

OPAP S.A. Interim Consolidated Financial Results for the Nine Month Period ended September 30th, 2013

OPAP's revenues stabilize following 12 consecutive declining quarters

ATHENS, Greece – November 20, 2013 – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, announces its consolidated financial results for the nine month period ended September 30th, 2013, prepared in accordance with International Financial Reporting Standards (IFRS).

- Revenues down 10.3% to €2,641.8m (9M 2012: €2,946.1m). Revenues in Q3 2013 increased by 0.7% to €897.6m further demonstrating a q-o-q sequential improvement.
- Gross Gaming Revenue (GGR) down 8.0% at €874.8m (2012: €950.4m). Q3 2013 GGR up by 0.5%, in line with the revenues improvement.
- EBITDA at €174.1m (2012: €499.6m), lower by 65.2% y-o-y, hit mainly by the 30% GGR taxation effective January 1st, 2013.
- Net Profit down 70.0% to €111.7m (2012: €371.7m).
- Earnings per share down 70.0% to €0.35 (9M 2012: €1.17).
- Cash position of €288.8m (9M 2012: €340.7m) remains strong.
- Management keeps intact its year end guidance for EBITDA at €242m.

Commenting on the Q3 2013 financial results, OPAP's Chairman & CEO, Mr. Kamil Ziegler, noted that:

“The Q3 revenues stabilization indicates a promising restart for the company that comes along with the recent undertaking of our duties.

I am optimistic that by improving business efficiencies and exploiting new opportunities, the underlying trend would be further reinforced, thus delivering higher returns for our shareholders.”

1. OVERVIEW

(€ 'm)	Q3 2013	Q3 2012	% Δ	9M 2013	9M 2012	% Δ
Revenues	897.6	891.3	0.7	2,641.8	2,946.1	(10.3)
GGR (Gross Gaming Revenue)	293.2	291.9	0.5	874.8	950.4	(8.0)
EBITDA	70.8	155.0	(54.3)	174.1	499.6	(65.2)
Payout (%)	67.3%	67.3%		66.9%	67.7%	
EBITDA margin (on revenues)	7.89%	17.4%		6.6%	17.0%	
EBITDA margin (on GGR)	24.1%	53.1%		19.9%	52.6%	
Net profit	44.4	113.6	(60.9)	111.7	371.7	(70.0)
Net profit margin	5.0%	12.8%		4.2%	12.6%	

OPAP's revenues for 9M 2013 declined by 10.3% to €2,641.8m versus €2,946.1m in 9M 2012, mainly due to the economic downturn (9M 2013 Greek GDP down 4.1%) and several one-off factors that hit Q1 results. Revenues for Q3 2013 stood at €897.6m, up by 0.7% y-o-y, growing after 12 consecutive declining quarters.

The Group's EBITDA stood at €174.1m in 9M 2013 from €499.6m in 9M 2012 reduced by 65.2% y-o-y, due in the most part to the 30% GGR taxation and to a lesser extent, lower revenues for the period. EBITDA for Q3 2013 reached €70.8m, signifying a 54.3% decrease y-o-y, albeit significantly better compared to the 6-month period.

Net profit in 9M 2013 stood at €111.7m from €371.7m in the corresponding period in 2012, down by 70.0% y-o-y. Net profit for Q3 2013 reached €44.4m from €113.6m, lower by 60.9% y-o-y.

2. FINANCIAL REVIEW

Revenue per game for Q3 and 9M 2013 and 2012						
(€ '000)	Q3 2013	Q3 2012	Δ%	9M 2013	9M 2012	Δ%
STIHIMA	294,267	272,729	7.9	860,342	1,040,291	(17.3)
PROPO	2,494	2,847	(12.4)	9,207	11,506	(20.0)
PROPO-GOAL	277	218	27.3	865	934	(7.4)
MONITOR GAMES	17,971	22,450	(20.0)	49,614	71,954	(31.1)
GO LUCKY	389	911	(57.3)	1,261	3,845	(67.2)
TOTAL BETTING	315,398	299,155	5.4	921,289	1,128,530	(18.4)
% total revenues	35.1	33.6		34.9	38.3	
KINO	504,002	512,428	(1.6)	1,474,811	1,571,930	(6.2)
JOKER	51,552	49,805	3.5	156,998	154,212	1.8
LOTTO	11,649	14,438	(19.3)	46,346	42,247	9.7
Super 3	5,406	6,753	(20.0)	16,105	21,415	(24.8)
PROTO	7,563	6,446	17.3	20,331	20,330	0.0
Extra 5	1,987	2,260	(12.1)	5,951	7,436	(20.0)
TOTAL NUMERICAL GAMES	582,159	592,130	(1.7)	1,720,542	1,817,570	(5.3)
% total revenues	64.9	66.4		65.1	61.7	
TOTAL REVENUES	897,557	891,285	0.7	2,641,831	2,946,100	(10.3)

Total sports betting revenues decreased by 18.4% to €921.3m in 9M 2013 from €1,128.5m in 9M 2012, mainly due to a 17.3% Stihima drop for the period, given the absence of a major sporting event. Stihima revenues in Q3 2013 increased by 7.9% to €294.3m, owing partially to the earlier start of football leagues y-o-y.

Revenues from numerical games decreased by 5.3% to €1,720.5m in 9M 2013 from €1,817.6m in 9M 2012. Revenues in Q3 2013 declined by a mild 1.7%, aided by the growth of Joker and a quarterly sequential improvement of KINO, which decreased by a moderate 1.6% compared to a decline of 11.4% in Q1 and 5.2% in Q2.

Cost of Services for Q3 and 9M 2013 and 2012						
(€ '000)	Q3 2013	Q3 2012	Δ%	9M 2013	9M 2012	Δ%
Prize payouts to lottery and betting winners	604,350	599,424	0.8	1,767,047	1,995,694	(11.5)
Agents' commissions	75,666	75,056	0.8	223,339	247,255	(9.7)
Tax on the GGR	82,837	-	-	246,577	-	-
Rest cost of sales	50,360	49,405	1.9	158,926	144,878	9.7
Total cost of services	813,213	723,885	12.3	2,395,889	2,387,827	0.3
% of total revenues	90.6	81.2		90.7	81.1	

Total cost of services in 9M 2013 reached €2,395.9m from €2,387.8m in 9M 2012, increased by 0.3% y-o-y.

Payout to lottery and sports betting winners in 9M 2013 reached €1,767.0m, at 66.9% versus 67.7% in the corresponding period last year. Despite the revenue growth, Stihima payout in Q3 2013 stood at 68.7% vs. 69.4% in Q3 2012, while KINO payout reached 69.6% compared to 69.3% in the corresponding period last year.

Distribution costs for Q3 and 9M 2013 and 2012						
(€ '000)	Q3 2013	Q3 2012	Δ%	9M 2013	9M 2012	Δ%
Advertisement	2,404	2,177	10.5	7,978	7,554	5.6
Donations-Grants	2,819	2,454	14.9	10,849	8,684	25.0
Sponsorship	10,905	10,024	8.8	52,174	48,296	8.0
Exhibitions	29,0	55,0	(47.6)	29,0	55,0	(47.6)
Subtotal	16,157	14,710	9.8	71,030	64,589	10.0
Other distribution cost	1,217	1,505	(19.2)	4,428	4,936	(10.3)
Total	17,374	16,215	7.1	75,458	69,525	8.5

Total distribution costs in 9M 2013 reached €75.5m versus €69.5m in the corresponding period in 2012. Donations and grants increased by 25.0% at €10.9m, reflecting the company's enhanced social contribution.

Administrative costs for Q3 and 9M 2013 and 2012						
(€ '000)	Q3 2013	Q3 2012	Δ%	9M 2013	9M 2012	Δ%
Total	7,072	6,667	6.1	22,584	22,639	(0.3)

In 9M 2013, administrative expenses marginally declined by 0.3% to €22.6m. Q3 2013 administrative expenses increased by 6.1% y-o-y, standing at €7.1m.

Cash Flows for Q3 and 9M of 2013 and 2012			
(€' .000)	9M 2013	9M 2012	Δ%
Cash Flow from Operating Activities	179,774	400,917	(55.2)
Cash Flow from Investing Activities	(40,175)	(16,649)	-
Cash Flow from Financing Activities	(218,382)	(239,464)	(8.8)

Cash Flow from Operating Activities

Cash flow from operating activities in 9M 2013 decreased by 55.2% amounting to €179.8m from €400.9m in the corresponding period in 2012, due to lower profitability partially offset by lower receivables and the calendar effect related to Q3 GGR taxation expected to occur in Q4.

Cash Flow from Investing Activities

Cash flow from investing activities in 9M 2013 amounted to an outflow of €40.2m mainly due to fixed asset additions and the establishment of Hellenic Lotteries S.A.

Cash Flow from Financing Activities

Cash flow from financing activities in 9M 2013 amounted to an outflow of €218.4m versus €239.5m in the corresponding period in 2012.

3. MAIN DEVELOPMENTS

1. Transfer of OPAP shares

On October 11th 2013, 105,270,000 OPAP shares or 33.0% over its share capital, were transferred from Hellenic Republic Asset Development (HRADF) to Emma Delta Hellenic Holdings Ltd.

2. Extraordinary General Meeting (EGM)

On November 7th 2013, the shareholders' EGM approved the appointment of the new Board of Directors.

OPAP's management welcomes the proactive dialogue with shareholders and would like to thank them for the historic high participation and vast approval of all proposals.

Conference Call Invitation

9M 2013 RESULTS CONFERENCE CALL

Thursday, November 21st, 2013

04:00 PM (Athens) / 02:00 PM (London) / 09:00 AM (New York)

Dial-in Numbers:

UK participants please dial
Greek participants please dial
US participants please dial

+44 (0) 800 368 1063
+30 211 180 2000
+ 1 866 288 9315

Live Webcast:

The conference call will be webcasted in real time over the Internet and you may join by linking at the internet site:
www.opap.gr/9M13 or <http://themediiframe.eu/links/opap9M13.html>
If you experience any difficulty, please call + 30 210 9460803.

ATTACHMENTS

1. Condensed Interim Consolidated Statement of Comprehensive Income nine-month and third quarter of 2013
2. Condensed Interim Statement of Comprehensive Income nine-month and third quarter 2013
3. Condensed Interim Statement of Financial Position as of 30 September 2013 and 31 December 2012
4. Condensed Interim Cash Flow Statement for the nine-month period that ended on 30 September 2013 and 2012

1. Condensed Interim Consolidated Statement of Comprehensive Income nine-month and third quarter of 2013

For the nine-month period that ended on 30 September 2013 and 2012
(Amounts in thousands of euro except earnings per share)

	2013		2012	
	1.1-30.9.2013	1.7-30.9.2013	1.1-30.9.2012	1.7-30.9.2012
Revenues	2,641,831	897,557	2,946,100	891,285
Pay out to the lottery and betting winners	<u>(1,767,047)</u>	<u>(604,350)</u>	<u>(1,995,694)</u>	<u>(599,424)</u>
Net revenues before tax (30%)	874,784	293,207	950,406	291,861
Tax on the net revenues	<u>(246,577)</u>	<u>(82,837)</u>	=	=
Net revenues after tax (30%)	628,207	210,370	950,406	291,861
Cost of services	<u>(382,265)</u>	<u>(126,026)</u>	<u>(392,133)</u>	<u>(124,461)</u>
Gross profit	245,942	84,344	558,273	167,400
Other operating income	2,039	1,084	6,017	370
Distribution expenses	(75,458)	(17,374)	(69,525)	(16,215)
Administrative expenses	(22,584)	(7,072)	(22,639)	(6,667)
Other operating expenses	<u>(7,994)</u>	<u>(798)</u>	<u>(5,469)</u>	<u>(810)</u>
Operating result	141,945	60,184	466,657	144,078
Gain / (loss) from associates	(364)	(339)	(132)	(27)
Gain / (loss) from sales of non-current assets	(387)	(185)	(56)	-
Financial results	<u>11,382</u>	<u>1,934</u>	<u>3,209</u>	<u>1,338</u>
Profit before tax	152,576	61,594	469,678	145,389
Current income tax	(38,335)	(15,555)	(91,984)	(30,086)
Deferred tax	<u>(2,540)</u>	<u>(1,651)</u>	<u>(6,019)</u>	<u>(1,674)</u>
Profit after tax	111,701	44,388	371,675	113,629
Parent company shareholders	111,701	44,388	371,675	113,629
Other total income				
Actuarial profit / (loss)	-	-	1,662	554
Deferred tax	=	=	<u>(332)</u>	<u>(110)</u>
Other total income after tax	=	=	1,330	444
Total income after tax	111,701	44,388	373,005	114,073
Parent company shareholders	111,701	44,388	373,005	114,073
Basic earnings (after tax) per share	0.3502	0.1392	1.1651	0.3562

2. Condensed Interim Statement of Comprehensive Income nine-month and third quarter 2013 of OPAP S.A.

For the nine-month period that ended on 30 September 2013 and 2012
(Amounts in thousands of euro except earnings per share)

	2013		2012	
	1.1-30.9.2013	1.7-30.9.2013	1.1-30.9.2012	1.7-30.9.2012
Revenues	2,491,238	847,059	2,803,882	843,458
Pay out to the lottery and betting winners	<u>(1,667,856)</u>	<u>(570,790)</u>	<u>(1,901,958)</u>	<u>(567,915)</u>
Net revenues before tax (30%)	823,382	276,269	901,924	275,543
Tax on the net revenues	<u>(246,577)</u>	<u>(82,837)</u>	-	-
Net revenues after tax (30%)	576,805	193,432	901,924	275,543
Cost of services	<u>(346,335)</u>	<u>(113,529)</u>	<u>(359,781)</u>	<u>(112,978)</u>
Gross profit	230,470	79,903	542,143	162,565
Other operating income	15,397	5,305	19,566	4,929
Distribution expenses	(74,157)	(16,630)	(67,750)	(15,815)
Administrative expenses	(24,479)	(7,458)	(24,995)	(7,336)
Other operating expenses	<u>(6,392)</u>	<u>(762)</u>	<u>(5,161)</u>	<u>(529)</u>
Operating result	140,839	60,358	463,803	143,814
Gain / (loss) from sales of non-current assets	(185)	(184)	(56)	-
Financial results	10,030	1,592	1,400	795
Dividends from subsidiaries	<u>6,722</u>	-	<u>11,995</u>	-
Profit before tax	157,406	61,766	477,142	144,609
Current income tax	(38,142)	(15,506)	(90,597)	(29,762)
Deferred tax	<u>(4,099)</u>	<u>(1,655)</u>	<u>(6,859)</u>	<u>(1,967)</u>
Profit after tax	115,165	44,605	379,686	112,880
Parent company shareholders	115,165	44,605	379,686	112,880
Other total income				
Actuarial profit / (loss)	-	-	1,662	554
Deferred tax	-	-	<u>(332)</u>	<u>(111)</u>
Other total income after tax	-	-	1,330	443
Total income after tax	115,165	44,605	381,016	113,323
Parent company shareholders	115,165	44,605	381,016	113,323
Basic earnings (after tax) per share	0.3610	0.1398	1.1902	0.3539

3. Condensed Interim Statement of Financial Position

As of 30 September 2013 and 31 December 2012

(Amounts in thousands of euro)

	GROUP		COMPANY	
	30.9.2013	31.12.2012 Adjusted	30.9.2013	31.12.2012 Adjusted
ASSETS				
Current assets				
Cash and cash equivalents	288,799	367,582	237,725	305,766
Restricted cash	-	95,710	-	95,710
Inventories	867	724	-	-
Receivables	25,493	27,859	29,358	30,769
Other current assets	<u>27,185</u>	<u>24,730</u>	<u>25,443</u>	<u>27,866</u>
Total current assets	342,344	516,605	292,526	460,111
Non - current assets				
Intangible assets	1,104,797	1,105,851	1,104,795	1,105,845
Tangible assets (for own use)	73,240	81,052	54,378	64,388
Investments in real estate	1,216	2,320	1,216	2,320
Goodwill	8,435	8,435	-	-
Investments in subsidiaries	-	-	173,354	43,054
Investments in associates	129,435	1,159	-	-
Long – term receivables	2,078	1,230	2,078	1,203
Other non - current assets	9,514	11,357	39,726	43,888
Deferred tax assets	<u>4,372</u>	<u>2,813</u>	<u>-</u>	<u>-</u>
Total non - current assets	<u>1,333,087</u>	<u>1,214,217</u>	<u>1,375,547</u>	<u>1,260,698</u>
TOTAL ASSETS	1,675,431	1,730,822	1,668,073	1,720,809
EQUITY & LIABILITIES				
Short - term liabilities				
Loans	99,880	84,903	99,880	84,903
Payables	56,777	58,714	57,078	60,970
Payables from financial leases	385	362	-	-
Tax liabilities	91,207	34,961	90,099	31,490
Accrued and other liabilities	<u>125,930</u>	<u>124,933</u>	<u>119,328</u>	<u>119,659</u>
Total short - term liabilities	374,179	303,873	366,385	297,022
Long - term liabilities				
Loans	115,790	165,686	115,790	165,686
Payables from financial leases	144	436	-	-
Deferred tax	8,534	4,435	8,534	4,435
Employee benefit plans	22,785	23,509	21,999	22,811
Provisions	52,930	61,266	51,655	60,066
Other long-term liabilities	<u>8,862</u>	<u>9,281</u>	<u>8,673</u>	<u>9,087</u>
Total long - term liabilities	209,045	264,613	206,651	262,085
Equity				
Share capital	95,700	95,700	95,700	95,700
Reserves	54,836	44,064	53,832	43,060
Retained earnings	<u>941,671</u>	<u>1,022,572</u>	<u>945,505</u>	<u>1,022,942</u>
Total equity	<u>1,092,207</u>	<u>1,162,336</u>	<u>1,095,037</u>	<u>1,161,702</u>
TOTAL EQUITY & LIABILITIES	1,675,431	1,730,822	1,668,073	1,720,809

4. Condensed Interim Cash Flow Statement

For the nine-month period that ended on 30 September 2013 and 2012
(Amounts in thousands of euro)

	GROUP		COMPANY	
	2013	2012	2013	2012
OPERATING ACTIVITIES				
Profit before tax	152,576	469,678	157,406	477,142
Adjustments for:				
Depreciation & Amortization	32,153	32,944	30,281	31,779
Financial results	(11,423)	(3,200)	(16,792)	(13,386)
Employee benefit plans	965	1,227	896	1,131
Provisions for bad debts	-	1,500	-	1,500
Other provisions	951	3,925	951	4,000
Exchange differences	41	(9)	41	(9)
Loss / (Profit) from related companies	364	132	-	-
Results from investing activities	<u>390</u>	<u>56</u>	<u>188</u>	<u>56</u>
Total	176,017	506,253	172,971	502,213
Changes in working capital				
(Increase) decrease in inventories	(143)	(266)	-	-
(Increase) decrease in receivables	7,794	(15,417)	15,468	5,942
Increase (decrease) in payables (excluding banks)	(17,405)	(14,918)	(19,564)	(21,297)
Increase (decrease) in taxes payable	<u>82,279</u>	<u>(9,427)</u>	<u>80,913</u>	<u>(4,919)</u>
Total	248,542	466,225	249,788	481,939
Interest expenses	(201)	(75)	(17)	(15)
Income taxes paid	<u>(68,567)</u>	<u>(65,233)</u>	<u>(67,285)</u>	<u>(63,944)</u>
Cash flows from operating activities	179,774	400,917	182,486	417,980
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	-	8	-	-
Establishment of associate	(128,640)	-	-	-
Inflow of restricted cash	95,710	-	95,710	-
Establishment of subsidiary	-	-	-	(15)
Increase in share capital of subsidiary	-	-	(130,300)	(6,327)
Outflow of tangible assets	(4,585)	(7,283)	(317)	(1,142)
Outflow of intangible assets	(13,578)	(17,977)	(13,578)	(17,975)
Interest received	10,918	8,603	9,444	6,781
Dividends from subsidiaries	-	-	<u>6,585</u>	<u>11,420</u>
Cash flows used in investing activities	(40,175)	(16,649)	(32,456)	(7,258)
FINANCING ACTIVITIES				
Payments of loan installments	(36,250)	-	(36,250)	-
Payments of financial lease interests	(42)	(1,782)	-	(1,720)
Payments of financial lease capital	(269)	(7,961)	-	(7,713)
Dividends paid	<u>(181,821)</u>	<u>(229,721)</u>	<u>(181,821)</u>	<u>(229,721)</u>
Cash flows used in financing activities	(218,382)	(239,464)	(218,071)	(239,154)
Net increase / (decrease) in cash and cash equivalents	(78,783)	144,804	(68,041)	171,568
Cash and cash equivalents at the beginning of the period	<u>367,582</u>	<u>195,894</u>	<u>305,766</u>	<u>105,548</u>
Cash and cash equivalents in the end of the period	288,799	340,698	237,725	277,116