

OPAP S.A. Interim Consolidated Financial Results For the Nine Month Period ended September 30th, 2008

- **Revenues up 12.2% to €3,977.2m (9M 2007: €3,543.9m)**
- **EBITDA up 35.3% to €796.8m (9M 2007: €589.1m)**
- **Net Profit up 32.1% to €549.6m (9M 2007: €416.2m)**
- **Earnings per share up 38.3% to €1.72 (9M 2007: €1.25)**
- **Gross Interim Dividend of €0.80 per share compared to €0.60 per share in 2007 (increase of 33.3%)**

ATHENS, Greece – November 24, 2008 – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, announces its consolidated financial results for the nine month period ended September 30th, 2008, prepared in accordance with International Financial Reporting Standards (IFRS).

1. OVERVIEW

(€ 'm)	Q3 2008	Q3 2007	% Δ	9M 2008	9M 2007	% Δ
Revenues	1,217.0	1,168.6	4.2	3,977.2	3,543.9	12.2
EBITDA	240.7	167.2	43.9	796.8	564.1	41.3
Adjusted EBITDA*	240.7	192.2	25.2	796.8	589.1	35.3
Adjusted EBITDA margin	19.8%	16.5%		20.0%	16.6%	
Net profit	163.8	112.1	46.2	549.6	397.4	38.3
Adjusted Net Profit**	163.8	130.8	25.2	549.6	416.2	32.1

* For comparability reasons, the amount of €25.0m, which corresponds to one of the two equal instalments pertaining to the financial aid provided to the victims of the last year's fires in Greece during the summer months, has been excluded.

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

OPAP's revenues for the 9M 2008 increased by 12.2% and reached €3,977.2m compared to €3,543.9m in 9M 2007, primarily due to the strong performance achieved by *KINO* during the entire relevant period, as well as additional revenues generated during the European Football Cup in June 2008 for the *Stihima* game. Revenues for Q3 2008 grew by 4.2% to €1,217.0m, compared to €1,168.6m for the same period in 2007.

The company's EBITDA reached €796.8m in the 9M period from €564.1m for the corresponding period in 2007, up 41.3%. The comparable increase, excluding the amount of €25m of financial aid provided to last year's fire victims in Greece amounts to 35.3%. In the 9M 2008, the EBITDA margin increased to 20.0% from 16.6% in the 9M of 2007. During Q3 2008, EBITDA increased by 25.2% to €240.7m, in comparable terms.

The increase in EBITDA and the increase in the margin mainly reflects the reduced operating expenses related to *Stihima* (more efficient management of the game) and the decrease in other operating expenses, mostly related to the games' advertising expenses.

Net profit for the 9M 2008 period increased by 32.1% to €549.6m from €416.2m in the same period last year. Adjusted net profit in Q3 2008 grew by 25.2% to €163.8m from €130.8m for the corresponding period in 2007, on a comparable basis.

Commenting on the 9M 2008 results, Mr. Christos Hadjiemmanuil, OPAP's Chairman & CEO, noted:

"Despite the current adverse economic environment, OPAP is pleased to announce another set of strong quarterly results, with significant earnings growth. We are particularly pleased with the substantial increase in our profit margins, which reflects our conscious efforts to streamline and rationalise our operations. Our healthy balance sheet and net cash position provide us with the required flexibility to explore new investment opportunities outside our core Greek business. "

2. FINANCIAL REVIEW

Revenue per game for Q3 and 9M 2008 and 2007

(€ '000)	Q3 2008	Q3 2007	Δ%	9M 2008	9M 2007	Δ%
STIHIMA	429,990	481,970	(10.8)	1,596,188	1,481,187	7.8
PROPO	8,546	8,931	(4.3)	37,285	41,856	(10.9)
PROPO-GOAL	249	386	(35.6)	1,115	1,364	(18.3)
TOTAL SPORTS BETTING	438,785	491,287	(10.7)	1,634,588	1,524,407	7.2
KINO	688,134	584,907	17.7	2,045,251	1,710,298	19.6
JOKER	48,347	49,344	(2.0)	171,030	176,669	(3.2)
Super 3	15,117	14,581	3.7	43,670	44,603	(2.1)
LOTTO	12,879	14,623	(11.9)	38,471	41,717	(7.8)
PROTO	10,680	10,635	0.4	34,478	35,727	(3.5)
Extra 5	3,097	3,215	(3.7)	9,704	10,434	(7.0)
TOTAL NUMERICAL GAMES	778,254	677,305	14.9	2,342,604	2,019,448	16.0
TOTAL REVENUES	1,217,039	1,168,592	4.2	3,977,192	3,543,855	12.2

Total revenues increased by 12.2% to €3,977.2m in the 9M 2008 from €3,543.9m in 9M 2007. In Q3 2008, revenues amounted to €1,217.0m, increased by 4.2% compared to €1,168.6m for the same period in 2007.

Sports betting revenue for the period increased by 7.2%, mainly due to the additional revenues generated during the European Football Cup from *Stihima*. During Q3 2008, *Stihima* revenues decreased by 10.8% to €430.0m from €482.0m in the same period of 2007, mainly due to a lower level of payout to winners compared to the corresponding quarter in 2007, but also due to a decreased number of sports events in this year's third quarter.

Revenues from numerical games in the 9M 2008 increased by 16%, reaching €2,342.6m from €2,019.4m in the corresponding period of 2007, while in Q3 2008 revenues from numerical games increased by 14.9% to €778.3m.

Revenues from the flagship numerical game, *KINO*, increased in the 9M 2008 by 19.6% to €2,045.3m, from €1,710.3m for the corresponding period in 2007. During Q3 2008, revenues from *KINO* increased by 17.7% compared to the same quarter last year. In particular, revenues from *KINO* increased by 17.9% in July, 19.4% in August and 15.9% in September.

Regarding the rest of the numerical games, *JOKER*, *LOTTO* and *PROTO*, revenues during the first nine months of 2008 recorded a decrease of 3.2%, 7.8% and 3.5% respectively, affected mainly by the lack of successive favourable jackpots.

Cost of sales for Q3 and 9M 2008 and 2007

(€ '000)	Q3 2008	Q3 2007	Δ%	9M 2008	9M 2007	Δ%
Prize payouts to lottery and betting winners	811,908	811,734	0.0	2,633,298	2,440,967	7.9
Agents' commissions	101,301	97,391	4.0	331,651	297,109	11.6
Betting commissions	365	113	222.4	1,419	9,671	(85.3)
Depreciation	3,181	1,082	194.0	6,919	3,010	129.9
Amortization	21,190	11,073	91.4	62,374	30,397	105.2
Repairs and maintenance expenses	10,972	4,137	165.2	27,957	11,176	150.2
Third party expenses	6,262	5,939	5.4	21,897	12,100	81.0
Greek Football Federation & Greek Professional Leagues	393	366	7.6	2,861	2,821	1.5
Personnel costs	4,557	4,340	5.0	14,686	13,516	8.7
Other expenses	9,622	7,443	29.3	28,476	23,458	21.4
Bad debt provision	-	300		2,000	1,700	17.7
Retirement benefit costs	440	696	(36.6)	1,325	1,785	(25.8)
Total	970,191	944,614	2.7	3,134,863	2,847,710	10.1

Total cost of sales increased in the 9M 2008 period by 10.1% reaching €3,134.9m from €2,847.7m in the corresponding period in 2007, while in Q3 2008 the increase was in the order of 2.7% and total cost of sales stood at €970.2m.

Payout to lottery and betting winners in the 9M period reached €2,633.3m, increased by 7.9%, from €2,441.0m with respect to the same period of 2007, corresponding to 66.2% of total revenues versus 68.9% last year. In Q3 2008, payout cost to winners was flat compared to the same quarter in 2007, despite the increase of sales by 4.2%. In particular, *Stihima* payout was in 9M 2008 equal to 65.9% of the game's revenue compared with 72.3% in the corresponding period last year. The respective Q3 2008 payout for *Stihima* was 67.1% compared with 73.7% for the same period in 2007.

Agents' commissions increased by 11.6% to €331.7m in the nine month period from €297.1m in the same period of 2007, reflecting the increase in total sales.

Depreciation expenses rose to €6.9m in 9M 2008 from €3.0m for the same period of 2007, mainly due to the depreciation of the agents' terminals that were gradually installed in the agencies from September 2007 until the end of the first half of 2008.

Amortization expenses reached €62.4m from €30.4m 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 €42.8m in the nine month period versus €14.7m for the same period of 2007) and also due to amortization expenses of €5.2m relating to the 3-year financial leasing agreement (dated 31 July 2007).

Repairs and maintenance expenses reached €28.0m in the 9M 2008 from €11.2m in the corresponding period of 2007, mainly reflecting maintenance expenses for the new terminals.

Third party expenses increased to €21.9m from €12.1m in the 9M period mainly due to the expense of €12.4m for the advisory services included in the 3-year financial leasing agreement dated 31 July 2007. Staff costs included in the cost of sales reached €14.7m from €13.5m for the corresponding period of 2007, up by 8.7%. Total staff costs reached €36.9m in the 9M 2008 period, from €35.8m in the same period in 2007, up by 3.2%.

Other operating expenses included in the cost of sales, increased to €28.5m in 9M 2008 from €23.5m in 9M 2007, reflecting increased variable costs for all our games, and in particular from the in-house undertaking of *Stihima* (including coupon tickets, program brochure, risk management software service, etc.).

Gross Profit

Gross profit in the nine-month period increased by 21.0% to €842.3m from €696.1m in the corresponding period of 2007, with the gross profit margin increasing to 21.2% from 19.6%.

Distribution Costs

Distribution costs amounted to €81.0m from €129.4m in the respective period of last year. It should be noted that the last year period was adversely impacted by the €25m one-off payment made towards the victims of last year's fires. Out of the total distribution costs for the period, the amount of €75.2m corresponds to sponsorships, grants and advertising costs, versus €119.5m in the corresponding period of 2007. In Q3 2008, sponsorships, grants and advertising expenses amounted to €19.2m from €53.3m for the same period in 2007 and advertising costs in Q3 2008 decreased by 49.3%.

Administrative Expenses

Administrative expenses in 9M 2008 decreased by 9.6% to €31.6m from €35.0m in 9M of 2007. In Q3 2008 administrative expenses decreased by 15.4% to €10.2m from €12.0m in the respective period of 2007.

Profit from Operations

Reflecting the reasons mentioned above, profit from operations for the period increased by 37.2% and rose to €725.2m compared to €528.6m in the corresponding period of 2007.

Other Expenses

Other expenses of €6.4m in the 9M of 2008 relate to litigation provisions.

Tax Expenses

Tax expenses in 9M 2008 amounted to €197.0m from €143.0m in the corresponding period of 2007, reflecting the rise in the Group's profitability.

Net Profit

Net profit for the period rose by 38.3% to €549.6m from €397.4m in the same period of 2007 and 32.1% on an adjusted basis. In Q3 2008 net profit increased by 25.2% compared to last year, from €130.8m in Q3 2007 to €163.8m in Q3 2008.

Cash Flows for Q3 and 9M of 2008 and 2007

(€'.000)	Q3 2008	Q3 2007	Δ%	9M 2008	9M 2007	Δ%
Cash Flow from Operating Activities	146,571	58,867	149,0	631,704	475,340	32,9
Cash Flow from Investing Activities	5,503	3,448	59,6	22,841	(65,890)	(134,7)
Cash Flow from Financing Activities	(13,136)	(3,568)	268,2	(410,704)	(336,718)	22,0

Cash Flow from Operating Activities

Cash flow from operating activities in 9M 2008 amounted to €631.7m from €475.3m in the corresponding period of 2007. The increase in cash flow from operating activities at a rate lower than that of operating profitability is mainly attributed to: (i) the payment of €25m in Q1 2008 for the financial aid provided to the victims of the fires and (ii) increased inflows in 9M 2007 from the collection of receivables from our agents and Intralot.

Cash Flow from Investing Activities

Cash flow from investing activities in 9M 2008 amounted to €22.8m, reflecting higher interest income due to increased cash balances and higher interest rates in the current period compared to outflows of €65.9m in 9M 2007 due to the payment associated with the transfer of know-how agreement for *Stihima*.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to €410.7m from €336.7m in the corresponding period of 2007 reflecting mainly the payment of increased dividends and to a lesser extent the instalment payments of the financial leasing agreement dated 31 July 2007.

3. MAIN DEVELOPMENTS

Interim Dividend Payment

On November 24, 2008, the Board of Directors of OPAP, in the context of the dividend policy followed in the recent years, resolved upon the distribution to the shareholders of an interim dividend for the fiscal year 2008, totalling €255.200.000 compared to €191.400.000 in 2007, or €0.80 per share, pre-tax, compared to €0.60 per share. The per share amount is subject to a 10% withholding tax, according to the provisions of Article 18 of Law 3697/2008. The ex-dividend date has been set at December 16, 2008. Shareholders registered as at the close of Athex trading on December 15, 2008 will be entitled to this dividend payment, which will take place on December 24, 2008.

Greek football clubs participation in *Stihima*

Since September 2008 there are no longer any restrictions in the participation of Greek football teams in *Stihima*. Also, in November 2008 the inclusion of matches involving Olympiacos FC was accepted in *Stihima*.

Participation in the Milli Piyango tender

OPAP, through its participation in a consortium with three local parties, has obtained the tender documents from the Privatisation Administration in Turkey, according to which interested parties are invited to express their interest by January 15, 2009, while the final bidding date is February 27, 2009. The consortium's potential participation in the tender will be decided following the review of the relevant tender documents.

Note:

OPAP's S.A. "Financial Status and Results" for the 9M 2008 will be published in the following newspapers:

Imerisia, Express, Naftemporiki, To Vima, Eleftheros Typos and Apogevmatini on Tuesday November 25th, 2008 and will be available on the company's website: www.opap.gr and on the Athens Exchange website: www.ase.gr

ATTACHMENTS

- 1. Consolidated Interim Income Statement of the GROUP for the nine-month period ended at 30th of September 2008 and 2007**
- 2. Interim Income Statement of OPAP S.A. for the nine-month period ended at 30th of September 2008 and 2007**
- 3. Interim Balance Sheet as at September 30th, 2008 and December 31st, 2007**
- 4. Interim Cash Flow Statement for the six-month period ended at 30th of September 2008 and 2007**

1. Consolidated Interim Income Statement of the GROUP

For the nine-month period that ended on September 30th, 2008 and 2007

(Amounts in thousand euro except earnings per share)

	2008		2007	
	1.1-30.9.2008	1.7-30.9.2008	1.1-30.9.2007	1.7-30.9.2007
Revenues	3,977,192	1,217,039	3,543,855	1,168,592
Cost of sales	(3,134,863)	(970,191)	(2,847,710)	(944,614)
Gross profit	842,329	246,848	696,145	223,978
Other operating income	1,950	453	2,676	752
Distribution costs	(81,016)	(21,381)	(129,408)	(56,401)
Administrative expenses	(31,622)	(10,194)	(34,988)	(12,043)
Other operating expenses	(6,399)	(246)	(2,788)	(1,885)
Loss from impairment of assets	-	-	(3,000)	-
Operating result	725,242	215,480	528,637	154,401
Financial result, net	21,399	7,193	11,774	2,314
Dividends from subsidiaries	-	-	-	-
Profit before tax	746,641	222,673	540,411	156,715
Income tax	(199,542)	(60,763)	(144,856)	(43,322)
Deferred tax	2,510	1,895	1,834	(1,328)
Profit after tax	549,609	163,805	397,389	112,065
Attributable to:				
Minority interest	16	0	(11)	5
Shareholders equity	549,593	163,805	397,400	112,060
Basic earnings per share	1.7229	0.5135	1.2458	0.3513

2. Interim Income Statement of OPAP S.A.

For the nine-month period that ended on September 30th, 2008 and 2007

(Amounts in thousand euro except earnings per share)

	2008		2007	
	1.1-30.9.2008	1.7-30.9.2008	1.1-30.9.2007	1.7-30.9.2007
Revenues	3,843,968	1,171,802	3,447,622	1,135,675
Cost of sales	<u>(3,020,932)</u>	<u>(931,725)</u>	<u>(2,766,819)</u>	<u>(917,035)</u>
Gross profit	823,036	240,077	680,803	218,640
Other operating income	12,887	4,328	10,204	3,323
Distribution costs	(78,747)	(20,625)	(143,415)	(60,370)
Administrative expenses	(27,965)	(9,189)	(30,862)	(10,776)
Other operating expenses	(6,389)	(245)	(2,787)	(1,885)
Impairment loss of assets	=	=	<u>(4,000)</u>	=
Operating result	722,822	214,346	509,943	148,932
Financial result, net	17,931	5,913	11,084	2,065
Dividends from subsidiaries	<u>2,558</u>	=	<u>2,587</u>	=
Profit before tax	743,311	220,259	523,614	150,997
Income tax	(198,776)	(60,455)	(143,904)	(43,131)
Deferred tax	<u>2,811</u>	<u>2,013</u>	<u>5,270</u>	<u>(177)</u>
Profit after tax	547,346	161,817	384,980	107,689
Attributable to:				
Minority interest	-	-	-	-
Shareholders equity	547,346	161,817	384,980	107,689
Basic earnings per share	1.7158	0.5073	1.2068	0.3376

3. Interim Balance Sheet

As of September 30th, 2008 and December 31st, 2007
(Amounts in thousand euro)

	<i>GROUP</i>		<i>COMPANY</i>	
	30.9.2008	31.12.2007	30.9.2008	31.12.2007
ASSETS				
Current assets				
Cash and cash equivalents	736,701	492,860	639,007	404,825
Inventories	1,160	703	1,160	703
Trade receivables	53,042	36,839	55,631	38,213
Other current assets	162,345	155,136	159,877	154,248
Total current assets	953,248	685,538	855,675	597,989
Non - current assets				
Intangible assets	273,667	336,379	273,632	336,332
Tangible assets (for own use)	100,871	108,119	98,605	107,322
Investments in real estate	1,379	-	2,934	-
Goodwill	8,434	7,672	-	-
Investments in subsidiaries	-	-	36,527	35,627
Investments in associates	1,608	1,608	1,200	1,200
Other non - current assets	14,989	15,692	14,979	15,676
Deferred tax assets	14,425	11,915	28,231	25,420
Total non - current assets	415,373	481,385	456,108	521,577
TOTAL ASSETS	1,368,621	1,166,923	1,311,783	1,119,566
EQUITY & LIABILITIES				
Short - term liabilities				
Trade and other payables	131,846	125,749	129,720	130,370
Payables from financial leases	52,832	61,394	52,832	61,394
Tax liabilities	306,733	237,345	305,315	234,593
Accrued liabilities	35,701	52,444	29,474	48,159
Total short - term liabilities	527,112	476,932	517,341	474,516
Long - term liabilities				
Payables from financial leases	46,031	84,429	46,031	84,429
Employee benefit plans	21,231	21,566	21,231	21,566
Provisions	12,362	8,159	12,362	8,159
Other long-term liabilities	6,992	6,756	6,867	6,631
Total long - term liabilities	86,616	120,910	86,491	120,785
Equity				
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	615,501	65,908	569,191	21,845
Total equity	754,893	568,960	707,951	524,265
Minority interest	-	121	-	-
Total equity	754,893	569,081	707,951	524,265
TOTAL EQUITY & LIABILITIES	1,368,621	1,166,923	1,311,783	1,119,566

4. Interim Cash Flow Statement

For the nine-month period that ended on September 30th, 2008 and 2007
(Amounts in thousand euro)

	GROUP		COMPANY	
	1.1-30.9.2008	1.1-30.9.2007	1.1-30.9.2008	1.1-30.9.2007
OPERATING ACTIVITIES				
Profit before tax	746,641	540,411	743,311	523,614
Adjustments for:				
Depreciation & Amortization	71,567	35,473	71,319	35,084
Financing result, net	(21,399)	(11,774)	(17,931)	(11,084)
Employee benefit plans	(335)	746	(335)	746
Provisions for bad debts	2,000	1,700	2,000	1,700
Other provisions	4,203	857	4,203	857
Exchange differences	-	(210)	-	-
Results from investing activities	(81)	2,611	(90)	3,611
Dividends from subsidiaries	-	-	(2,558)	(2,587)
Total:	802,596	569,814	799,919	551,941
Changes in working capital:				
Increase (decrease) in inventories	(457)	(187)	(457)	(187)
Increase (decrease) in trade & other receivables	(21,640)	29,387	(21,447)	26,768
Increase (decrease) in payables (excluding banks)	(10,326)	15,774	(19,014)	6,349
Increase (decrease) in taxes payable	(3,913)	(5,924)	(2,842)	(5,913)
Total:	766,260	608,864	756,159	578,958
Interest expenses	(4,449)	(1,193)	(4,432)	(1,178)
Income taxes paid	(130,107)	(132,331)	(128,908)	(132,096)
Cash flows from operating activities	631,704	475,340	622,819	445,684
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	39	-	2	-
Guarantees	(28)	(85)	(34)	(78)
Loans raised to personnel	554	422	554	422
Subsidiary net assets acquisition	(900)	-	(900)	-
Purchase of tangible assets	(2,064)	(1,782)	(1,874)	(1,616)
Purchase of intangible assets	(608)	(77,412)	(602)	(77,403)
Interest received	25,848	12,967	22,363	12,262
Dividends from subsidiaries	-	-	2,558	2,587
Cash flows used in investing activities	22,841	(65,890)	22,067	(63,826)
FINANCING ACTIVITIES				
Repayments of financial lease funds	(46,960)	(3,337)	(46,960)	(3,337)
Dividends paid	(363,744)	(333,381)	(363,744)	(333,381)
Cash flows used in financing activities	(410,704)	(336,718)	(410,704)	(336,718)
Net increase (decrease) in cash and cash equivalents	243,841	72,732	234,182	45,140
Cash and cash equivalents at the beginning of the period	492,860	384,126	404,825	324,044
Cash and cash equivalents in the end of the period	736,701	456,858	639,007	369,184