,415)</b>	<b>(8,689)</b>	<b>(59,591)</b>	<b>(3,812)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	-	(25,345)	-	(25,345)
Repayment of financial lease funds	(9,766)	(12)	(9,766)	(12)
Dividends paid	(524,523)	(471,698)	(524,523)	(471,698)
<b>Cash flows used in financing activities</b>	<b>(534,289)</b>	<b>(497,055)</b>	<b>(534,289)</b>	<b>(497,055)</b>
<b>Net increase / decrease in cash and cash equivalents</b>	<b>108,734</b>	<b>(52,875)</b>	<b>80,781</b>	<b>(51,566)</b>
Cash and cash equivalents at the beginning of the year	384,126	437,001	324,044	375,610
<b>Cash and cash equivalents at the end of year</b>	<b>492,860</b>	<b>384,126</b>	<b>404,825</b>	<b>324,044</b>



# News Release

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