

## OPAP S.A. Interim Consolidated Financial Results For the Six Months ended June 30<sup>th</sup>, 2008

- Revenues up 16.2% to €2,760.2m (H1 2007: €2,375.3m)
- EBITDA up 40.1% to €556.1m (H1 2007: €396.9m)
- Net Profit up 35.2% to €385.8m (H1 2007: €285.3m)
- Basic EPS: up 35.2% to €1.21 per share (H1 2007: €0.89)

**ATHENS, Greece – August 26, 2008 – OPAP S.A. (OPAr.AT)**, the leading gaming operator in Greece, announces its consolidated financial results for the six month period ended June 30<sup>th</sup>, 2008, prepared in accordance with International Financial Reporting Standards (IFRS).

### 1. OVERVIEW

(€ 'm)	Q2 2008	Q2 2007	% Δ	H1 2008	H1 2007	% Δ
<b>Revenues</b>	1,380.5	1,224.0	12.8	2,760.2	2,375.3	16.2
<b>EBITDA</b>	256.7	201.1	27.6	556.1	396.9	40.1
<b>EBITDA margin</b>	18.6%	16.4%		20.2%	16.7%	
<b>Net profit</b>	177.3	141.9	24.9	385.8	285.3	35.2

OPAP's revenues for H1 2008 increased by 16.2% and reached €2,760.2m compared to €2,375.3m in H1 2007, primarily due to the satisfactory performance of the Company's flagship games, *KINO* and *Stihima*. Revenues for Q2 2008 grew by 12.8% to €1,380.5m, compared to €1,224.0m for the same period in 2007.

The Company's EBITDA reached €556.1m in H1 2008 from €396.9m for the corresponding period in 2007, up 40.1%, with the EBITDA margin increasing to 20.2% from 16.7% in H1 2007. EBITDA for Q2 2008 increased by 27.6% to €256.7m (adjusted for the one-off reversal in Q2 2007 in relation to the accounting treatment of the *Stihima* know-how agreement, the increase in Q2 2008 EBITDA amounted to 46.4%).

The increase in EBITDA, as well as the significant improvement of the relevant margin, mainly reflects the reduced operating expenses related to *Stihima* (more efficient management of the game, lower contractor commission costs etc), but also a decrease in distribution expenses mainly related to the games' lower advertising expenses in the period under review.

Net profit for H1 2008 increased by 35.2% to €385.8m from €285.3m for the corresponding period in 2007, despite higher amortization expenses versus the corresponding period of 2007. The increase in amortization expenses was mainly the result of the adjustment made in 2008 relating to the accounting treatment of the *Stihima* know-how transfer agreement (on a comparable basis, the increase in net profit for H1 2008 amounted to 39.8%).

Net profit for Q2 2008 grew by 24.9% to €177.3m from €141.9m in the corresponding period in 2007 (on a comparable basis the increase in net profit for Q2 2008 amounted to 44.6%).

Commenting on the H1 2008 results, Mr. Christos Hadjiemmanuil, OPAP's Chairman & CEO, noted:

**"We are very pleased with the ongoing strong performance of our operations. Contribution from *KINO* and *Stihima* remains robust, while we continue to make progress on optimising our cost base. At the same time, we look forward to further implementing our key priorities set for 2008. Specifically, to date we have finalized the agreement with the agents, commenced implementation of our internal reorganisation plan and, as of today, we are introducing enhanced functionalities in *Stihima*."**

## 2. FINANCIAL REVIEW

### Revenues per game for Q2 and H1 2008 and 2007.

(€ '000)	Q2 2008	Q2 2007	Δ%	H1 2008	H1 2007	Δ%
<b>STIHIMA</b>	588,962	525,757	12.0	1,166,198	999,217	16.7
<b>PROPO</b>	10,926	12,426	(12.1)	28,739	32,925	(12.7)
<b>PROPO-GOAL</b>	316	598	(47.1)	866	978	(11.4)
<b>TOTAL SPORTS BETTING</b>	<b>600,204</b>	<b>538,781</b>	<b>11.4</b>	<b>1,195,803</b>	<b>1,033,120</b>	<b>15.8</b>
<b>KINO</b>	678,676	567,835	19.5	1,357,117	1,125,391	20.6
<b>JOKER</b>	59,735	73,453	(18.7)	122,683	127,325	(3.7)
<b>Super 3</b>	14,183	14,909	(4.9)	28,553	30,022	(4.9)
<b>LOTTO</b>	12,886	12,959	(0.6)	25,592	27,094	(5.5)
<b>PROTO</b>	11,634	12,577	(7.5)	23,798	25,092	(5.2)
<b>Extra 5</b>	3,218	3,494	(7.9)	6,607	7,219	(8.5)
<b>TOTAL NUMERICAL GAMES</b>	<b>780,332</b>	<b>685,227</b>	<b>13.9</b>	<b>1,564,350</b>	<b>1,342,143</b>	<b>16.6</b>
<b>TOTAL REVENUES</b>	<b>1,380,536</b>	<b>1,224,008</b>	<b>12.8</b>	<b>2,760,153</b>	<b>2,375,263</b>	<b>16.2</b>

Total revenues increased by 16.2% to €2,760.2m in H1 2008 from €2,375.3m in H1 2007. In Q2 2008, revenues amounted to €1,380.5m, increased by 12.8% compared to €1,224.0m for the same period in 2007.

Sports betting revenues for the period increased by 15.8%, as a result of the significant increase in *Stihima* revenues in the first quarter, as well as the additional revenues generated by the 2008 European Football Cup games in the second quarter.

Revenues from numerical games in H1 2008 increased by 16.6%, reaching €1,564.4m from €1,342.1m in the corresponding period of 2007, while in Q2 2008 revenues from numerical games increased by 13.9%.

Revenues from *KINO* increased in H1 2008 by 20.6% to €1,357.1m, from €1,125.4m in the corresponding period in 2007, mainly due to the new terminals that have been installed since September 2007. During Q2 2008, revenues from *KINO*, continuing the Q1 2008 trend, increased by 19.5% compared to the corresponding period last year. In particular, revenues from *KINO* increased by 18.5% in April, 23.0% in May and 17.1% in June compared to the corresponding months in 2007.

Regarding the rest of the numerical games, which represent approximately 7.5% of the Company's total revenues, H1 2008 revenues experienced a decrease as a result of the lack of successive favourable JACK-POTS (mainly in JOKER, LOTTO and PROTO games).

## Cost of sales for Q2 and H1 2008 and 2007.

(€ '000)	Q2 2008	Q2 2007	Δ%	H1 2008	H1 2007	Δ%
Prize payouts to lottery and betting winners	931,694	874,899	6.5	1,821,390	1,629,233	11.8
Agents' commissions	115,047	103,003	11.7	230,350	199,718	15.3
Betting commissions	595	101	488.6	1,054	9,558	(89.0)
Depreciation	2,156	956	125.6	3,738	1,928	93.9
Amortization	21,027	14,238	47.7	41,184	19,324	113.1
Repairs and maintenance expenses	9,639	3,627	165.8	16,985	7,039	141.3
Third party expenses	6,285	(22,696)	(127.7)	15,635	6,161	153.8
Greek Football Federation & Greek Professional Leagues	883	574	53.8	2,468	2,455	0.5
Personnel costs	5,240	5,258	(0.3)	10,129	9,176	10.4
Other expenses	9,960	8,777	13.5	18,854	16,015	17.7
Bad debt provision	1,000	600	66.7	2,000	1,400	42.9
Retirement benefit costs	445	596	(25.5)	885	1,089	(18.8)
<b>Total</b>	<b>1,103,971</b>	<b>989,933</b>	<b>11.5</b>	<b>2,164,672</b>	<b>1,903,096</b>	<b>13.7</b>

OPAP's largest cost item relates to the payout to lottery and betting winners, which in H1 2008 reached €1,821.4m, increased by 11.8% compared to the same period of 2007. This corresponds to 66.0% of total revenues versus 68.6% in the same period in 2007. In particular, the *Stihima* payout in H1 2008 reached 65.5% of the game's revenues versus 71.5% in the corresponding period last year. The respective percentage for Q2 2008 for *Stihima* reached 68.2% from 77.4% for the same period of 2007.

Agents' commissions increased by 15.3% to €230.4m in H1 2008 from €199.7m in the same period of 2007, reflecting the increase in total revenues for the period.

Depreciation expenses increased to €3.7m in H1 2008 from €1.9m for the same period of 2007, mainly due to the depreciation of the agents' terminals that are being gradually installed in the agencies from September 2007 until the end of H1 2008.

Amortization expenses reached €41.2m from €19.3m in the respective period of 2007, mainly due to the change in the accounting treatment of the know-how transfer agreement for *Stihima* (increase to €28.6m in the first half of 2008 versus €9.2m for the same period of 2007) and also due to amortization expense of €4.8m relating to the 3-year financial leasing agreement (dated 31 July 2007).

Repairs and maintenance expenses reached €17.0m in H1 2008 from €7.0m in the corresponding period in 2007, mainly reflecting maintenance expenses for the new terminals that have been installed from September 2007 until the end of H1 2008.

Third party expenses increased to €15.6m from €6.2m in H1 2007 mainly due to a of €9.0m consulting services charge included in the 3-year financial leasing agreement dated 31 July 2007.

Staff costs included in the cost of sales reached €10.1m from €9.2m for the corresponding period of 2007, increased by 10.4%, mainly due to personnel hiring in the Betting Division as well as annual staff salary increases in line with the collective employment agreement. In Q2 2008, staff costs included in the cost of

sales remained at the same levels with the respective quarter in 2007. Total staff costs in H1 2008 reached €25.6m, up by 7.8% compared to 2007, due to the aforementioned reasons.

Other expenses, included in the cost of sales, increased to €18.9m in H1 2008 from €16.0m in H1 2007, reflecting mainly the increased costs of the in-house undertaking of *Stihima*.

## Gross Profit

Gross profit in H1 2008 increased by 26.1% to €595.5m from €472.2m in the corresponding period of 2007, while the gross profit margin increased to 21.6% from 19.9% in H1 2007.

## Distribution Costs

Distribution costs decreased by 18.3% to €59.6m in H1 2008 compared to €73.0m in the respective period last year. Sponsorships, donations and advertising costs amounted to €56.0m from €66.2m in the corresponding period of 2007. In particular, advertising costs decreased by 25.6% while sponsorship costs increased by 13.3%.

## Administrative Expenses

Administrative expenses in H1 2008 decreased by 6.6% to €21.4m from €22.9m in H1 2007.

## Profit from Operations

Reflecting the factors mentioned above, profit from operations for the period rose to €509.8m from €374.2m for the corresponding period of 2007, up by 36.2%.

## Other Expenses

Other expenses of €6.2m in H1 2008 relate to litigation provisions.

## Tax Expenses

Tax expenses in H1 2008 amounted to €138.2m from €98.4m in the corresponding period of 2007, reflecting the Company's increased profitability.

## Net Profit

Net profit for the H1 2008 period rose by 35.2% to €385.8m from €285.3m for the same period of 2007, while for Q2 2008 net profit rose by 24.9% to €177.3m.

### Cash Flows for Q2 and H1 of 2008 and 2007.

(€'.000)	Q2 2008	Q2 2007	Δ%	H1 2008	H1 2007	Δ%
<b>Cash Flow from Operating Activities</b>	236,756	198,519	19.3	485,133	416,473	16.5
<b>Cash Flow from Investing Activities</b>	10,547	(71,788)	(114.7)	17,338	(69,338)	(125.0)
<b>Cash Flow from Financing Activities</b>	(373,835)	(330,668)	13.1	(397,568)	(333,150)	19.3

## Cash Flow from Operating Activities

Cash flow from operating activities in H1 2008 amounted to €485.1m from €416.5m in the corresponding period of 2007 and was mainly affected by: (i) the payment of €25m for the financial aid provided to the victims of the forest fires, and (ii) the increased inflows in H1 2007 from the collection of receivables from our agents and Intralot.

## Cash Flow from Investing Activities

Cash flow from investing activities in H1 2008 amounted to inflows of €17.3m, mainly reflecting higher interest income compared to outflows of €69.3m in H1 2007, which included the payment associated with the know-how transfer agreement for *Stihima*.

**Cash Flow from Financing Activities**

Cash flow from financing activities amounted to outflows of €397.6m from €333.2m in the corresponding period of 2007 reflecting dividend payments (€363.4m) and instalment payments of the financial leasing agreement (€34.1m).

**Dividend Payment**

The Annual Ordinary General Assembly of OPAP S.A. of June 11<sup>th</sup>, 2008 resolved upon the distribution of dividend of €1.74 per share for the fiscal year 2007. Excluding the interim dividend of €0.60 per share paid in 2007 the remaining dividend of €1.14 per share was paid on June 25<sup>th</sup>, 2008.

**Note:**

OPAP's S.A. "Financial Status and Results" for the First Half 2008 will be published in the following newspapers: Apogevmatini, To Vima, Imerisia and Naftemporiki on Wednesday August 27<sup>th</sup>, 2008 and will be available, along with the "Interim Financial Statements based on IFRS", on the company's website: [www.opap.gr](http://www.opap.gr) and on the Athens Exchange website: [www.ase.gr](http://www.ase.gr)

## **ATTACHMENTS**

- 1. Interim Income Statement of the GROUP for the first semester that ended on June 30<sup>th</sup>, 2008 and 2007**
- 2. Interim Income Statement of OPAP S.A. for the first semester that ended on June 30<sup>th</sup>, 2008 and 2007**
- 3. Interim Balance Sheet as of June 30<sup>th</sup>, 2008 and December 31<sup>st</sup>, 2007**
- 4. Interim Cash Flow Statement for the first semester that ended on June 30<sup>th</sup>, 2008 and 2007**

## 1. Interim Income Statement of the GROUP

**For the first semester that ended on June 30<sup>th</sup>, 2008 and 2007**

(Amounts in thousand euro except earnings per share)

	2008		2007	
	1.1-30.6.2008	1.4-30.6.2008	1.1-30.6.2007	1.4-30.6.2007
Revenues	2,760,153	1,380,536	2,375,263	1,224,008
Cost of sales	<u>(2,164,672)</u>	<u>(1,103,971)</u>	<u>(1,903,096)</u>	<u>(989,933)</u>
<b>Gross profit</b>	<b>595,481</b>	<b>276,565</b>	<b>472,167</b>	<b>234,075</b>
Other operating income	1,497	599	1,924	991
Distribution costs	(59,635)	(27,928)	(73,007)	(34,670)
Administrative expenses	(21,428)	(10,938)	(22,945)	(11,573)
Other operating expenses	(6,153)	(5,537)	(903)	(545)
Impairment loss of assets	=	=	<u>(3,000)</u>	<u>(3,000)</u>
<b>Operating result</b>	<b>509,762</b>	<b>232,761</b>	<b>374,236</b>	<b>185,278</b>
Financial result, net	14,206	9,206	9,460	5,733
Dividends from subsidiaries	=	=	=	=
<b>Profit before tax</b>	<b>523,968</b>	<b>241,967</b>	<b>383,696</b>	<b>191,011</b>
Income tax	(138,779)	(65,861)	(101,534)	(52,536)
Deferred tax	<u>615</u>	<u>1,166</u>	<u>3,162</u>	<u>3,434</u>
<b>Profit after tax</b>	<b>385,804</b>	<b>177,272</b>	<b>285,324</b>	<b>141,909</b>
Attributable to:				
<b>Minority interest</b>	<b><u>16</u></b>	<b><u>1</u></b>	<b><u>(16)</u></b>	<b><u>(17)</u></b>
<b>Shareholders equity</b>	<b>385,788</b>	<b>177,271</b>	<b>285,340</b>	<b>141,926</b>
<b>Basic earnings per share</b>	<b>1.2094</b>	<b>0.5557</b>	<b>0.8945</b>	<b>0.4449</b>

## 2. Interim Income Statement of OPAP S.A.

**For the first semester that ended on June 30<sup>th</sup>, 2008 and 2007**

(Amounts in thousand euro except earnings per share)

	2008		2007	
	1.1-30.6.2008	1.4-30.6.2008	1.1-30.6.2007	1.4-30.6.2007
Revenues	2,672,166	1,333,227	2,311,947	1,190,092
Cost of sales	<u>(2,089,207)</u>	<u>(1,063,109)</u>	<u>(1,849,784)</u>	<u>(961,521)</u>
<b>Gross profit</b>	<b>582,959</b>	<b>270,118</b>	<b>462,163</b>	<b>228,571</b>
Other operating income	8,559	4,407	6,881	3,521
Distribution costs	(58,122)	(26,912)	(83,045)	(39,086)
Administrative expenses	(18,776)	(9,645)	(20,086)	(10,016)
Other operating expenses	(6,144)	(5,528)	(902)	(544)
Impairment loss of assets	=	=	<u>(4,000)</u>	<u>(4,000)</u>
<b>Operating result</b>	<b>508,476</b>	<b>232,440</b>	<b>361,011</b>	<b>178,446</b>
Financial result, net	12,018	8,004	9,019	5,484
Dividends from subsidiaries	<u>2,558</u>	=	<u>2,587</u>	=
<b>Profit before tax</b>	<b>523,052</b>	<b>240,444</b>	<b>372,617</b>	<b>183,930</b>
Income tax	(138,321)	(65,743)	(100,773)	(52,250)
Deferred tax	<u>798</u>	<u>1,346</u>	<u>5,447</u>	<u>4,585</u>
<b>Profit after tax</b>	<b>385,529</b>	<b>176,047</b>	<b>277,291</b>	<b>136,265</b>
Attributable to:				
<b>Minority interest</b>	-	-	-	-
<b>Shareholders equity</b>	<b>385,529</b>	<b>176,047</b>	<b>277,291</b>	<b>136,265</b>
<b>Basic earnings per share</b>	<b>1.2086</b>	<b>0.5519</b>	<b>0.8693</b>	<b>0.4272</b>



## 3. Interim Balance Sheet

**As of June 30<sup>th</sup>, 2008 and December 31<sup>st</sup>, 2007**

(Amounts in thousand euro)

	GROUP		COMPANY	
	30.6.2008	31.12.2007	30.6.2008	31.12.2007
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	597,763	492,860	498,204	404,825
Inventories	959	703	959	703
Trade receivables	27,938	36,839	30,797	38,213
Other current assets	<u>152,527</u>	<u>155,136</u>	<u>151,386</u>	<u>154,248</u>
<b>Total current assets</b>	<b>779,187</b>	<b>685,538</b>	<b>681,346</b>	<b>597,989</b>
<b>Non - current assets</b>				
Intangible assets	294,534	336,379	294,494	336,332
Tangible assets (for own use)	102,684	108,119	100,343	107,322
Investments in real estate	1,395	-	2,970	-
Goodwill	7,672	7,672	-	-
Investments in subsidiaries	-	-	35,627	35,627
Investments in associates	1,608	1,608	1,200	1,200
Other non - current assets	15,242	15,692	15,226	15,676
Deferred tax assets	<u>12,530</u>	<u>11,915</u>	<u>26,218</u>	<u>25,420</u>
<b>Total non - current assets</b>	<b>435,665</b>	<b>481,385</b>	<b>476,078</b>	<b>521,577</b>
<b>TOTAL ASSETS</b>	<b>1,214,852</b>	<b>1,166,923</b>	<b>1,157,424</b>	<b>1,119,566</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short - term liabilities</b>				
Trade and other payables	122,007	125,749	116,348	130,370
Payables from financial leases	52,196	61,394	52,196	61,394
Tax liabilities	324,514	237,345	322,868	234,593
Accrued liabilities	<u>24,484</u>	<u>52,444</u>	<u>19,578</u>	<u>48,159</u>
<b>Total short - term liabilities</b>	<b>523,201</b>	<b>476,932</b>	<b>510,990</b>	<b>474,516</b>
<b>Long - term liabilities</b>				
Payables from financial leases	59,480	84,429	59,480	84,429
Employee benefit plans	20,756	21,566	20,756	21,566
Provisions	13,231	8,159	13,231	8,159
Other long-term liabilities	<u>6,959</u>	<u>6,756</u>	<u>6,833</u>	<u>6,631</u>
<b>Total long - term liabilities</b>	<b>100,426</b>	<b>120,910</b>	<b>100,300</b>	<b>120,785</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	-	363,660
Exchange differences	(8)	(8)	-	-
Retained earnings	<u>451,696</u>	<u>65,908</u>	<u>407,374</u>	<u>21,845</u>
<b>Total equity</b>	<b>591,088</b>	<b>568,960</b>	<b>546,134</b>	<b>524,265</b>
Minority interest	137	121	-	-
<b>Total equity</b>	<b>591,225</b>	<b>569,081</b>	<b>546,134</b>	<b>524,265</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,214,852</b>	<b>1,166,923</b>	<b>1,157,424</b>	<b>1,119,566</b>

## 4. Interim Cash Flow Statement

For the first semester that ended on June 30<sup>th</sup>, 2008 and 2007

	GROUP		COMPANY	
	1.1-30.6.2008	1.1-30.6.2007	1.1-30.6.2008	1.1-30.6.2007
<b>OPERATING ACTIVITIES</b>				
Profit before tax	523,968	383,696	523,052	372,617
<b>Adjustments for:</b>				
Depreciation & Amortization	46,382	22,681	46,207	22,386
Financing result, net	(14,206)	(9,460)	(12,018)	(9,019)
Employee benefit plans	(810)	514	(810)	514
Provisions for bad debts	2,000	1,400	2,000	1,400
Other provisions	5,072	(143)	5,072	(143)
Exchange differences	0	(191)	-	-
Results from investing activities	88	2,777	80	3,777
Dividends from subsidiaries	-	-	(2,558)	(2,587)
<b>Total</b>	<b>562,494</b>	<b>401,274</b>	<b>561,025</b>	<b>388,945</b>
<b>Changes in working capital:</b>				
Increase (decrease) in inventories	(256)	(503)	(256)	(503)
Increase (decrease) in trade & other receivables	12,473	76,617	11,154	73,246
Increase (decrease) in payables (excluding banks)	(31,737)	379	(42,641)	(11,858)
Increase (decrease) in taxes payable	(1,604)	(3,782)	(305)	(3,693)
	<b>541,370</b>	<b>473,985</b>	<b>528,977</b>	<b>446,137</b>
Interest expenses	(3,125)	(36)	(3,112)	(26)
Income taxes paid	(53,112)	(57,476)	(52,759)	(57,462)
<b>Cash flows from operating activities</b>	<b>485,133</b>	<b>416,473</b>	<b>473,106</b>	<b>388,649</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sales of tangible & intangible assets	39	-	2	-
Guarantees	3	(71)	3	(71)
Loans raised to personnel	458	61	458	61
Purchase of tangible assets	(399)	(1,416)	(222)	(1,278)
Purchase of intangible assets	(94)	(77,408)	(88)	(77,401)
Interest received	17,331	9,496	15,130	9,045
Dividends from subsidiaries	-	-	2,558	2,587
<b>Cash flows used in investing activities</b>	<b>17,338</b>	<b>(69,338)</b>	<b>17,841</b>	<b>(67,057)</b>
<b>FINANCING ACTIVITIES</b>				
Repayments of financial lease funds	(34,147)	(7)	(34,147)	(7)
Dividends paid	(363,421)	(333,143)	(363,421)	(333,143)
<b>Cash flows used in financing activities</b>	<b>(397,568)</b>	<b>(333,150)</b>	<b>(397,568)</b>	<b>(333,150)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>104,903</b>	<b>13,985</b>	<b>93,379</b>	<b>(11,558)</b>
Cash and cash equivalents at the beginning of the period	492,860	384,126	404,825	324,044
<b>Cash and cash equivalents in the end of the period</b>	<b>597,763</b>	<b>398,111</b>	<b>498,204</b>	<b>312,486</b>

(Amounts in thousand euro)