

2014
ANNUAL REPORT
GROWING BY YOUR SIDE







OPAP's message from the CEO.....	6
Key highlights.....	8
Overview.....	14
OPAP Group.....	18
History.....	20
Vision.....	22
Key strengths.....	30
Business strategy.....	38
Industry & sector overview.....	48
Regulatory framework & developments.....	60
Business area.....	62
Distribution network.....	78
You can find us literally everywhere.....	78
Geographical Regions.....	80
Information technology.....	82
Security.....	84
CSR.....	10
Responsible gaming.....	68
The areas of the framework fall under the following activities:.....	102
Financial overview.....	110
Annual Financial Report.....	114





MESSAGE FROM THE CHAIRMAN & CEO

2014 has been a year of great importance for the future of OPAP. Through challenging times and regardless of various changes that occurred in the environment we operate in, we have managed to set truly solid foundations for long term success and further growth. The management has confirmed its commitment and brought know how and effective business practices.

In a period of just one year, we implemented a large number of structural reforms to ensure that our company and its employees will face the coming years in a dynamic way, being able to bring added value for all stakeholders and partners.

Based on this, we have managed to be on top of market trends and needs, be prepared to face changes and adapt quickly. This has allowed us to successfully introduce new products, evolve existing ones and further improve customers' experience. But most importantly, we have managed to do all this remaining absolutely focused on the principles of responsible gaming, the very essence of everything we do.

More importantly, the aforementioned set of actions boded considerably well with a solid upturn on the financials. We achieved a 14.8% increase in our sales compared to 2013, while the GGR stood at €1.38bil., up by 12.9%, mainly due to the strong start of Hellenic Lotteries and the considerable Stoixima growth. Our performance was further enhanced on the profitability level, as the containment of the Group's operating expenses led EBITDA to stand at € 346.5mil. higher by 56.3% compared to last year. In addition, net profit reached € 199.2mil marking a material improvement of 41.2%. Given the strong financial performance of the Group, the Board is recommending an additional dividend of € 0.25 per share, which together with the interim dividend of €0.20 per share, results in a total dividend for the year at € 0.45 per share, an increase of 80% compared to 2013.

OPAP is transforming to a best in class company, a role-model of efficiency and an agent of social contribution, based on Greek and international standards. As the leader in the gaming industry in Greece, as one of the largest companies and employers in the country, but also as one of the biggest tax payers, contributing more than half a billion euros to the State revenues, we face the next year with confidence that together we'll further grow OPAP for the benefit of all.

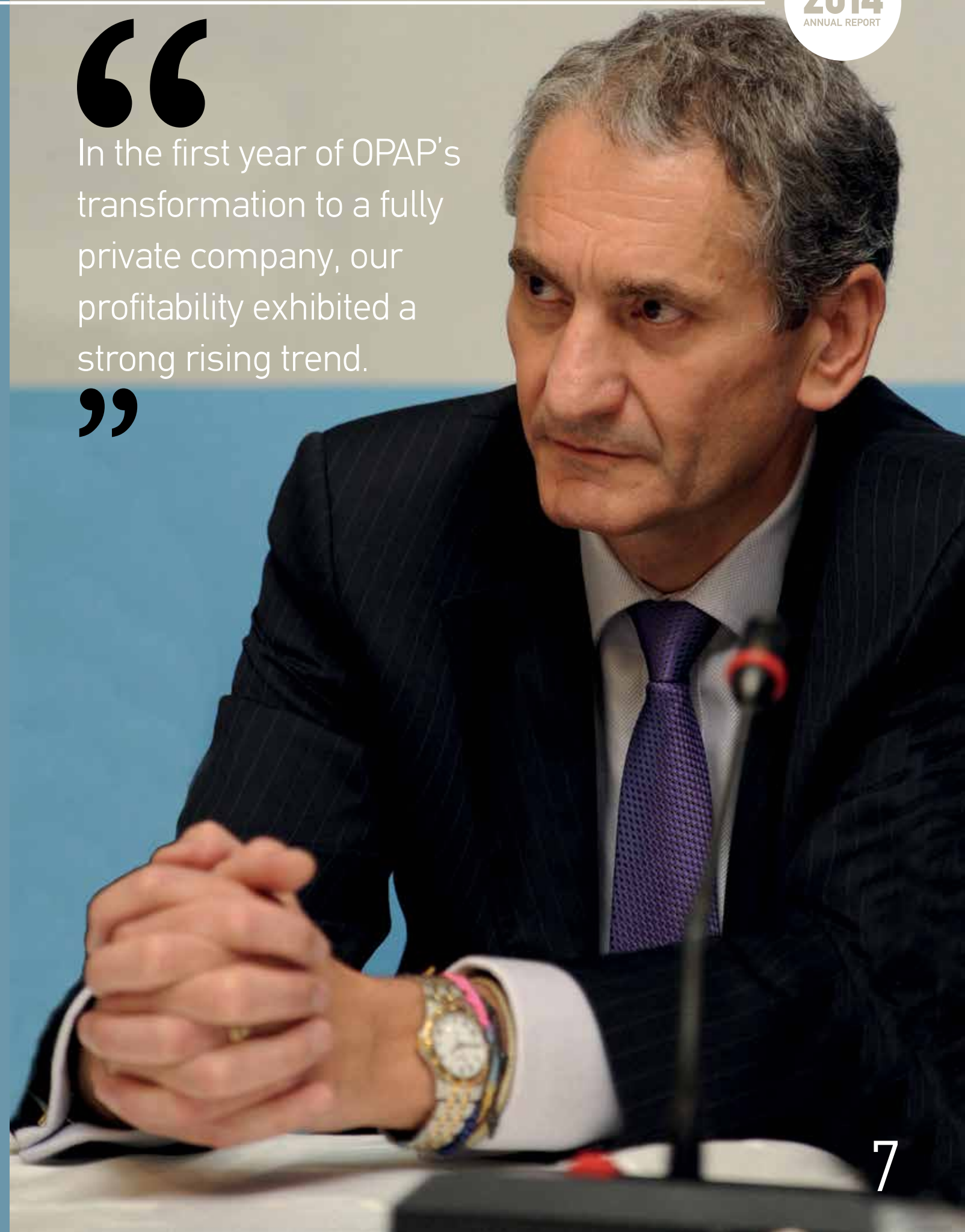
Kamil Ziegler
Chairman of the BoD and CEO

2014
ANNUAL REPORT

“

In the first year of OPAP's transformation to a fully private company, our profitability exhibited a strong rising trend.

”





KEY HIGHLIGHTS

No.1
gaming company
in the Greek market

57
YEARS

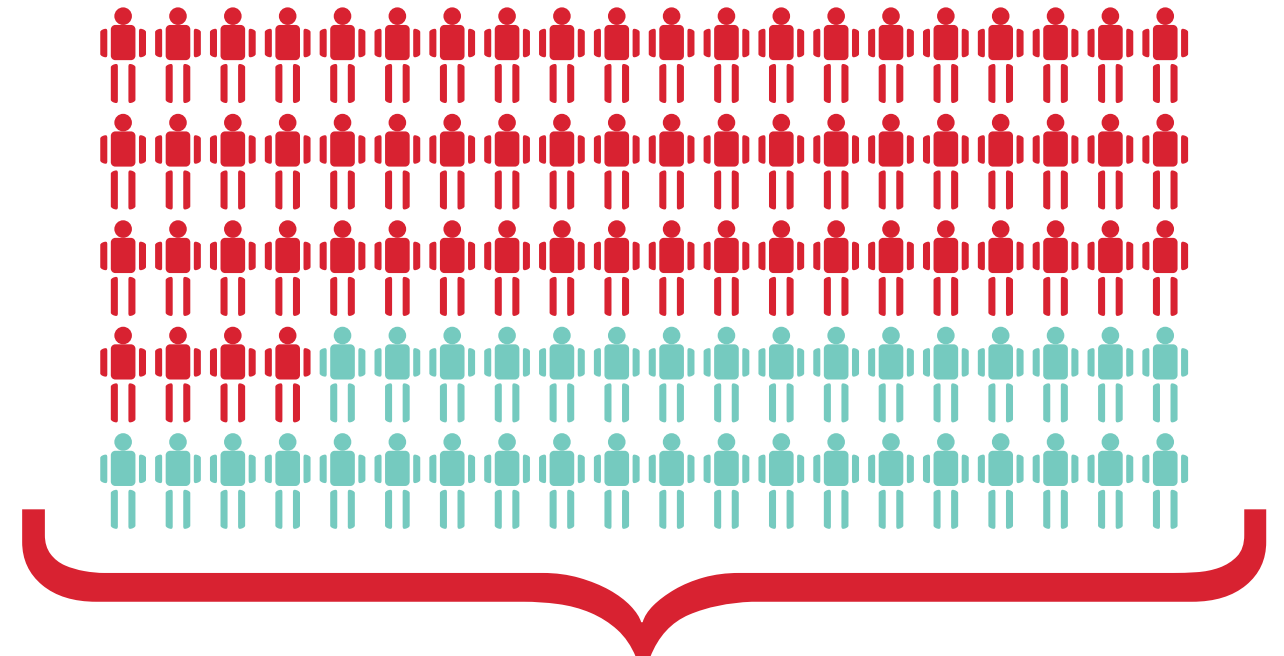
4,861

points of sales in Greece and Cyprus
+3,800 POS for the distribution of scratch
tickets and passive lotteries

THE LARGEST COMMERCIAL NETWORK IN GREECE



2014
ANNUAL REPORT



c.71%

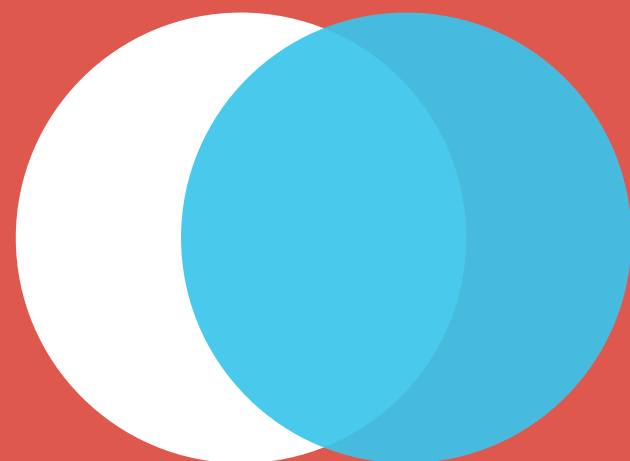
of the total Greek legal gaming market





c. 2.6bn. (March 2015)
market cap on Athens Exchange

733 number of
employees
(March 2015)



€4.26bn.
consolidated revenue in
2014





€195m.

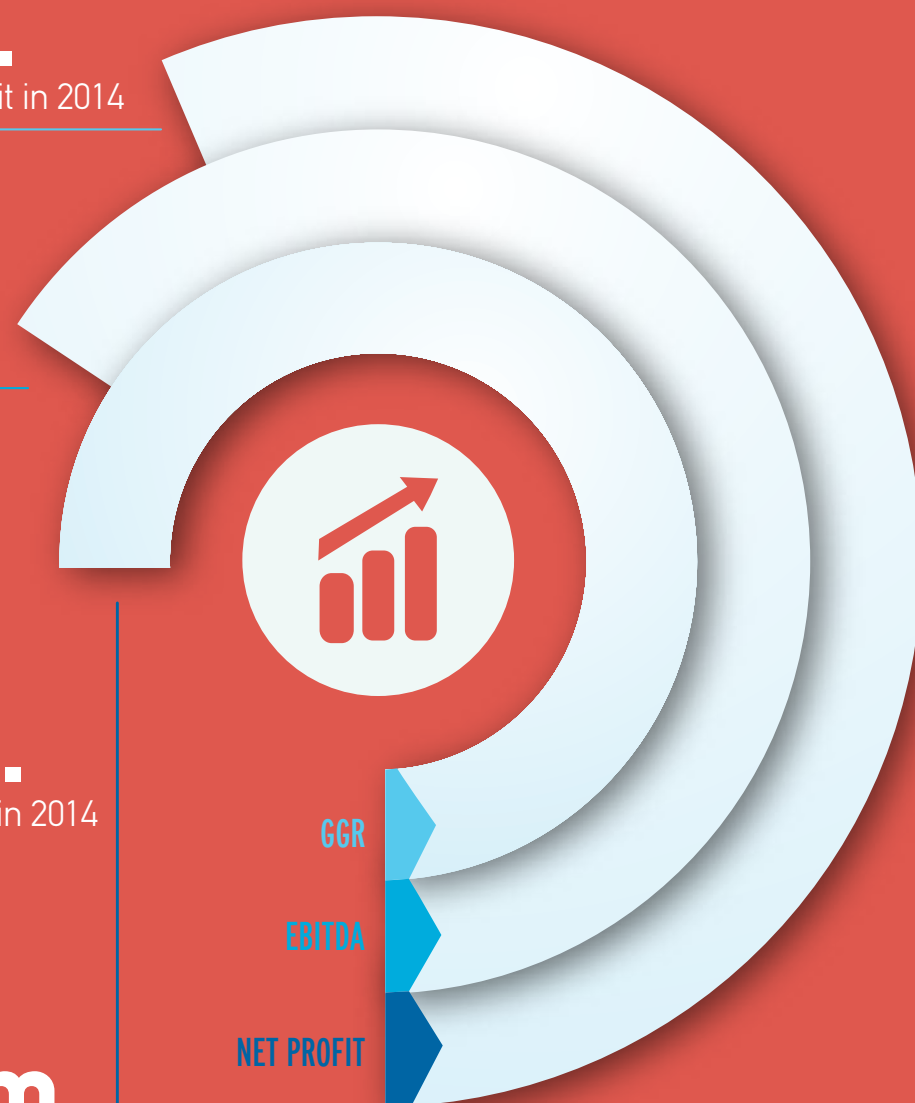
consolidated Net Profit in 2014

€347m.

consolidated EBITDA in 2014

€1,378m.

consolidated GGR in 2014



The biggest
SOCIAL CONTRIBUTOR





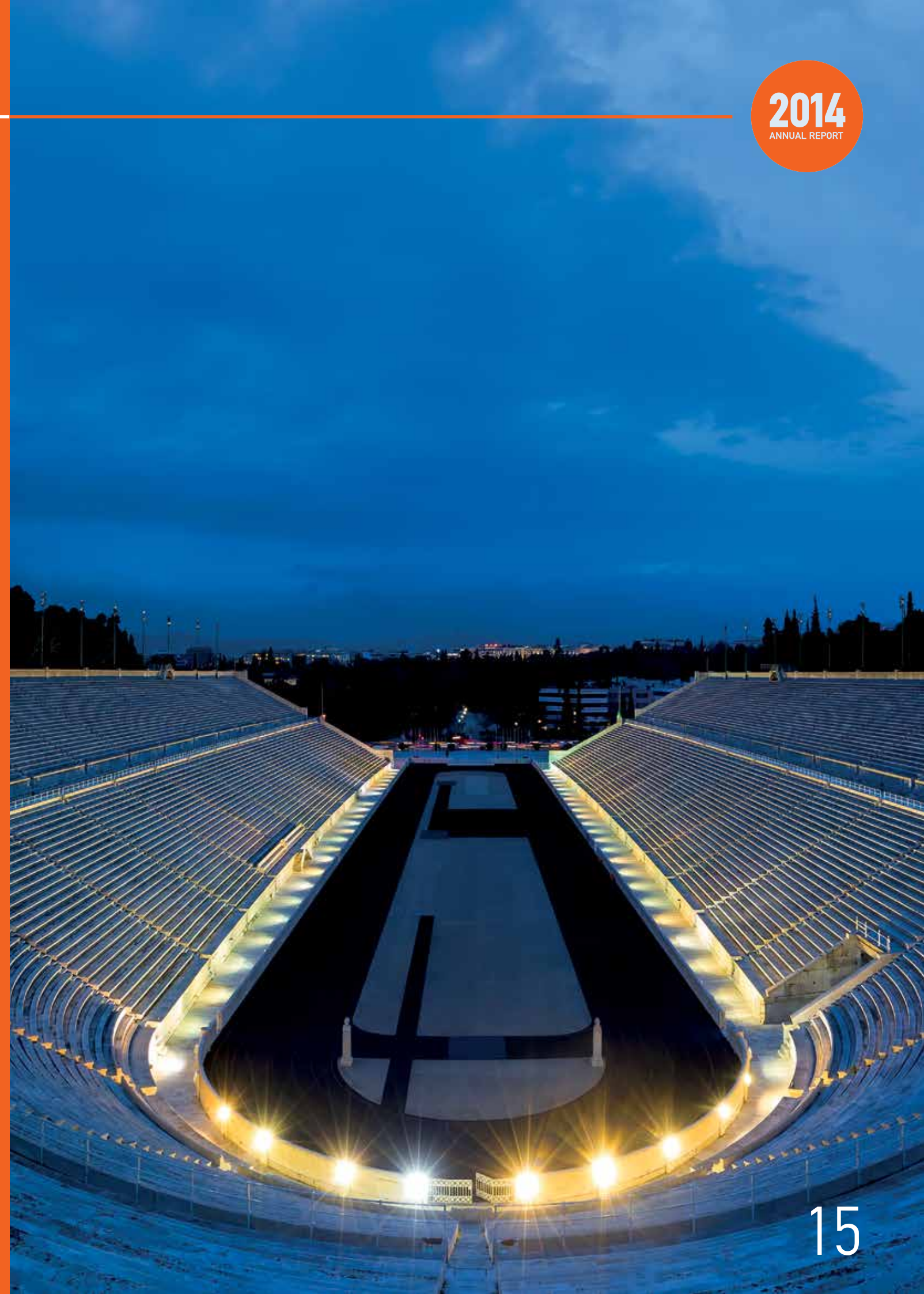
OVERVIEW

A LANDMARK OF GREECE'S CORPORATE **HISTORY AND FUTURE**

We are the exclusive operator for numerical lottery and sports betting games in Greece and an industry leader in Responsible Gaming.

We are the leading gaming company in Greece and the exclusive operator of all numerical lottery and sports betting games. Through a joint venture we are also the exclusive operator of the state lotteries and instant win games (Scratch). OPAP also holds the exclusive license to operate video lottery terminals ("VLTs") in Greece.

“
exclusive operator
for numerical lottery
and sports betting
games in Greece
”





OPAP was established in 1958, was listed on the Athens Exchange S.A. ("HELEX") in 2001 and is the exclusive operator for numerical lottery and sports betting games in Greece. OPAP has the concession to operate numerical lottery and sports betting games by any appropriate means provided by modern technology, including land-based (offline) and online means, until October 2030. With regards to Pame Stoixima and games under the Pame Stoixima umbrella, such as Monitor Games and Go Lucky, we have the exclusive right to operate online until October 2020. Our product portfolio currently includes **seven (7) numerical lottery games** (Kino, Joker, Lotto, Proto, Super 3, Extra 5 and Go Lucky) and **four (4) sports betting games** (Pame Stoixima, Propo, Propo-goal and Monitor Games).

In November
2011

the Hellenic Republic licensed OPAP to operate 35,000 VLTs in Greece for a total cost of €560 million. A number of 16,500 of these VLTs will be installed and operated by OPAP, while 18,500 terminals will be put up for tender to be installed and run by sub-concessionaires. The VLT license obtained by OPAP is valid for a period of ten years. The operation of the first VLTs is expected in 2015.

In July
2013

OPAP became the leader (through a wholly-owned subsidiary) of a consortium which obtained the exclusive license to produce, operate, circulate and manage the state lotteries and instant (Scratch) games in Greece for a period of twelve years through a concession agreement with the HRDAF for €190 million which runs until 2026. On May 1, 2014, Hellenic Lotteries commenced operations of three games pursuant to this license: Scratch, Laiko and Ethniko.

*We were established in 1958
and listed on the Athens Exchange
in 2001.*

Our games and services

are provided through a wide network of points of sale, the majority of which is represented by dedicated and branded agent branches throughout Greece (4,667) and Cyprus (194) and an additional 3,800 POS for the distribution of Scratch tickets and Passives.



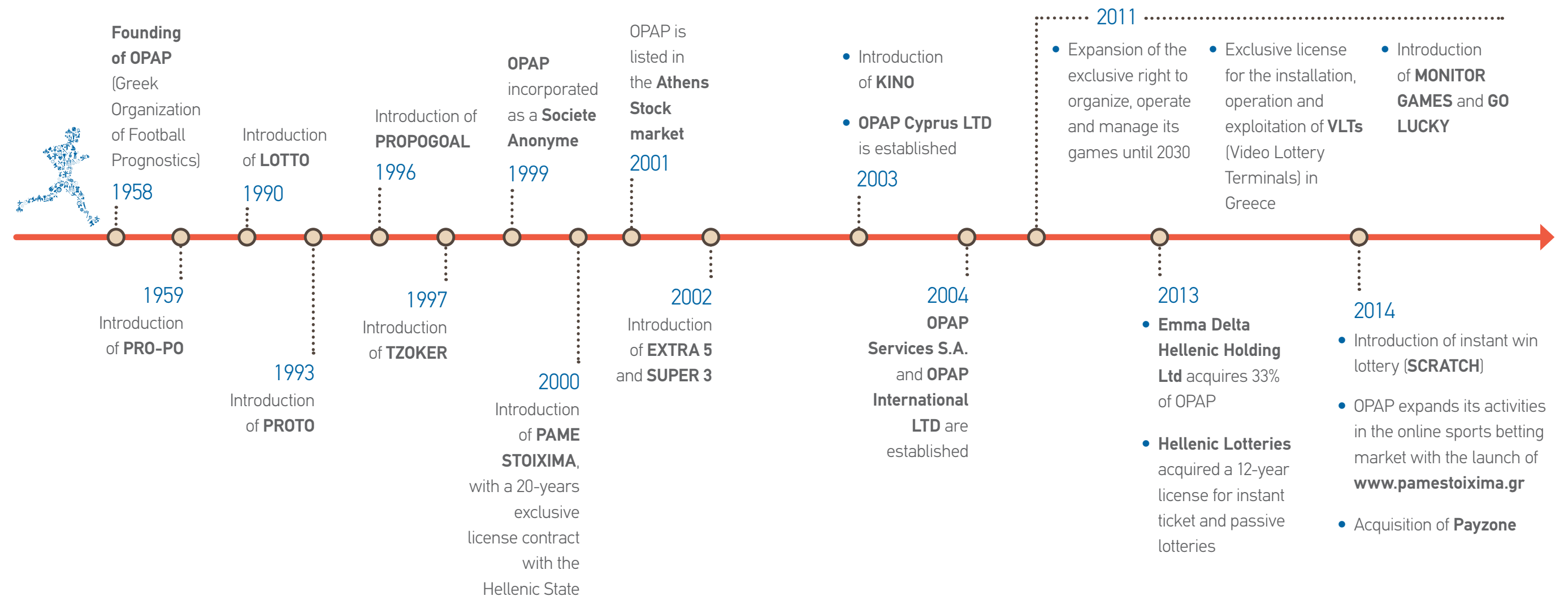
OPAP GROUP OF COMPANIES





HISTORY

WE ARE CONSTANTLY BECOMING **A MORE DYNAMIC ORGANIZATION**





VISION

2014
ANNUAL REPORT

“

To become a model corporate entity in the Greek Market, by entertaining our players in a responsible way, rewarding our stakeholders and improving the lives of people in our communities

”



OUR

JOB
DUTY
INHERENT ROLE
in Greek economy &
society is to become:

“

a best in class
company

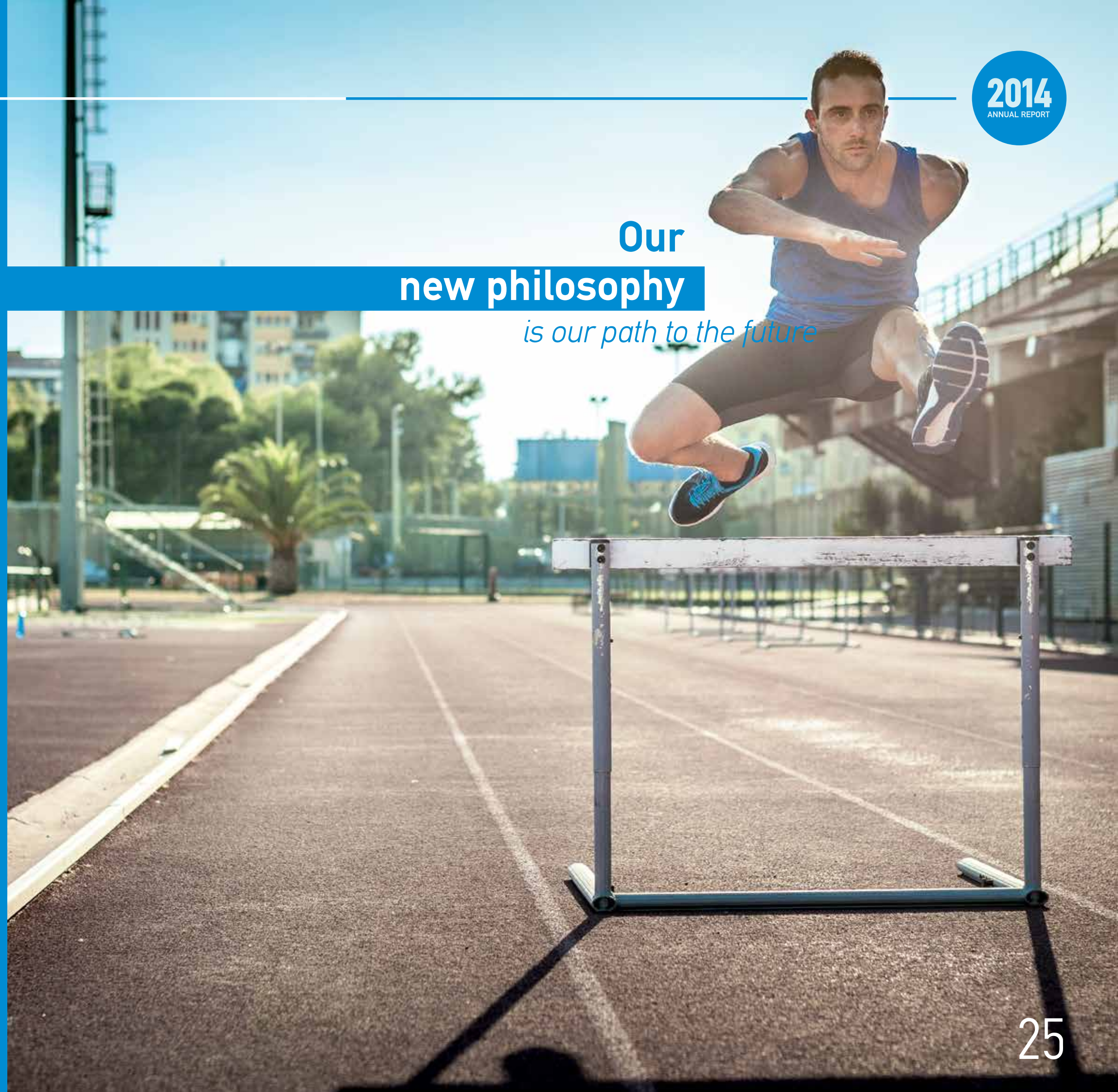
a role-model of
efficiency

an agent of social
contribution

”

Our
new philosophy

is our path to the future





OUR VALUES

Responsibility: We are responsible to our customers, State & Public Authorities, shareholders and all stakeholders for the fulfillment of our commitments, accepting the responsibility for our actions and the development of a culture of responsible gaming.

Innovation: Innovation is the basis of our success and it is a competitive advantage, which allows us to meet the needs of our customers, to create opportunities and to define the future of our business.

Respect: We respect our customers, employees, partners and the people of the communities where we operate. Respect starts with listening openly and honestly to the diversity of people and ideas around us.

Integrity: This means doing the right thing. We will balance what our customers and business partners ask from us with what the people from the communities where we operate expect from us.

Quality: Quality is an expression of our goal to offer reliable products and services. In all aspects of our operations the focus shall be on customers' needs and expectations.

“
Quality
Innovation
Integrity
Respect
Responsibility
”





OUR PRINCIPLES

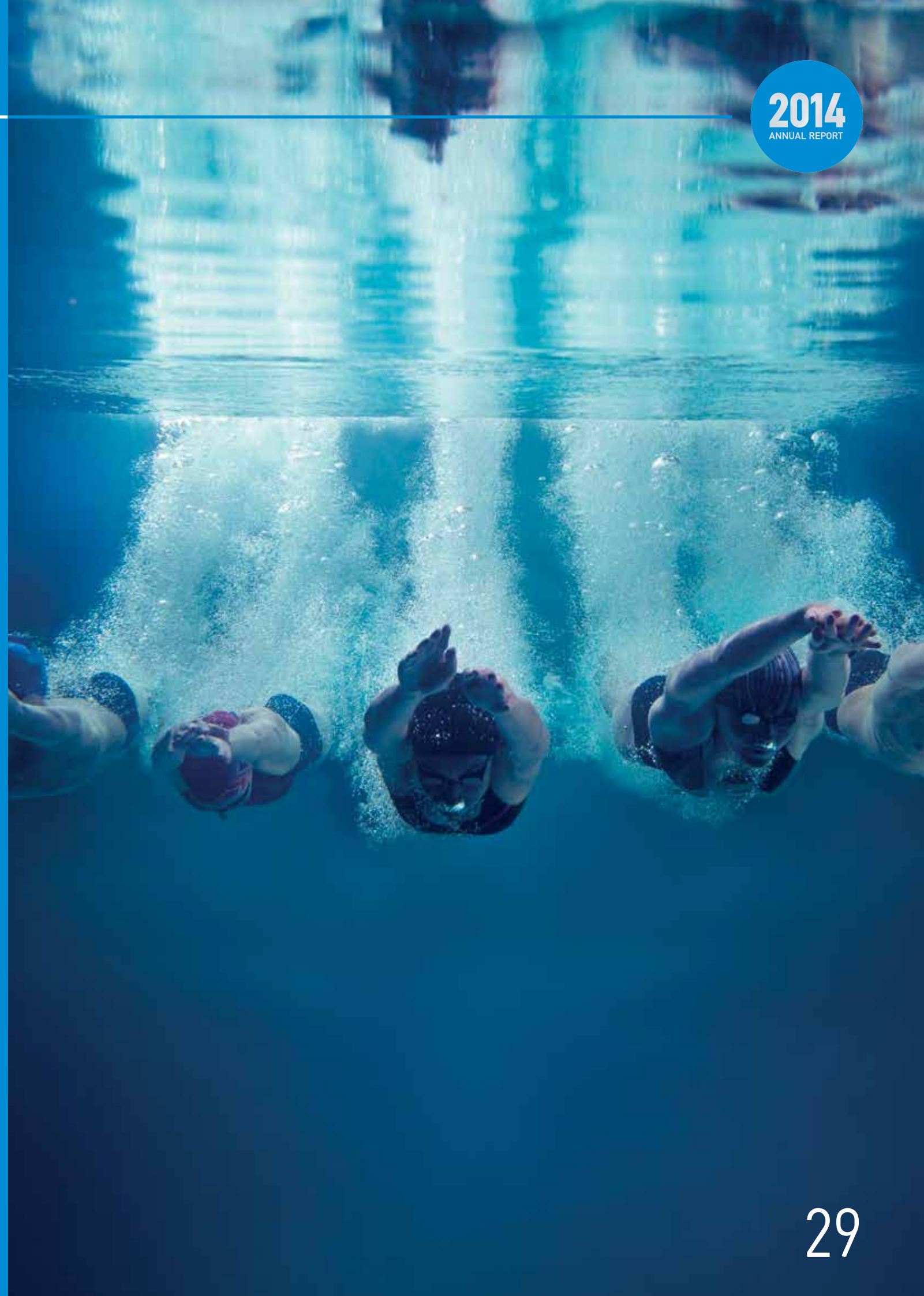
“

Efficiency

Transparency

Responsiveness

”





KEY STRENGTHS

WIN OR LOSE, YOU WIN ANYWAY

Our growth will be assured by focusing on 6 key strengths

Leading gaming operator in Greece with strong brand heritage

Established in 1958 as the Greek Organization of Football Prognostics and listed on HELEX since 2001, we have evolved to become the leader in the operation, marketing and distribution of gaming products in Greece and one of the largest gaming companies worldwide, with revenues of €4.3 billion for FY 2014.

As of December 2014, our GGR share of the Greek gaming sector was 70.6%, and the Greek state lotteries that since 01.05.2014 are being operated by OPAP through its subsidiary Hellenic Lotteries, had a 3.5% share according to H2GC. Over the past decades, most of our games have become national standards, deeply rooted

in the Hellenic culture and customs, which provides us with a wide and diverse base of customers.

As a consequence of our long standing and successful presence in Greece, the **OPAP** brand is well-established and nationally recognized, which together with our trusted reputation for safe and responsible gaming, represents a significant advantage in the operation of our existing games and services and the introduction of new ones. In addition to our **OPAP** umbrella brand, our most known and successful games such as Kino, Joker, and Pame Stoixima have also developed their own brand and identity in the gaming community.

2014
ANNUAL REPORT



Attractive concession maturity profile with one of the largest dedicated and branded distribution networks

We are well placed to further expand our position in the segments in which we operate and to expand our business.

Since 2000, we have paid an aggregate €1.4 billion for our exclusive long-term license agreements with the Hellenic Republic.

In December 2000, **OPAP** entered into a 20-year concession agreement with the Hellenic Republic for the exclusive right to operate numerical lottery and sports betting games in Greece by any appropriate means provided by modern technology.

The agreement was then extended in November 2011 until 2030 and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games and Go Lucky), we

have the exclusive right to operate online until October 2020. In addition, we own the right of first refusal for the right to operate any new lottery or sports betting games in Greece to be offered by the Hellenic Republic.

Moreover, the cost for obtaining the license for the VLTs operation amounted to €560.0 million, which will be valid for a period of ten years.

OPAP's distribution network is one of the largest and most dense commercial networks in Greece and consists of 4,667 dedicated and branded agent branches (excluding various points of sale for Hellenic Lotteries). Our branches are located in convenient locations, with penetration across the entire country.





Unique and diversified legacy game portfolio further enhanced with new games

Our legacy game portfolio offers a wide range of games suitable for a diverse customer base. From being primarily a football betting operator focused on the Greek league at our inception, we have grown to operate 11 legacy games, which include four sports betting games and seven numeric games, with varying elements of skill and luck involved. Our legacy game portfolio consists of six fixed-odds games and five mutual games catering to a wide range of customer preferences.

Moreover our product portfolio, through Hellenic Lotteries, has been enhanced with 3 additional games (Scratch and passive lotteries).

Resilient and stable operating environment

According to H2GC (data and intelligence report on the global gaming industry), Greece was one of the leading countries in Europe in terms of gross gaming revenues as a percentage of GDP in 2014. In specific, the Greek Gaming Sector is estimated to be the sixth largest in Europe at 0.99% of GDP, with EU's average standing at 0.70%. Annual gross gaming revenues per adult in Greece have

declined from €306 in 2008 to €191 in 2014, while the 2005-2014 average has been €243 according to H2GC.

Notwithstanding, our GGR share of the Greek gaming sector has increased from 58.2% in 2008 to 70.6% in 2014 according to H2GC numbers. The decline in GGR per adult in Greece was mainly driven by the reduction in Greek GDP and increased unemployment over the same period and consequently depressed consumer confidence.





Proven financial performance with strong focus on cash flow generation

In spite of the severe economic downturn in Greece, OPAP achieved to maintain solid financial performance. During the last five years, Gross Gaming Revenue has stood consistently over €1.2 billion, while EBITDA margin, excluding the 30% GGR tax implementation and one-off charges, has also remained resilient. Furthermore, we benefit from low working capital needs characterized by very limited inventory levels and comparatively high trade payables. As a result, we rely on limited external funding sources to fund our growth, concession acquisitions and dividend payments, while historically we have experienced strong cash generation. In specific, our cumulative cash flow from operating activities amounted during the past two years to € 557 mil.

Highly experienced and committed management team

The members of our senior management team possess significant experience in the gaming and retail consumer markets. Some of our managers have long and successful track records with OPAP, while others have worked in other countries in senior positions in gaming and retail companies, before joining us in 2013. Following OPAP's privatization, the most talented and skilled people have been internally promoted to positions where they will add most value to our business. Our management team has further developed and rationalized our business, for example, through introducing the scratch card product in the Greek sector, operating our online platform and completing the internal reorganization and voluntary retirement scheme.

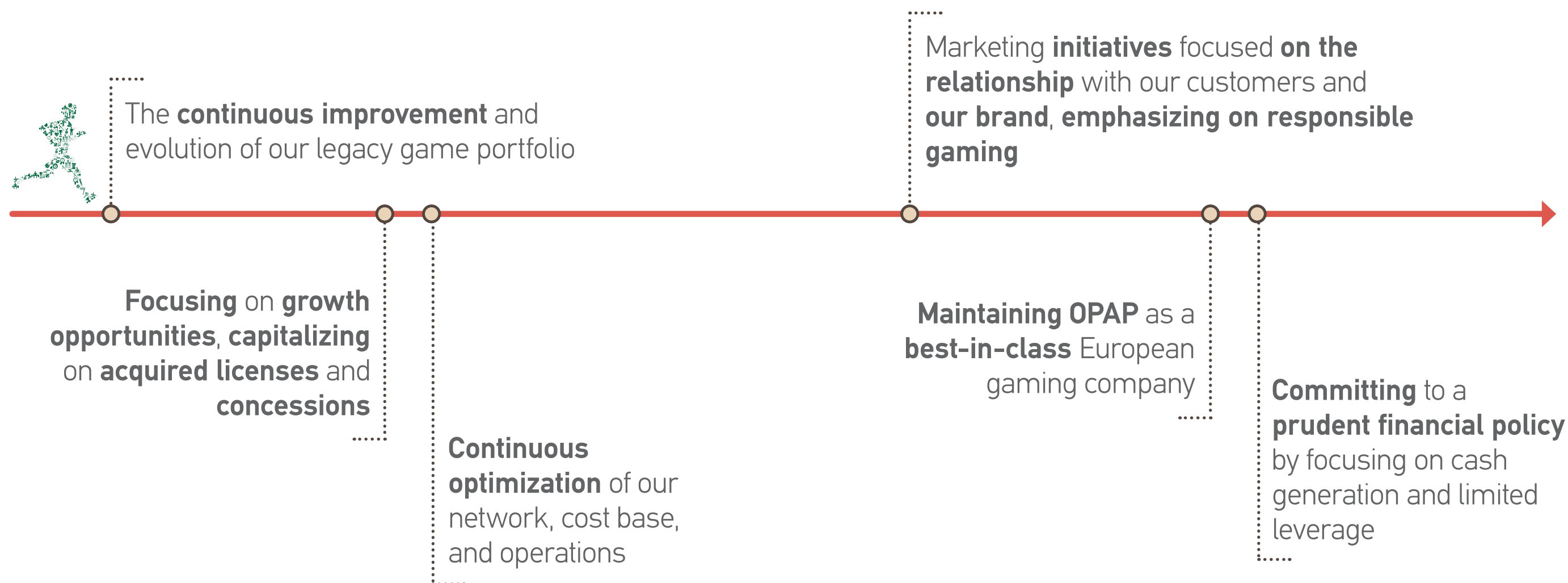
Following OPAP's privatization, the most talented and skilled people have been internally promoted to positions where they will add most value to our business.





BUSINESS STRATEGY

**OUR OBJECTIVE IS TO
FURTHER STRENGTHEN OUR POSITION**
IN THE GREEK GAMING SCENE AND
RETAIN HIGH PROFITABILITY THROUGH:





Continuously improve and evolve our legacy game portfolio

Our main target is to continue promoting and developing our legacy games in order to strengthen our existing customer base and secure resilient and predictable revenues. We will keep updating our games' interfaces, format, and betting/gaming options on a regular basis to rapidly update our offering to changes in our customers' preferences.

We have continued to evolve our Stoixima games offering, by introducing live betting as well as increasing the number of events and betting options available. At the same time, one of our basic goals is to continue to develop our other core offering, Kino.

Our longstanding experience in the gaming sector, together with our marketing capabilities, will allow us to constantly adapt our existing game portfolio to address

future demand, satisfying the public interest objective of channeling players to regulated and legal gaming operations. In addition, the rebranding and modernization of our agent branch network, which we are currently undertaking, will be instrumental in showcasing our innovations and generating traffic.





Focus on growth opportunities by capitalizing on recently acquired licenses and concessions to offer complete and comprehensive gaming.

Alongside our legacy game improvement strategy, we put emphasis on widening our product offering through the introduction of new games such as VLTs, which have demonstrated their potential in other European countries.

VLTs

Through our exclusive ten-year VLT License, we will seek to roll out through a network of gaming halls to host the 16,500 VLTs that will be installed and operated by OPAP, while 18,500 terminals will be put up for tender to be installed by sub-concessionaires.

Hellenic Lotteries

Following the acquisition of the exclusive Lottery Concession through Hellenic Lotteries, we re-launched in May 2014 a range of instant win games, which had been absent for ten years from the Greek market. Within our plans is to further widen our lottery and scratch cards offering, with new ticket series that are attractive both in terms of design and payout ratio and a selection of nominal values in order to attract a diverse range of customers.

Online operations

We plan to operate our existing legacy game portfolio through our online channel. We launched our online services in June 2014. Our online offering will be further enriched with new betting content, to prepare new customer-oriented marketing actions, so as to attract more customers and focus on initiatives to reduce access to illegal online products, by providing constant support to the Greek State in its opposition to illegal online gaming providers.



Continue to optimize our network, cost base and operations

Following the privatization of OPAP, our management team has and will continue to strengthen control over our cost base, by reviewing and renegotiating our main contracts and/or commissions agreements, restructuring our internal organization and optimizing our network's efficiency.

Our focus on cost efficiencies through successful renegotiation of key contracts and efficient media buying, will seek to enhance our exposure, while maintaining strong brand awareness and goodwill. Furthermore, since the privatization, management has re-evaluated our staffing levels, policies and needs.



Implement marketing initiatives to further develop the relationship with our customers, strengthen our brand and continue to be a leading advocate of responsible gaming

OPAP is deeply embedded in the Greek society and closely connected to its customers. Going forward, one of our priorities is to further develop this relationship by focusing on customer experience and improving customer loyalty. Through the

introduction of the customers' loyalty club, our relationship with customers is expected to be further strengthened, thus decreasing the churn rate and channeling players to regulated and legal gaming products, thereby satisfying the public interest underlying the exclusivity rationale in Greece.

We acknowledge that our operations have a significant impact on the public's gaming activities and should be carried out in a socially responsible manner that reflects public interest objectives relating to the gaming industry. To this end, our marketing strategy includes sponsoring events and activities in the fields of sports, healthcare, education and the environment. Furthermore, we plan to continue efforts to combat illegal gaming in Greece, by working closely with dedicated State and independent authorities, to identify and implement measures designed to control illegal gaming. Our social responsibility activities enhance trust in our brand and help direct the public's gaming activity away from the illegal sector.



Maintain OPAP as a best-in-class European gaming company

We aim to establish OPAP as one of the most successful and recognized gaming companies in Europe. Through the development of a complete and comprehensive product offering across most of the gaming industry and a dense and modern dedicated and branded agency network, we will be able to compare positively with our most developed peers. Not only do we intend to maintain our status as a strong player in the European gaming sector, based on revenues and market capitalization, but we also intend to promote and invest in our brand.

Commit to a prudent financial policy by focusing on cash generation and limited leverage

We have a strong track record of profitability and deleveraging. We aim to increase EBITDA primarily driven by our new product offering and focusing on cost efficiency and robust cash flow generation. We intend to distribute the bulk of our FCF as dividend, excluding any potential investments, in a counterbalanced manner (i.e. semi-annually twice a year). We consider that the company at this moment is below the optimum leverage levels and we remain committed to a prudent financial policy.

We will maintain an asset-light agent business model with targeted investments in personnel, network and equipment. Our proven ability to effectively manage our payout ratio, coupled with our largely variable cost structure and fixed cost optimization initiatives, will allow us to maintain a high level of cash flow from operating activities. Our high cash conversion rate is reinforced by our moderate ongoing maintenance capital expenditure requirements and the absence of any major upfront concession payments in the short-to-medium term.

We are confident that our flexible operating structure, effective cost management and structural capital expenditure requirements, coupled with our well-invested game offering, represent key elements of our attractive financial profile.



INDUSTRY & SECTOR OVERVIEW

THE **ENVIRONMENT** WE OPERATE IN

Greek Economy:
All sectors affected
by the continuous
debt crisis

The Greek sovereign debt crisis in 2007 initiated the economic downturn in Greece and has led to a significant macroeconomic decline during the past years.

While Greece's fiscal position had notably improved in 2014, such significant economic reforms that took place led to a slowdown in economic activity and to an accelerated recession over the past five years across all sectors.

2014
ANNUAL REPORT

*Greece remains one
of the leading gaming sectors
in the European Union and OPAP
holds a leading role*





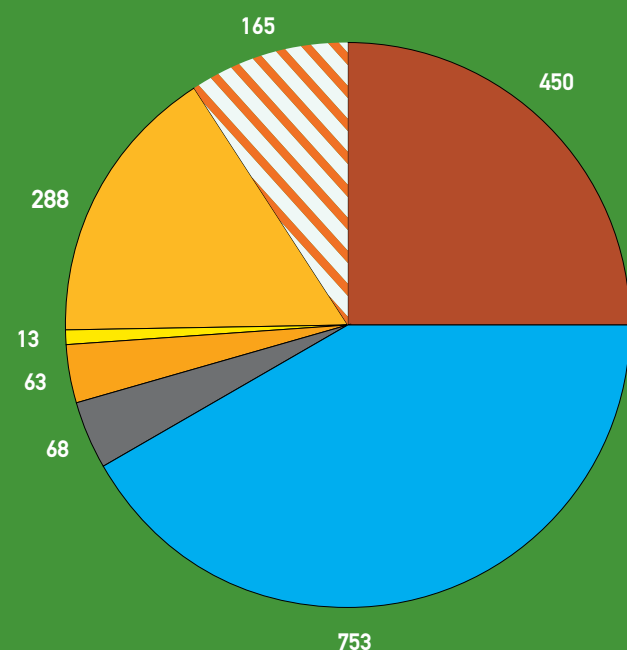
GREEK GAMING SECTOR:

Greece remains one of the leading gaming sectors in the European Union and OPAP holds a leading role.

Despite six years of economic recession, the gaming sector in Greece flourishes and remains one of the leading gaming sectors in the European Union. In 2014, gross gaming revenue ("GGR," revenues minus prize payouts to lottery and betting winners) was approximately € 1.8 billion, which brings the Greek gaming sector in the European Union's ninth place in terms of GGR. In 2007, right before the recession, GGR was estimated to be €2.6 billion. According to H2GC numbers for Greece in 2014 (revised for OPAP's actual figures), OPAP holds a 70.6% GGR share due mainly to the success of KINO and Stoixima as well as the introduction of Scratch tickets in May 2014. In addition, in September 2014, OPAP was declared Provisional Successful Bidder for the 20-year Mutual Horse-betting License with final approvals still pending.



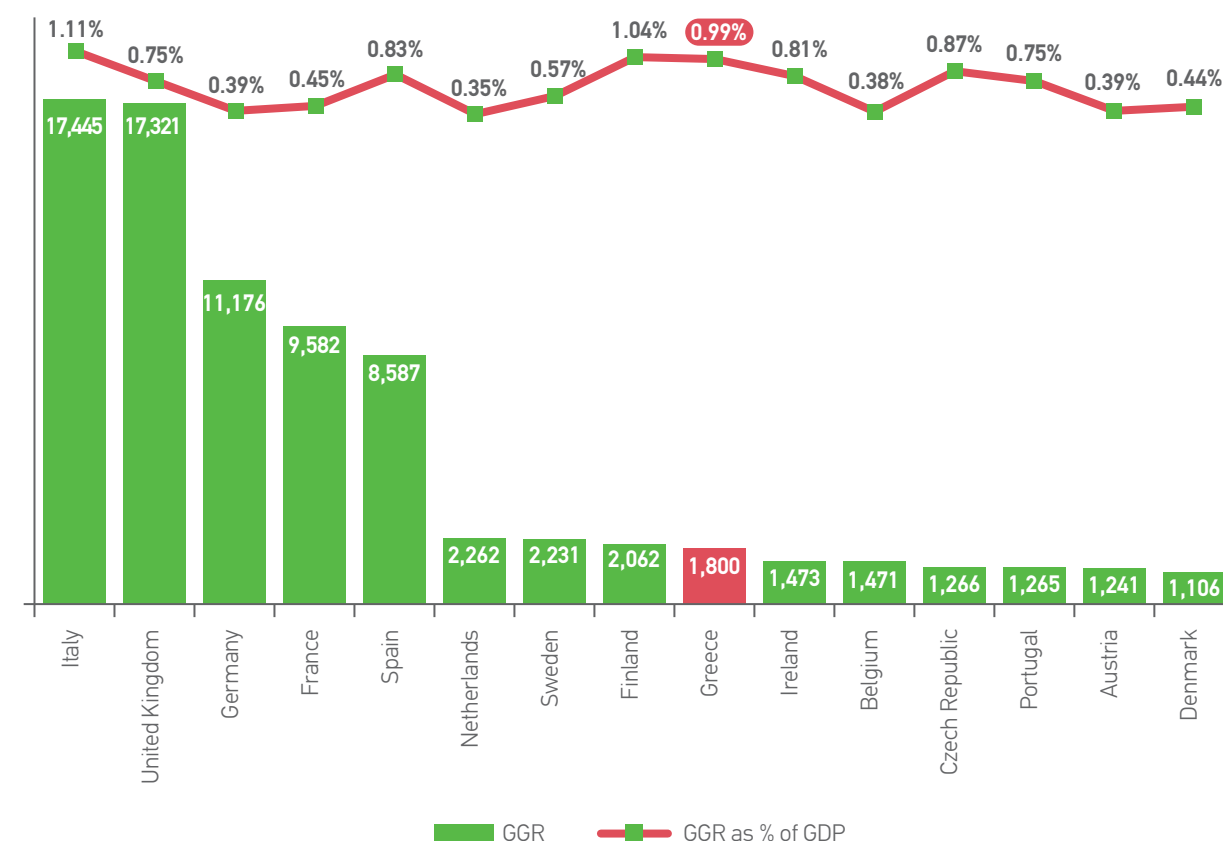
GGR 2014 (€m)



Source: H2GC adjusted for OPAP actual figures
*since 01.05.2014, OPAP, through its subsidiary Hellenic Lotteries, is operating passive lotteries

The graph on the left shows the GGR of certain European countries in millions of euros and as a percentage of GDP as of December 2014.

GGR (€m) and GGR as % of GDP

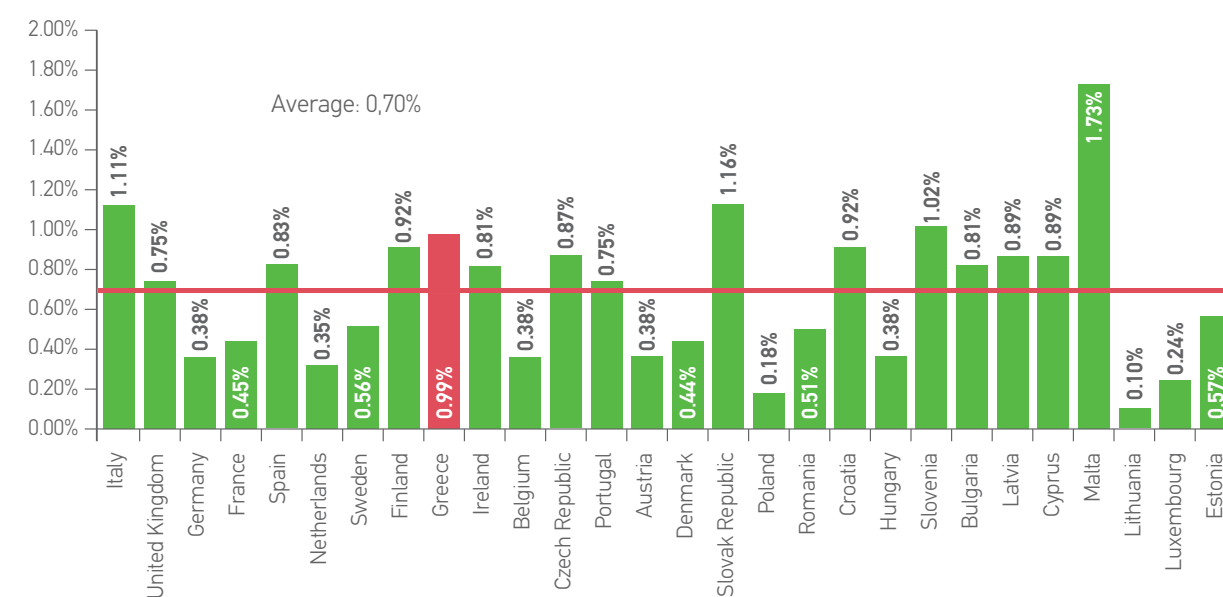


Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures

In terms of GDP, the Greek gaming sector represented 0.99% of the GDP for the year ended December 31, 2014, while the per adult (inhabitant over 18 years old) gaming expenditure was €191 spent per adult per annum, according to H2GC (with an estimated adult population of 9.4 million in 2014).

Relative to GDP, the Greek Gaming Sector is estimated to be the sixth largest in Europe at 0.99% of GDP the year ended 31.12.2014.

GGR as % of GDP (all 28 EU countries)



Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures



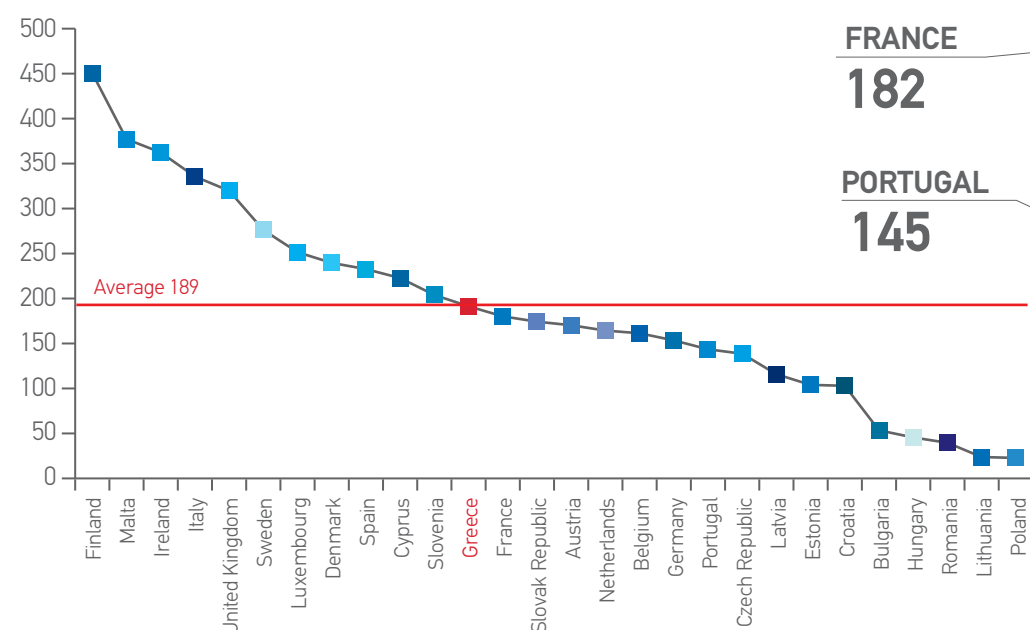
GGR

per adult 2014 (€)

The per adult sector expenditure in Greece stands slightly above the average of the EU countries at € 191 per annum, according to H2GC, revised for 2014 OPAP reported figures.



(inhabitant over 18 years old)



Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures

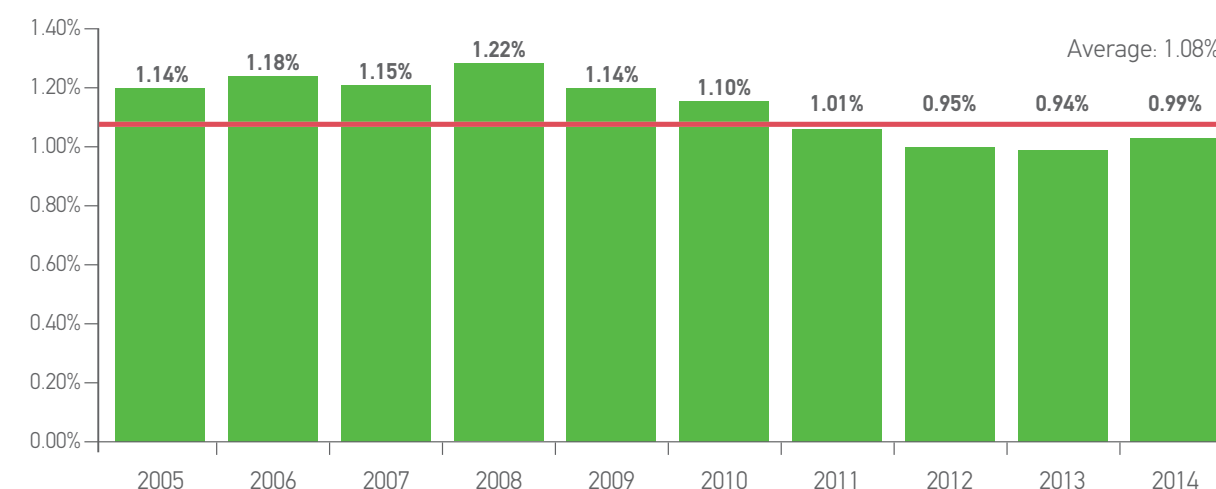


GGR per Adult in Greece (€)

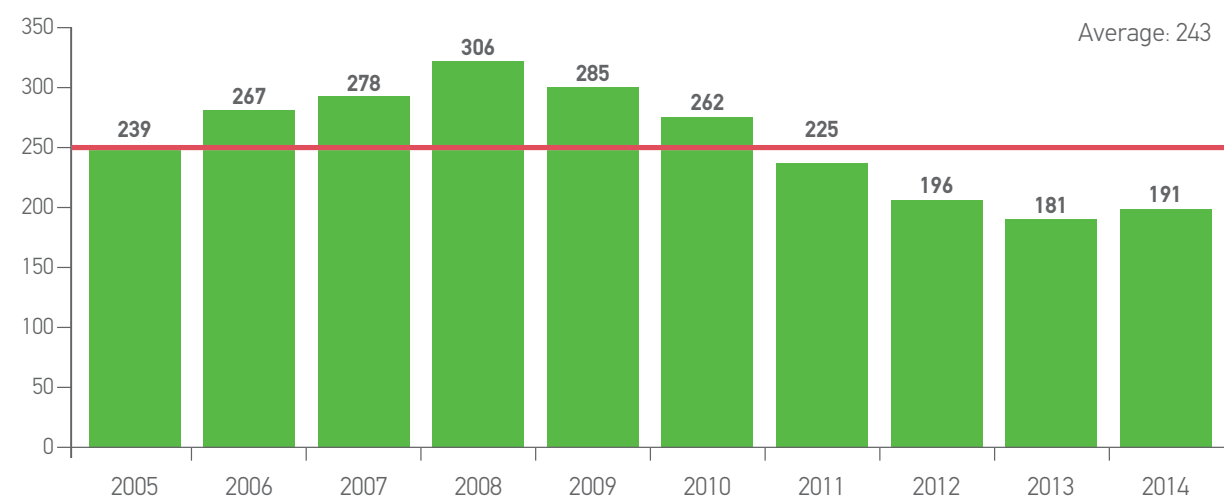
The graph shows the Greek GGR in euro per adult for the past decade indicating a slight increase in 2014 following five consecutive years of decrease.



GGR as a % of GDP in Greece



Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures



Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures

The Greek gaming sector has also shown resilience vs. other retail sectors during the recent economic downturn. Despite negative GDP growth since 2008, GGR has remained between 0.9% and 1.2% of GDP for the past ten years.



CHARACTERISTICS OF THE GREEK GAMING SECTOR

The most popular games in Greece, appealing to a wide range of age groups, are lottery, scratch games and numerical games, while some of the factors that drive player demand are draw frequency, playing hours and jackpots. Lotteries represent the most traditional segment of the Greek gaming sector and have historically attracted the largest number of players.

OPAP has an exclusive concession to operate numerical lottery and sports betting games by any appropriate means provided by modern technology until October 2030, and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games and Go Lucky), OPAP has an exclusive right to operate online until October 2020. A consortium led by OPAP and also comprised of Intralot and Scientific Games possesses the exclusive rights for the operation and management of the Greek state lotteries in Greece (12-year concession).



Sports betting: Sports betting includes fixed-odds sports betting, as well as pool games, for which participants pay a fixed price into a betting pool and make a selection on a particular outcome. Sports betting is based on real-life sporting events and takes place at designated betting shops, but also through illegal online websites. Sports betting also includes live betting, which enables players to bet in real time on sporting events and increasingly contributes to total betting revenues. OPAP is the sole licensed operator of sports betting activities in Greece and holds the license until October 2030. Almost all sports betting comes under the umbrella of the Stoixima family of games (the exception being Propo and Propo Goal).

VLTs: Since November 2011, OPAP is the only company licensed by the Hellenic Republic to operate 35,000 VLTs in Greece. Contrary to the traditional graphical reels of slot machines, modern VLTs employ a video display and provide a wider range of games.

Interactive gaming: In 2011, the Greek State set out the framework for the licensing of online gaming. OPAP holds the relevant exclusive rights which run until October 2030 for all of our games operated online, and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games and Go Lucky), OPAP has the exclusive right to operate them online until October 2020.

Casinos: Seven out of nine casinos in operation in Greece are private. The two state-owned casinos are part of the Hellenic Republic's privatization portfolio. The development of the sector has been affected by a drop in casino attendance as a result of a decrease in disposable income and competition from casino operators in neighboring countries.

Horse racing: Horse racing includes traditional horse race betting, which can be carried out in dedicated shops and corners or online. ODIE (Greek Horse-Races Organization) has the sole right to organize bets on horse races in Greece through a 20-year license. ODIE has been state-owned since 1968 and is currently part of the government's privatization portfolio. On September 19, 2014, through the wholly-owned subsidiary OPAP Investment Limited, we participated in the international public tender procedure conducted by the HRADF (Hellenic Republic Asset Development Fund) for the exclusive right to organize and conduct mutual betting on horse races in Greece for a period of 20 years. On September 23, 2014, OPAP Investment Limited was announced the provisional successful bidder. Final approvals are still pending for the completion of the concession.



REGULATORY FRAMEWORK AND DEVELOPMENTS

Regulation of the gaming sector in Greece is carried out by the HGC (Hellenic Gaming Commission), formally established as an independent administrative authority in 2012. HGC aims at securing a legal gaming market operation, protecting players and the general public – more particularly minors and vulnerable social groups – and securing that State Revenues from the gaming sector operation are attributed.

GAMING CONCESSION	LOTTERY CONCESSION	VLT LICENSE
The Gaming Concession entitles us to operate numerical lottery and sports betting games by any appropriate means provided by modern technology, including land-based / offline and online, until October 2030, and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games and Go Lucky), we have the exclusive right to operate them online until October 2020.	The Lottery Concession, granted to the Consortium, entitled us to the exclusive operation of the Greek state lotteries. The Lottery Concession was ratified by law 4183/2013.	The VLT Licence entitles us to operate 35.000 VLTs in Greece (for a period of ten years) comprising the total number of VLTs currently allowed in Greece. We plan to install and operate 16,500 VLTs in our gaming halls while remaining 18,500 VLTs will be operated by at least four and no more than ten operators following a public international tender.

ONLINE GAMING	CASINO (NON-OPAP ACTIVITY)	HORSE RACING (NON-OPAP ACTIVITY)
The Gaming Concession entitles us to exclusively conduct online gaming in Greece. The preliminary framework for online gaming licensing in the future set up in 2011 does not affect the games offered by us exclusively. The HGC has the ability to blacklist any illegal operators by banning online access through the local ISPs. HGC issued a decision with regard to conduct and control of online betting offered by us.	There are 12 casino licenses, of which nine are active.	ODIE holds the exclusive rights for the operation of horseracing in Greece. ODIE / mutual horse betting is regulated by joint ministerial decisions. The HGC has proposed a draft decision regarding this regulatory framework, which has been notified in accordance with Directive 98/34/EC. On September 19, 2014, through our wholly-owned subsidiary OPAP Investment Limited, we participated in the international public tender procedure conducted by the HRADF for the exclusive right to organize and conduct mutual betting on horse races in Greece for a period of 20 years. On September 23, 2014, OPAP Investment Limited was announced the provisional successful bidder with an offer of €40.5 million. The transaction is subject to final approvals.



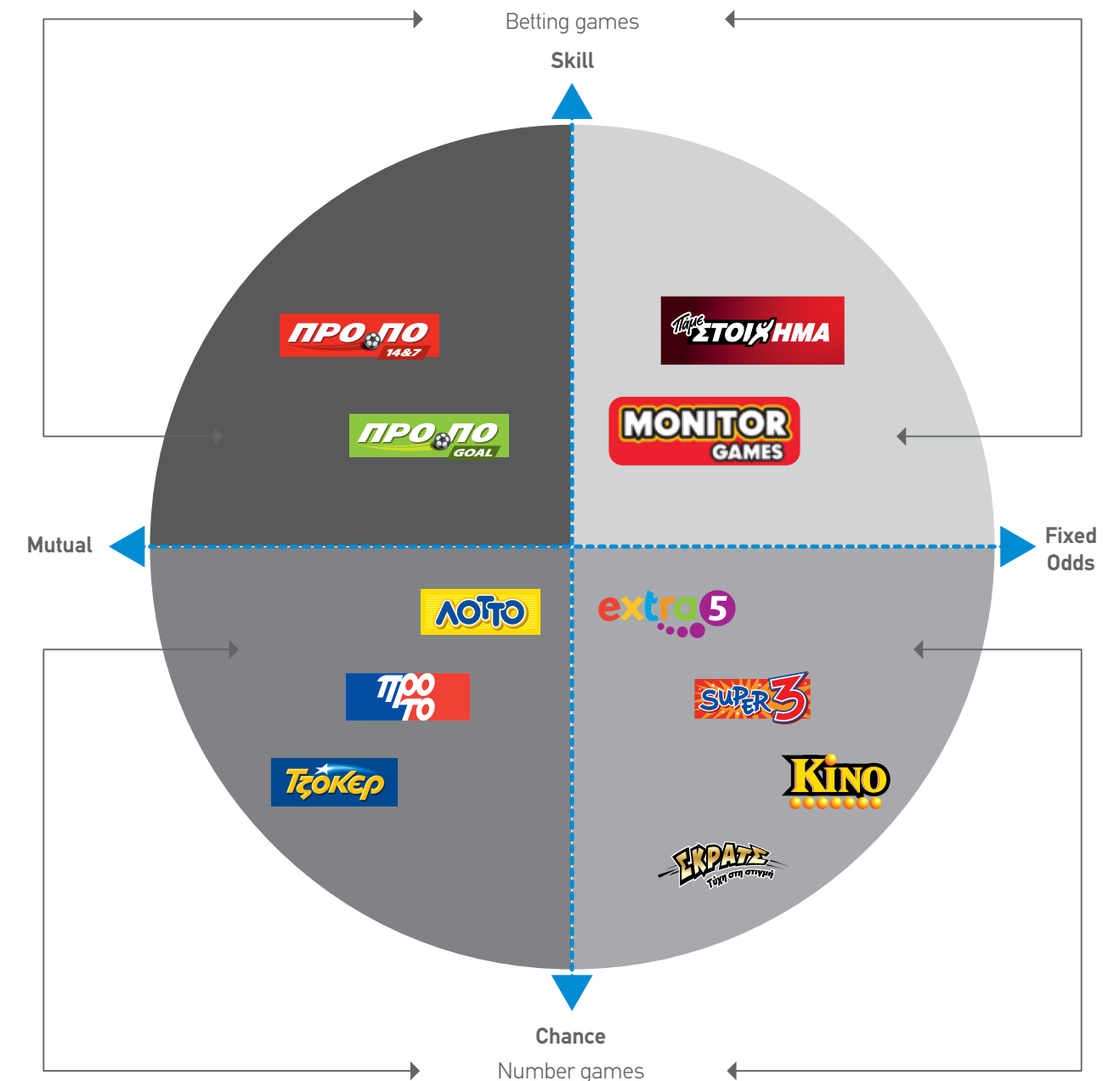
BUSINESS AREA

OUR GAMES

General Operating Terms

Our games are broken into categories of fixed odds and mutual. Fixed odds betting is a form of wagering against odds offered by a bookmaker. Our fixed odds games are then further broken into subcategories of lottery, sports betting and virtual games. Mutual betting is a form of wagering in which all bets of a particular type are placed together in a pool and payoff odds are then calculated by sharing the pool among all winning bets.

The graph on the right sets out our games on the spectrums of fixed odds to mutual and those requiring more skill and those relying more on chance.





The largest revenue contributor for OPAP

Kino is a fixed odds numerical lottery game which was introduced in 2003, fully rolled-out in 2004 and has since become our most successful game.

Kino is based on draws that take place every five minutes during playing hours and is available for 15 hours daily, for a total of 180 draws per day. For each draw, 20 numbers are drawn out of a total of 80 numbers, using an electronic integrated encryption system that generates numbers. The customers may select among 12 different types of **Kino** games, with each type differentiated by the number of correct numbers each customer must select in order to be classified in the top winning category of that type of Kino game.



With 21% increase of sales in 2014 it remains one of the most successful games



The **Pame Stoixima** game, first introduced in 2000, is a fixed odds betting game in which winning depends on correctly guessing the results of mainly sporting events, but other events as well (given that by their nature allow for wagering).

PAME STOIXIMA, which means wager in Greek, is currently our second most successful game.

The **Pame Stoixima** game includes absolute fixed odds (where payouts are fixed and known to customers at the time they wager) and variable fixed odds (where payouts change during the wagering period, in



The game with the highest awareness amongst our game portfolio

Joker is a numerical lottery game which was introduced in 1997. It requires the selection of numbers from two fields and an exact match of five numbers (the "main numbers") drawn out of a series of 45 numbers (ranging from 1 to 45), as well as an extra number, which is drawn from a series of 20 numbers (ranging from 1 to 20). Customers can play by marking single columns or using systems (e.g. full, standardized or a combination of the two) and can benefit from eight prize categories.

accordance with amounts wagered and are fixed and known to customers only after the end of the wagering period], where winning is dependent upon correctly guessing the results of it certain events (sports and other). Existing games include wagering on football games, basketball games, Formula 1 and international tennis. PAME STOIXIMA's most important sporting events include the Greek football league, the Greek basketball league, UEFA Champions League, the European Football Championships and the English, Italian, Spanish and German football leagues' seasons.

The game that was launched first

The **Propo** game is a sports betting game introduced in 1959. Winning is dependent upon correctly predicting the results of a series of 14 football matches or, alternatively, the results of the first seven football matches of the same series.





Super 3 is a numerical fixed odds lottery game in which winning is dependent upon the prediction of one to three numbers out of a three digit number drawn three times a day. Super 3 was introduced in 2002.



Lotto is a numerical fixed odds lottery game for selecting numbers and has to do with the accurate prediction of 6 numbers from a series of 49 numbers, from 1 to 49, plus an additional number (7th). Historically, Lotto, which was introduced in 1990, was one of our most successful games.



Propo-goal is a game where winning is dependent upon correctly predicting the football matches (domestic as well as international) with the highest number of goals. OPAP introduced Propo-goal in 1996.

Proto was introduced in 1992 and is a numerical fixed odds lottery game that has to do with the exact and in series prediction of the 7 digits of a number starting from 0.000.000 to 9.999.999 which derives from a draw.



Extra 5 is a numerical fixed odds lottery game introduced in 2002, where the player has to accurately predict 5 numbers that are drawn from a series of 35 numbers, from 1 to 35.



The new member in OPAP games family with great potentials

Scratch is an instant win game. Scratch cards require the player to scratch off certain areas hiding numbers or symbols and in case the correct items are revealed the card is a winning card. More complicated scratch cards offer several different ways to win on one card. Scratch cards come in a large variety of themes, which offer customers new play options. The high win frequency (approximately one in four cards is a winning card of any type) encourages a high level of consumer interest and drives the product's current success. Scratch tickets are distributed through 4,667 dedicated and branded agent branches and 3,800 additional POS in supermarkets, kiosks and street vendors throughout Greece.





Laiko is a lottery that pays out a jackpot prize and lottery tickets are issued in either sets of five or as single tickets. Draws are held every Tuesday and the payout for Laiko is over 60% of its gross proceeds.

MONITOR GAMES

Another relatively recently launched game (2011) is **Monitor Games** which includes a range of fixed odds virtual games played over video monitors in our dedicated and branded agent branches, in real time.



Ethniko is a subscriber game where approximately 70% of players have a chance of winning. In Ethniko, there is a series of consecutive draws lasting for a four-month duration. For every draw, tickets are sold in sets of ten or as single tickets.





Πάμε
ΣΤΟΙΧΗΜΑ

WHAT IS IT?

The **Pame Stoixima** game, first introduced in 2000, is a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. Existing games include wagering on football games, basketball games, Formula 1, tennis and baseball.

In 2014, **Pame Stoixima** generated €1,523.5 million in revenues and €434 million in GGR, representing 35.8% and 31.5% of our total revenues and GGR, respectively.



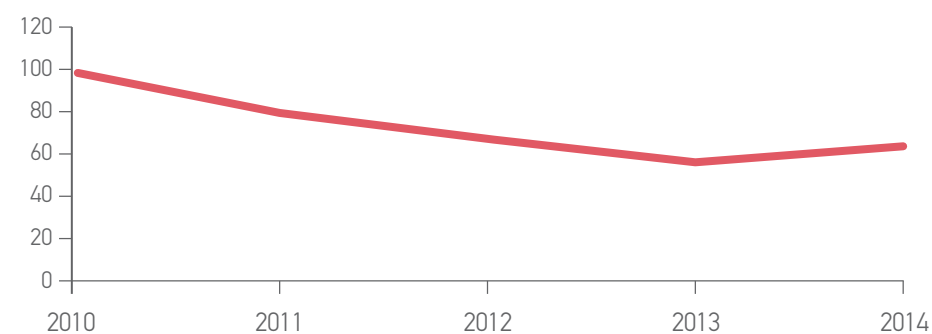
2014
ANNUAL REPORT



Sportsbook operations and growth drivers

In 2014, OPAP's sportsbook experienced a 12% increase on the number of coupons played, while more importantly the value per bet slip increased for the first time since the economic crisis erupted, up by a notable 8% y-o-y. We believe that the reported growth came as a result of the rejuvenation actions that commenced in late Q4 2013 and carried a positive impact throughout 2014.

Price per slip (base 2010:100)



+8%

in 2014 compared
to last year

Live
increased by
a massive
207% in 2014

The sportsbook consists of both pre-game and live betting. Live betting is undoubtedly the dominant growth driver in the sports betting industry, and as such 2014 was the first year that OPAP managed to exploit this emerging trend. In particular, live increased by a massive 207%, on the back of the significant increase of offered events. As a result, live betting accounted for 13.9% of the total sportsbook revenues and is expected to grow further in 2015.

Football accounted
for 91.6% of Pame
Stoixima turnover
in 2014

Football has remained since the commencement of operations by far the most popular sport now accounting for 91.6% of Stoixima turnover. PAME STOIXIMA's most important sporting events include UEFA Champions League, the European Football Championships, and the Greek, English, Italian, Spanish and German football leagues' seasons.

World Cup

Major football events are always on the spotlight of sports fans and the World Cup that took place in Brazil between June-July 2014 was no exception. Despite playing hours' constraints caused by the time difference handicap between Greece and Brazil that carried an impact on the specific event related performance, revenues reached a considerable €157m and the number of slips increased substantially vs. the same type of event in 2010.



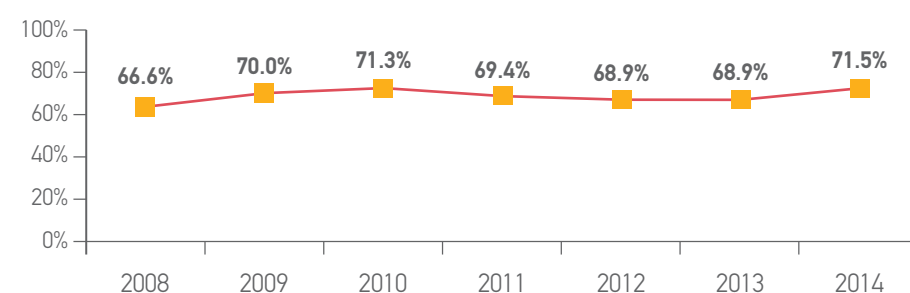
FIFA WORLD CUP
Brasil



Risk Management

We operate and manage Stoixima and are responsible for all matters relating to the collection and distribution of wagers and prize money. We set the odds for the game, and our sports-betting team has implemented a comprehensive risk management methodology at different stages of the sport-betting cycle. At any given time, we are able to track the bets placed so as to monitor the liability of each game and of our entire book. In the past couple of years Stoixima payout has been consistently close to the target of 70% which proves the sports betting team's ability to effectively manage the book. The ongoing increase of live offering as a % of the total book, is expected to gradually increase both the revenues and the payout of PAME STOIXIMA.

Pame Stoixima payout ratio



+93%
in 2014 in
the no. of events
offered
as singles

+60%
in 2014 in
the no. of events
offered
as doubles

+21%
in 2014
in revenues

+12%
in 2014
in no. of slips



2014: THE YEAR OF THE SCRATCH



A WORLD OF FUN

- Scratching - The playful & interactive way of participation
- The unique "instant win experience"
- The experience of adrenaline, mood escalation, the discovery of what is behind it, the surprise.

A WORLD OF GAMING CHOICES

- Four different price points, 1€, 2€, 3€ and 5€
- Big range of prizes within the same game, up to 13 different prize tiers
- A range of top prizes, from 10.000€ to 500.000€
- Variety of themes, colours, playstyles, win experience
- Diverse channels, OPAP stores, retail chains, kiosks, mini markets, gas stations and street vendors.



MONOPOLY TM & © 2014 Hasbro
Δικαιούχος παντός
νομίμου δικαιώματος HASBRO.

18

Η συμμετοχή στο παιχνίδι
επιτρέπεται μόνο σε άτομα
άνω των 18 ετών.

A FUN GAME
ON THE GO!

✓ Average number of
winning tickets per
day: **120,000**

✓ Total number of
winning tickets:
28,775,332

✓ **22,000** winning
tickets ranging
between 150€ to
500,000€

✓ Total number of
winnings: **174,056,056€**



DISTRIBUTION NETWORK

CONVINIENT LOCATIONS FOR OUR CUSTOMERS

We distribute the games we operate and the services we provide through 4,667 dedicated and branded agent branches throughout Greece and 194 in Cyprus, while there are also 3,800 POS for the distribution of scratch tickets and passive lotteries. Our agency network is one of the largest exclusive commercial networks in Greece.

“With 4,861 agencies in Greece and Cyprus and another 3,800 POS, OPAP operates one of the largest retail networks”

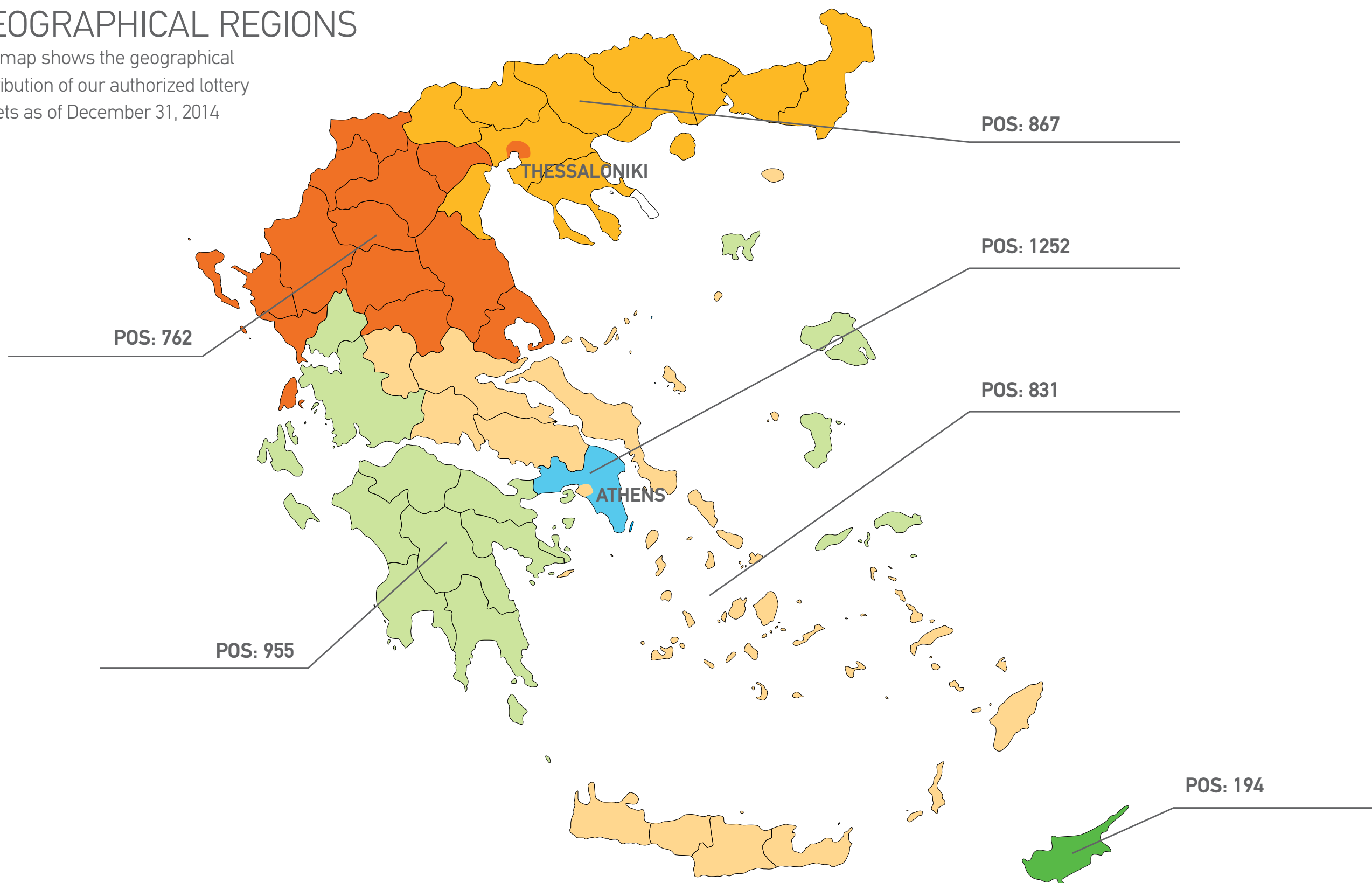
2014
ANNUAL REPORT





GEOGRAPHICAL REGIONS

The map shows the geographical distribution of our authorized lottery outlets as of December 31, 2014





INFORMATION TECHNOLOGY

We support the operation of a large distributed sales network consisting of dedicated and branded agent branches in Greece and Cyprus. These branches are equipped with a fleet of terminals securely connected to our data processing center via dedicated lines, which are provided by major telecom providers.

All of the critical processing, including playing, winning ticket identification, payment and financial settlement with the agents, occurs at the central system. The agent branches are equipped with a sophisticated digital signage system that enables the transmission of audiovisual content and real time game-related information.



SECURITY

Total reliability and transparency for everything we do to ensure absolute security

Reliability and transparency in relation to the operation of our games and provision of services are ensured by several security measures designed to protect our information technology system from breaches in security, such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Our security measures cover our data processing system, our software applications, the integrity and availability of data and the operation of our on-line network.

2014
ANNUAL REPORT





RESPONSIBLE OPERATION RESULTS

2014 constitutes a milestone for OPAP in the area of responsible operation, as the company shifted its orientation to the holistic approach of Corporate Responsibility, rather than solely focusing on donations, sponsorships and financial support. Consequently, our aim focuses on being committed to the principles of responsible operation, in the areas of **Internal Operation, Player Protection, Society Support, Employee Care and Financial Results**.

Details and bottom line results are described within our 2014 Corporate Responsibility Report, where we present in detail our quantitative achievements, as well as areas that need to be further improved, in order to fully meet our objectives. Within the Report, which has been prepared for the **first time according to the Global Reporting Initiative's G4 Guidelines**, we make reference to over 40 GRI indicators and a total of over 100 quantitative indicators.

“Committed to the principles of responsible operation, in the areas of Internal Operation, Player Protection, Society Support, Employee Care and Financial Results”

2014
ANNUAL REPORT

OUR CORPORATE RESPONSIBILITY FRAMEWORK





Internal Operations Area: We are convinced that it is imperative to develop our business, while being mindful of the social consequences, since a responsible approach is the only way to ensure consistent value creation over time for both internal and external stakeholders.

Our objective is to operate in a responsible way, resume the responsibilities that our operations might have and, at the same time, improve our competitiveness. For this reason, we:

- Utilize appropriate Organizational Structures
- Operate based on Management Systems
- Identify areas of focus and material issues
- Interact with our Stakeholders
- Focus on quantitative results
- Integrate responsibility in our way of operating
- Apply Internal Audit and Risk Management systems

Indicative results for the year 2014 are listed below (for details please visit our 2014 Corporate Responsibility Report):

- We address 12 Stakeholder groups.
- We had no incidents of corruption.
- We followed a comprehensive approach to identify measures and prioritize key risks that may affect our smooth operation and achievement of strategic objectives.

“For the first time in 2014, in each of the five Areas of Corporate Responsibility, we conducted a Materiality Analysis, in order to systematically identify aspects that concern our Stakeholders. Through the analysis, we have recognized the following aspects for 2014.”

OUR MATERIALITY ANALYSIS

- | | | |
|--------------------|-------------------|---------------------------------------|
| Internal Operation | Employee Care | Material Aspects of high importance |
| Player Protection | Financial Results | Material Aspects of medium importance |
| Society Support | | Non Material Aspects |





Society Support Area: We believe that our long-term success goes side-by-side with creating additional value for the country and communities influenced by our operations. Therefore, we behave in a socially responsible manner and strive to make an active contribution to communities in which we operate, by improving the quality of life of people, as well as proactively handle our potential impact on the environment.

OUR



objective is to combine our business success,

with prosperity and quality of life, for the citizens in the local communities where we operate in, and environmental protection. For this reason, we:

- Contribute to society
- Ensure transparency of donations
- Ensure responsible sponsorships
- Support our suppliers and prefer local suppliers
- Reduce our environmental footprint (i.e.: energy & water consumption, raw materials etc)

Indicative results
for 2014
(for details please visit
our 2014 Corporate
Responsibility Report):



WE SUPPORTED

250 social activities

through our social support program, spending over € 48,000,000 in five main areas: Sports, Culture, Health, Society and Education.



WE GATHERED

182 blood units

through our employees' voluntary blood donation programs



WE REDUCED electricity consumption by

0.5%



WE REDUCED our total carbon dioxide emissions by

0.8%



WE REDUCED paper consumption by

9.2%



WE REDUCED water consumption by

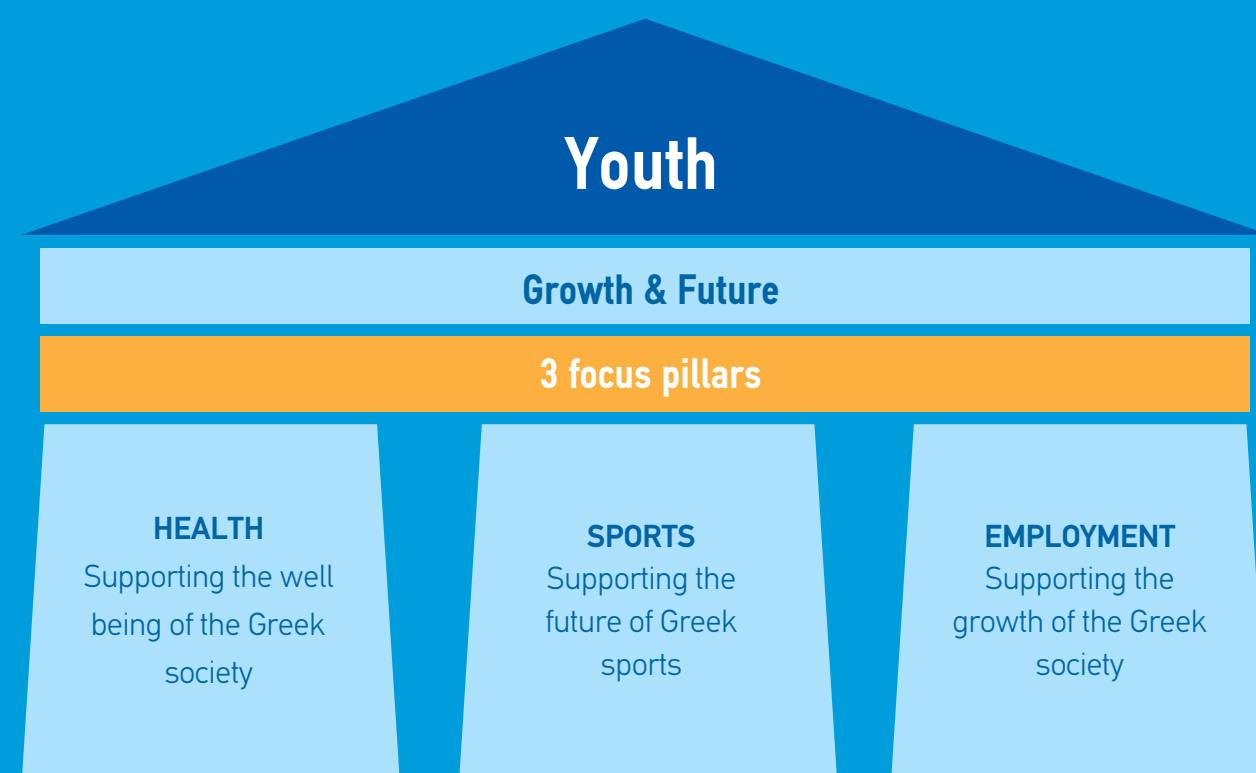
33.9%

**Example of Practice**

Within 2014 we have redesigned our Societal Support strategy, aiming to bring back hope to Greece's youth helping to secure for them a better future. In order to achieve this, we decided to undertake large-scale initiatives that make a difference by meeting real needs in three different segments, as illustrated below:



SOCIETAL SUPPORT AREAS

**SPORTS ACADEMIES**

Within the context of our "Sport Academies" program, OPAP intends to support a national network of Model Academies all over Greece, focusing on football. In 2014, we presented the completely innovative program for the support of 125 amateur football academies all over Greece, which addresses more than 10,000 children, 7-10 years old. Adopting the "athletes of today, better people of tomorrow" motto, we aim to bring children closer to sports and set completely new standards in sports education, thus contributing to the establishment of a solid ground for the future of sports in Greece. The program highlights the educational and entertainment role of sports, by focusing on values that are inherent, like fair play, respect, ethos and teamwork.

Our vision is a network of academies that serves as "schools of life", where every child can participate, every child can play and every child can learn that:

- It's not so important how many goals you scored, but how hard you have tried.
- It's not about the passes you gave, but the bravos you said.
- It's not about the times you celebrated the victory, but the times that you offered sympathy to the losing team.

Example of Practice

By applying our ISO14001 certified Environmental Management System, we aim to reduce our environmental footprint, (i.e.: reducing energy use, water and paper consumption, which are mainly the environmentally linked impacts of our operations).

Environmental Results		
Issue	Consumption 2013	Consumption 2014
Diesel - Heating (lt)	24,000	22,748
Natural Gas (m3)	20,752.6	13,369
Electricity (KWh)	6,417,357	6,384,272
Paper (kgr)	24,197	21,964
Water (m3)	11,579.2	7,647



Employee Care Area: We recognize that achieving our strategic objectives and maintaining our growth are closely connected to the performance of our employees and their satisfaction. Therefore, we preserve and create work positions and cultivate a work environment of transparency, respect, equality and safety for all employees.

OUR



objective is to create a work environment,

which is safe, fair and facilitates the professional and personal development of our employees. For this reason, we:

- Create work positions
- Ensure Health and Safety in our work environment
- Do not tolerate child, forced and abusive labor
- Inform, train and appraise our employees

Indicative results for 2014 are listed below (for details please visit our 2014 Corporate Responsibility Report):

- We directly employ 650* employees, while we support approximately 17.000 indirect work positions all over the country.
- We maintained 18% of women in our management positions.

* Data refer to 31/12/2014

Example of Practice

We strive to attract highly qualified potential employees, as well as provide the optimum working and career development conditions, through a fair and safe working environment. At the same time, we are committed not to employ any person below the legal age work limit and do not tolerate any coercive or abusive labor in any of our premises.

Employee Distribution					
Hierarchy	CEO/ General Managers/ Managers	Area Managers / Department Heads	Employees		Total
Employees (number)	44	57	549		650
Type of Employment	Permanent	Temporary	Full-Time		Part-Time
Employees (number)	627	23	649		1
Age	<30	30-50	>50		
Employees (number)	33	550	67		
New hires	Female	Male	<30	30-50	>50
Employees (number)	54	142	17	170	9
Gender	Female	Male			
Employees (number)	309	341			
Categories	Handicapped	Foreigners			
Number	9	8			
Working place	Peristeri	Kifisia	Thessaloniki		
Employees (number)	582	12	56		
Education level	High School	TEI	University		
Employees (number)	287	62	301		
Duration of Employment	<5 Years	5-10 Years	>10 Years		
Employees (%)	33.5	59.5	7		

* Data refer to 31/12/2014



Financial Results Area: We seek to align our continuous support to society with economic development, in order to establish a long-term sustainable business and at the same time strengthen our presence in the Greek gaming industry. Therefore, we strive to create value to different Stakeholder groups and contribute to the country's development and economic sustainability, by properly utilizing our resources.

OUR



objective is to maintain our leading position

in the Greek gaming industry, while achieving positive financial results, and contribute to the country's development. For this reason, we:

- Distribute economic value generated to our Stakeholders
- Help our network develop

Indicative results for 2014 are listed below (for details please visit other sections of our Annual Report):

- We maintained prize payouts to over 67%.

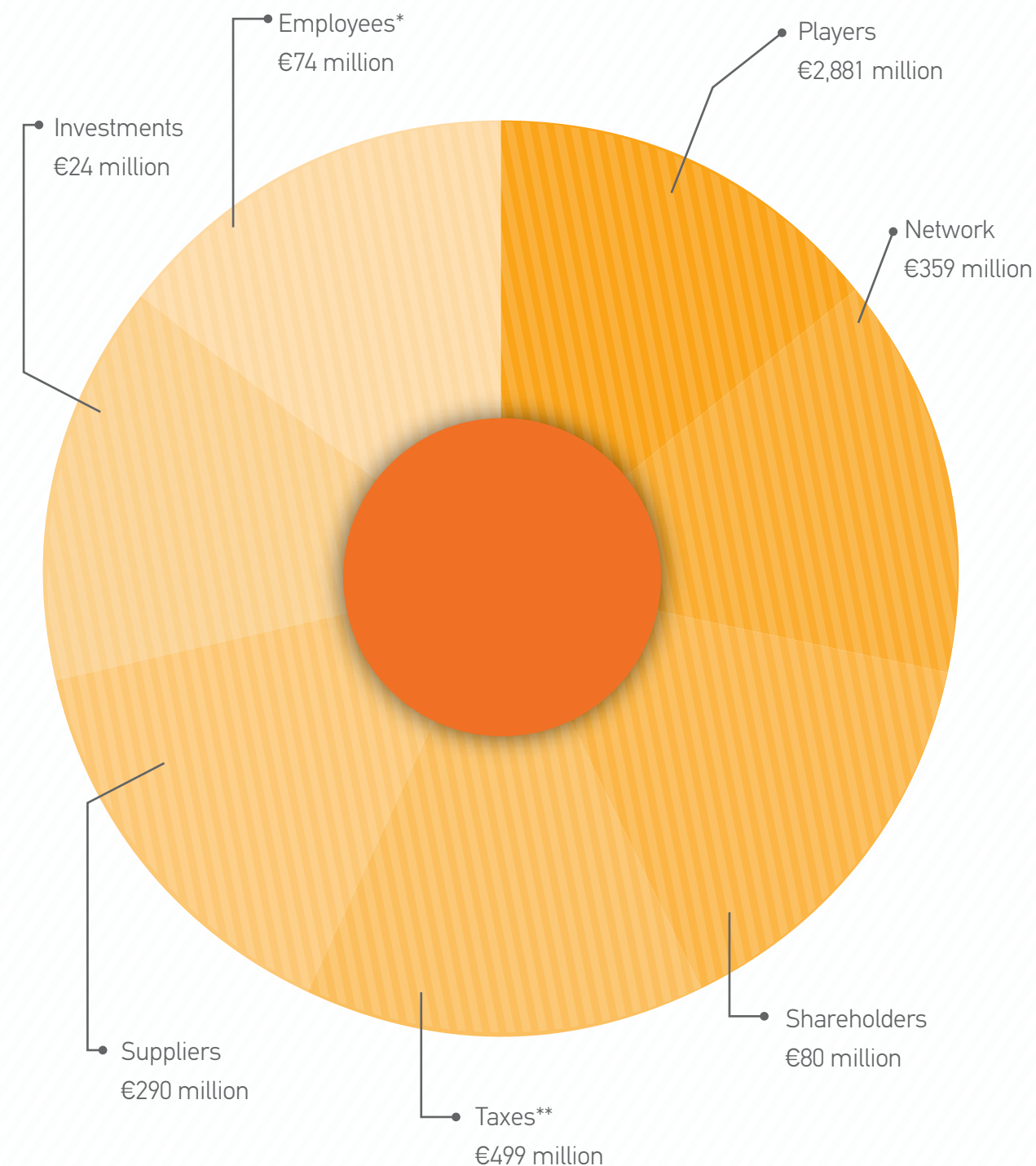
Greek State & Agents received the vast majority of our economic value

Example of Practice

We seek to create economic value not only for our shareholders, but also for our other Stakeholders, as it is particularly important in the current challenging business environment. Our turnover and operations ensure that we give significant financial resources back to society. In 2014, we:

- Paid out over €2,881 million to players, through payout to lottery and betting winners.
- Distributed over €359 million to our network, through commissions.
- Distributed over €80 million to our shareholders, through dividends.
- Paid over €290 million to suppliers, through purchases.
- Distributed over €74 million to employees, through wages, benefits and insurance payments.
- Paid over €499 million in taxes.
- Utilized over €24 million in investments.

Economic Value Distributed



* Amount refers to wages, benefits and insurance payments.

** Amount refers to total taxes



RESPONSIBLE GAMING

OUR PHILOSOPHY

Responsible gaming is a central element in the sustainability strategy of OPAP. In particular, OPAP as the leading gaming operator in Greece, aims to create and offer to the players the best products, by adopting the highest standards of integrity and responsibility and at the same time producing value for its shareholders and the society in which it operates. This means optimizing growth of the business by operating in an ethical, responsible, safe, and legal manner, through a model of sustainable development. The company understands that because of its potential social impact, responsible management of its business is inseparable from other business activities.

We seek to make gaming and betting safer for all people. Therefore we undertake every effort to continuously support our customers in order to meet their needs in a responsible and transparent manner.

2014
ANNUAL REPORT

*We seek to make gaming
and betting safer
for all people.*

*Therefore, we
undertake every effort
to continuously support
our customers in order
to meet their needs
in a responsible and
transparent manner.*









RESPONSIBLE GAMING FRAMEWORK

OPAP's extensive experience in the gaming industry, demonstrates that a responsible gaming approach should incorporate and govern all management activities of the business in order to safeguard the interests of players and the community in general. The Company's responsible gaming framework, which reflects the one adopted by the World Lottery Association, consists of activities that aim to ensure responsible growth.

PROMOTING TRUST



				
RESEARCH	EMPLOYEES	SALE AGENTS	GAME DESIGN	PLAYER EDUCATION
REMOTE GAMING CHANNELS	ADVERTISING & MARKETING	TREATMENT REFERRAL	REPORT & MEASURE	STAKEHOLDER ENGAGEMENT
ACROSS THE BOARD				



THE **AREAS OF THE FRAMEWORK** FALL UNDER THE FOLLOWING ACTIVITIES:



Employee Program:

Awareness of employees on the risks of irrational playing and the principles of responsible gaming.

We recognize that our employees have a vital role in player protection. Ensuring that all our employees are informed about responsible gaming issues enables us to have a common understanding of underage protection and responsible gaming, and equips them to look after our customers better. By delivering integrated communication campaigns and regular standalone messaging, we provide our employees with regular and informative updates regarding responsible gaming.

Research:

Studies and research on the monitoring of problematic gaming.

In order to continue in contributing to society's understanding of problematic gaming, we see it as our duty to monitor the phenomenon. We go beyond our financial support to independent research organisations and welcome industry dialogue that gives us the opportunity to strive for best practices every day.

In particular OPAP has supported an independent research study conducted by the National & Kapodestrian University of Athens – Aiginitio Hospital.

Agents Program:

Awareness and training of the sales network.

We work hard to ensure that our agents share our commitment regarding Responsible Gaming, are aware of the measures we have in place and know how to apply them. In particular, we provide mandatory training for all new agents through our sales team, that covers responsible play, underage protection, treatment referral and

consumer protection issues. We also run awareness raising campaigns in order to inform and sensitize our sales network about responsible gaming. In addition, we have developed a dedicated site about responsible gaming, where everyone can find useful information.



Game Design:

Incorporate Responsible Gaming messages to all our products.

We believe that prevention, rather than cure, should always come first and this is why we offer to players games that are both responsible and fun to play. Training our employees and partners on responsible gaming has enabled us to create a common understanding of what types of games we can launch. Also we have incorporated responsible gaming messages to all our products in order to inform and sensitize players. In particular we ensure that all of our products display the responsible gaming logo and the HelpLine number. Information about the odds of winning a prize is also featured on all our products.

Advertising and Marketing Communications:

Development and application a self-regulating code, in addition to applicable jurisdictional legislation on advertising games of chance to ensure appropriate and responsible communication.

Advertising and marketing communications have always been an important aspect of our business strategy, allowing us to effectively promote the work we do. Our aim is to ensure that our advertising and marketing communications are appropriate to our audience and do not encourage excessive or underage play.

For this reason, we have developed our advertising and marketing communication code that ensures that our marketing activities do not encourage underage or excessive play. In addition, our marketing and advertising agencies are thoroughly briefed in order to be able to work with us by closely following our code.

Remote Gaming Channels:

Development of online self-limitation, self-exclusion and self-evaluation tools to prevent excessive playing and to forbid access to games by minors.

We aim to assist our customers to play responsible in the online environment. Our success in protecting players in the online environment results from the fact that we implement the following practices:

- Age verification system
- Self- exclusion options for players
- Controls for customer spend
- Information about Responsible Gaming



Player Education:

Awareness and informational campaigns about the potential risks connected to games, moderate and balanced game behavior and the importance of protecting minors.

Educating consumers about gaming is extremely important. We believe we can play our part in increasing awareness and ensuring that gaming always remains fun. This is why we put such an important emphasis on player and general public education. In order to be effective, we seek

to use all relevant platforms possible to reach our players and provide them with the right information about responsible gaming. In particular all of our retailers have responsible gaming information readily available for players in many different formats (leaflets, posters, stands etc) and a highly visible sticker is located in shops to remind players that the minimum playing age is 18. Also extensive information is available online, on OPAP's dedicated microsite, <http://responsiblegaming.opap.gr/>, its

corporate site as well as on every product's site. In addition in 2014 we run an integrated awareness raising campaign with the aim to communicate to players that "a game is fun only when it is responsible" and the 2 basic rules of responsible gaming:

- Don't play if you are under 18 years old
- Don't exceed your limits

Treatment Referral:

Support of help services and helplines, for players who are facing problems and their families.

Although prevention is always more preferable than cure, it is not possible to ignore the fact that a minority of players will face some problems related to excessive play. For this reason, we collaborate with the treatment organization KETHEA ALPHA and we offer psychological support and advice not only to players but also to their

family members. It is worth mentioning that information about treatment services is included on all of our products, our Communication Campaigns and that our employees, partners and retailers are aware of the referral process. Enhanced tools and information are available on the dedicated microsite <http://responsiblegaming.opap.gr/>, such as the questionnaire "What type of player are you?" This test aims to remind players that playing should remain a fun activity.

Stakeholder Engagement:

We interact with national and international experts, researchers, and associations with the aim to identify and implement the most effective initiatives.

Stakeholder engagement forms the basis of the way we do business and shapes our strategic direction. In particular, in order to promote an open and constructive stakeholder dialogue on responsible gaming we conduct one to one meetings with key stakeholder groups, we form working

teams with experts in order to design and implement programs that aim to protect the players, we seek consultation from The World Lottery Association and the European Lotteries and we participate in the events and seminars organized by these 2 leading organizations in the world.

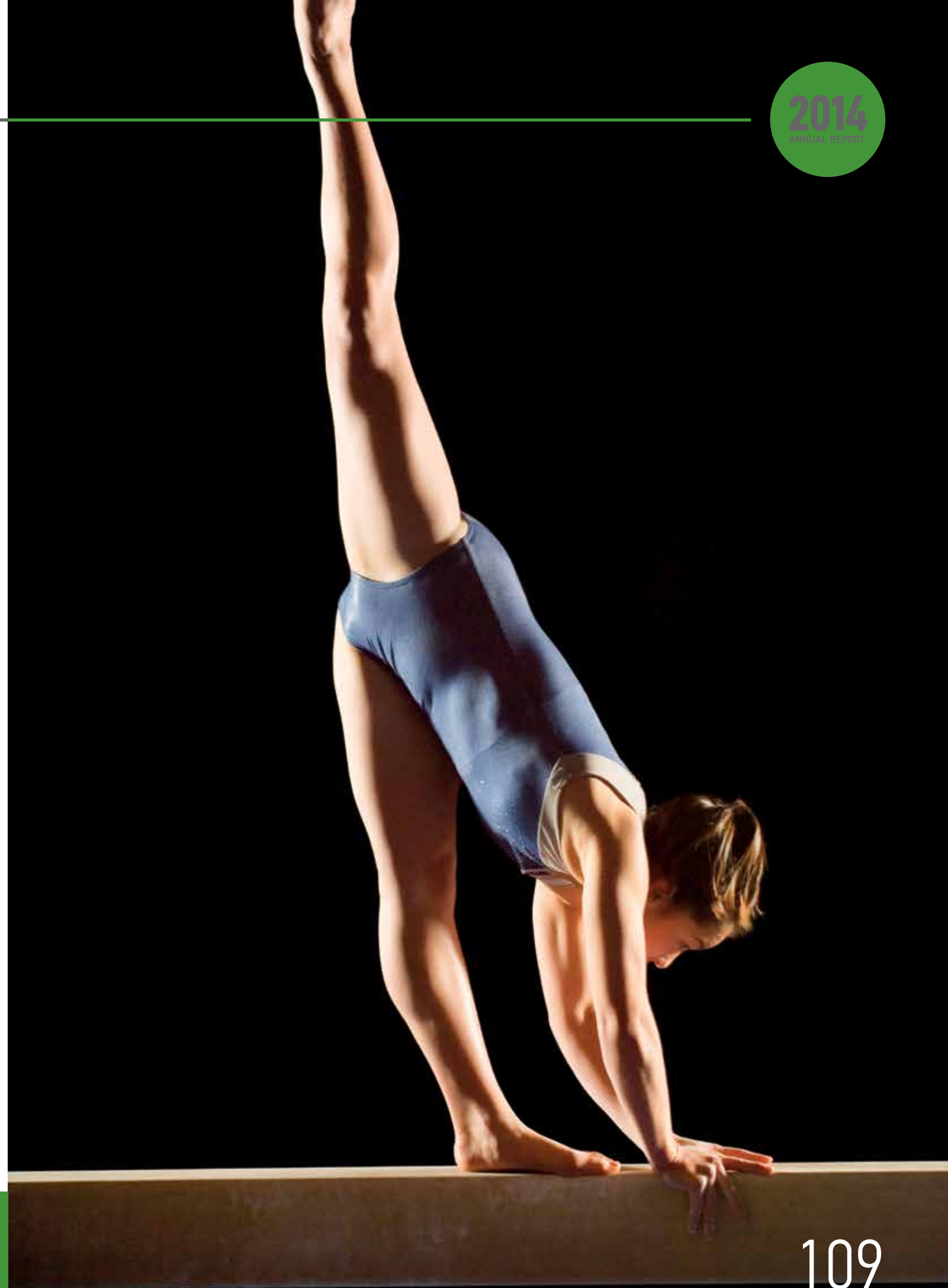


Reporting and Measurement:

Annual report on the commitments undertaken, the activities carried out, and the results achieved.

We have a long-standing and deeply embedded approach to reporting and transparency, which is critical to enable us and our stakeholders to track our progress and identify further improvement opportunities. Our strategies to prevent

underage and excessive play are based on the World Lottery Association Principles and Framework for Responsible Gaming and the European Lotteries Responsible Gaming standards. Also we include in our financial and CSR report a dedicated section regarding the initiatives we implement in the frame of Responsible Gaming.



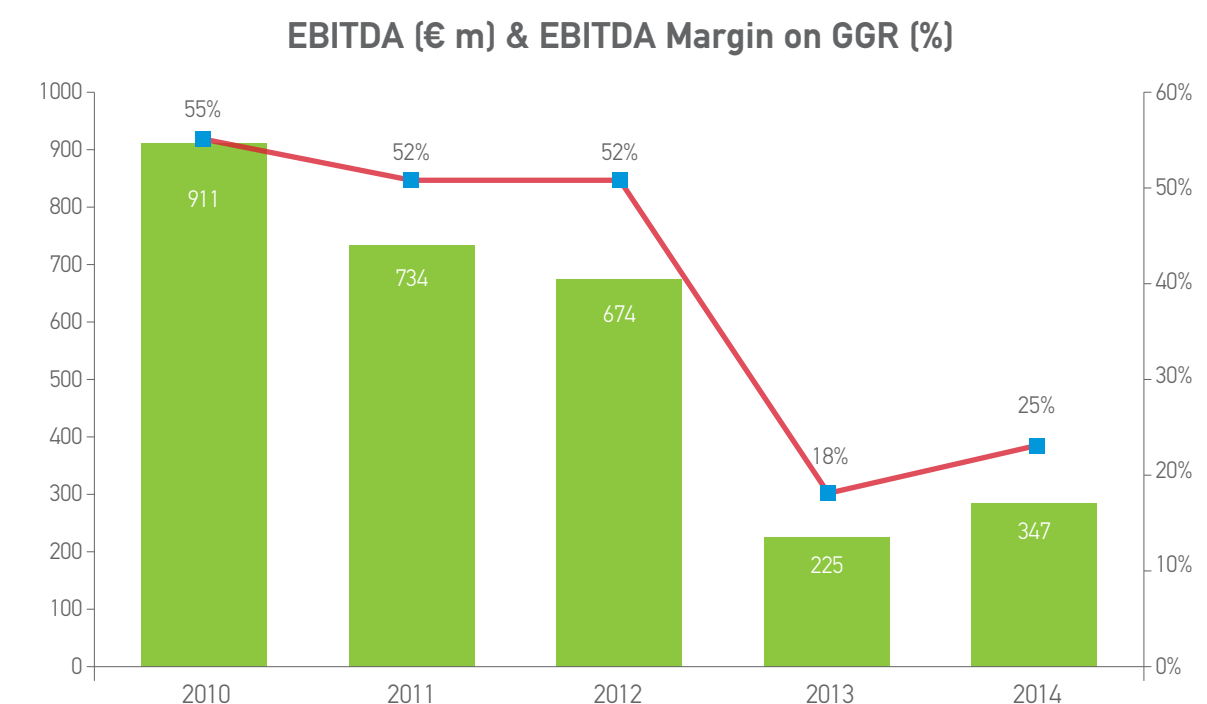
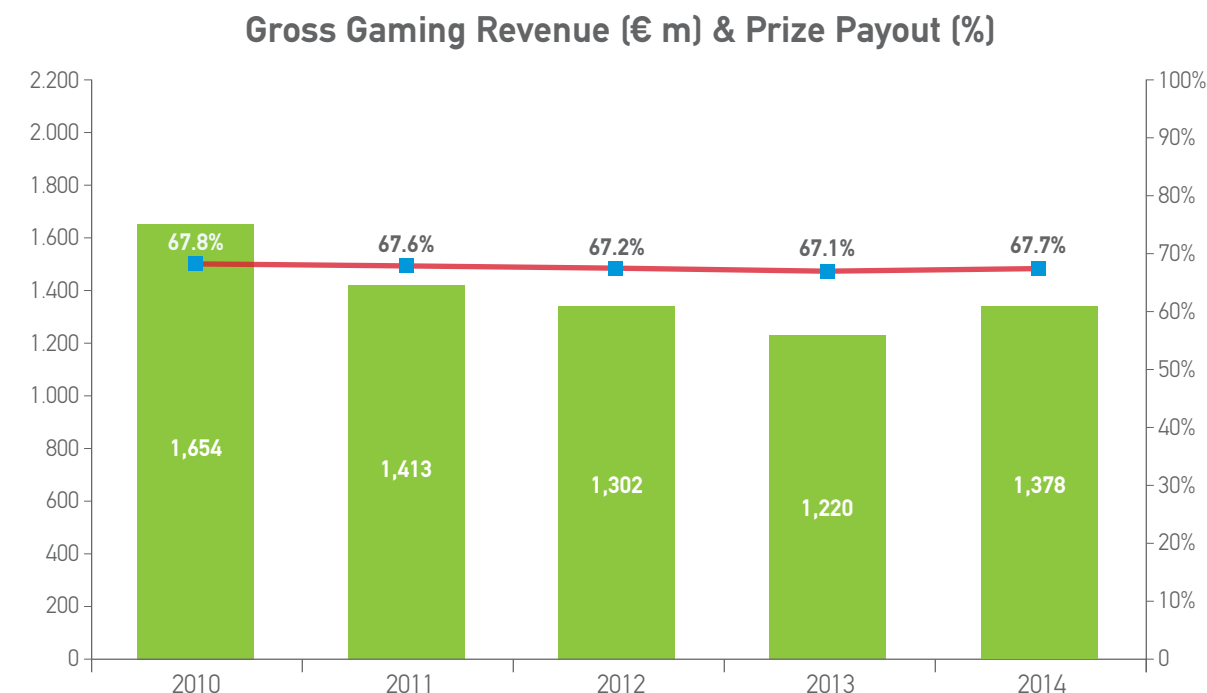
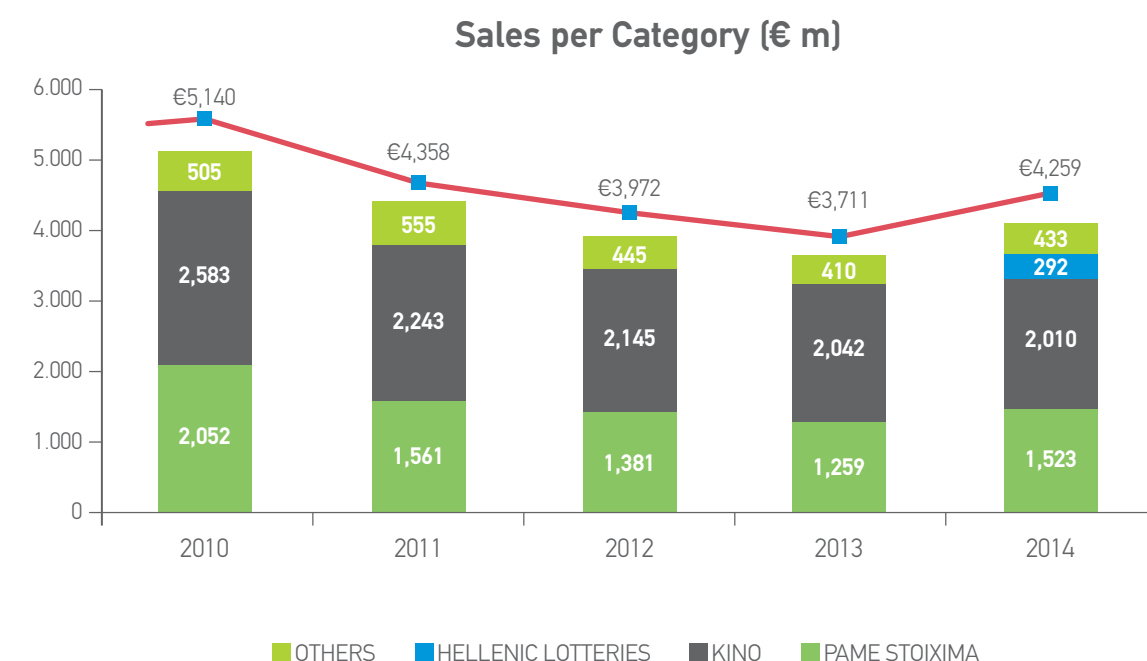


FINANCIAL OVERVIEW

In the first year of OPAP's transformation to a fully private company, our financial results exhibited a strong rising trend in every metric, demonstrating our commitment towards delivering tangible value to all of our stakeholders. The improvement came as a result of new product offering, successful rejuvenation actions pertaining to our legacy portfolio & cost optimization in every segment of our business.

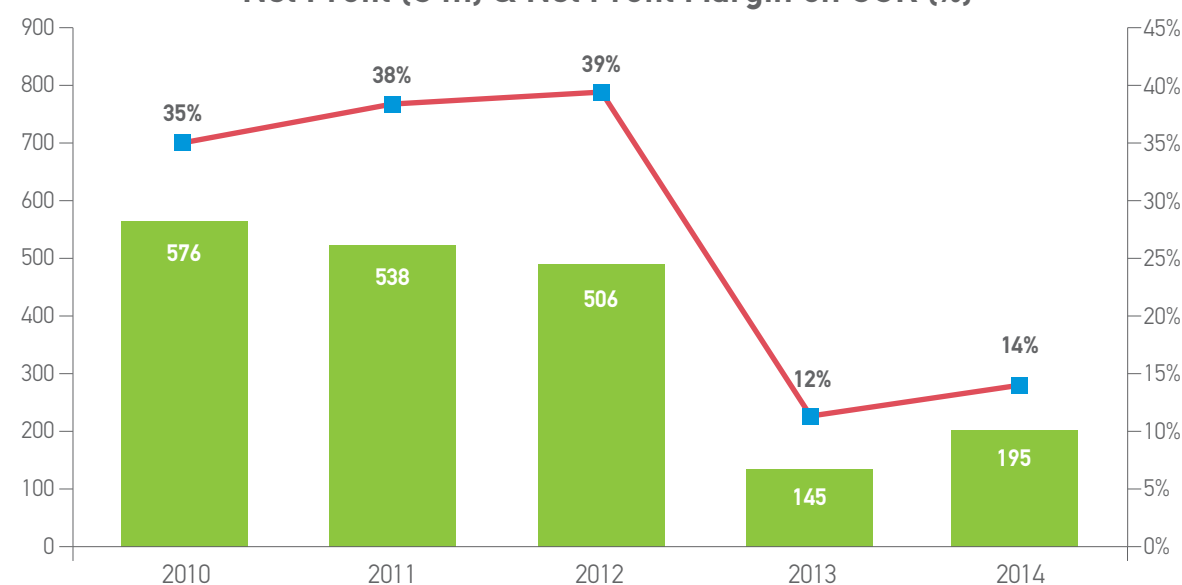
In a nutshell, despite the domestic economic turmoil, revenues increased by 14.8% to €4,259.1m, turning to growth after five consecutive declining years.

In terms of operating profitability, **EBITDA** stood at €346.5m, up by 56.3% y-o-y owing in the most part to revenue growth & cost optimization across the Group's operations, leading to an improved by 7p.p. y-o-y **EBITDA** margin of 25.2%. Finally net profit increased by 41.2% to €199.2m





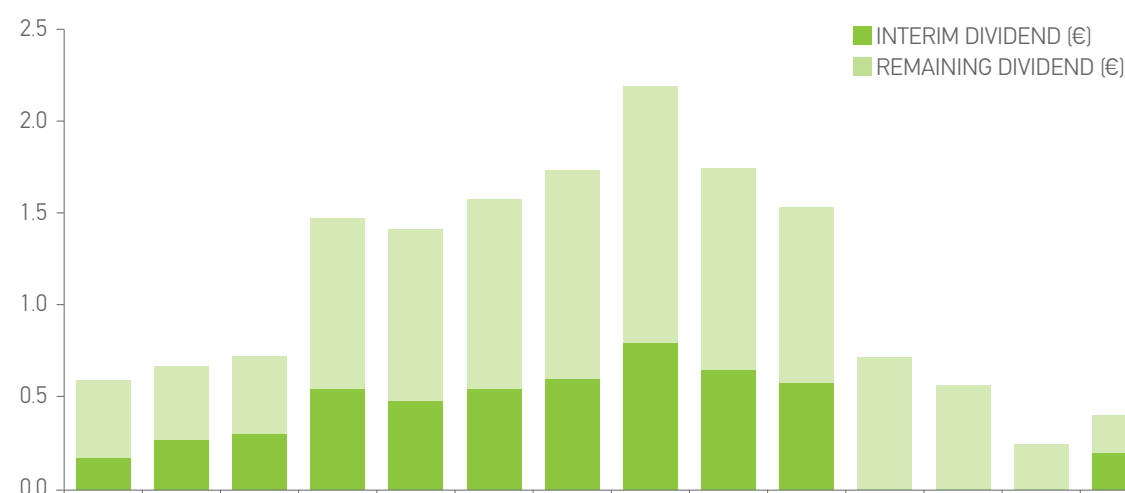
Net Profit (€ m) & Net Profit Margin on GGR (%)



Key figures of statement of financial position

	2010	2011	2012	2013	2014
Total Non-Current Assets	328.9	1,219.3	1,214.2	1,304.3	1,341.5
Cash & cash equivalents	657.5	195.9	367.6	242.0	291.5
Other current assets	234.3	89.0	149.0	55.0	117.8
Total Current Assets	891.8	284.9	516.6	297.0	409.3
TOTAL ASSETS	1,220.7	1,504.2	1,730.8	1,601.3	1,750.8
Total equity	696.6	889.5	1,162.5	1,125.3	1,234.9
Short-term loans	0	33.4	84.9	165.4	1
Other short-term liabilities	447.6	156.1	219.0	235.0	454.0
Total short – term liabilities	447.6	189.5	303.9	400.4	454.1
Long-term loans	0	250.6	165.7	0	0
Other long-term liabilities	76.5	174.5	98.7	75.6	61.9
Total long – term liabilities	76.5	425.1	264.4	75.6	61.9
TOTAL EQUITY & LIABILITIES	1,220.7	1,504.2	1,730.8	1,601.3	1,750.8

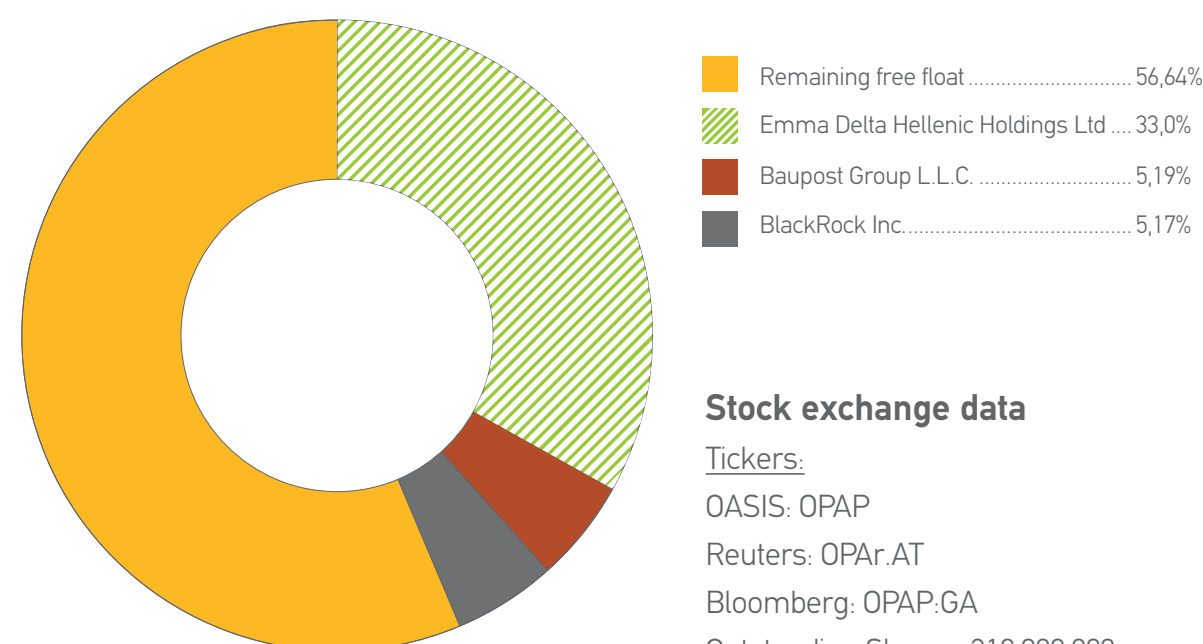
Dividend Policy



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014*
Dividend per share (€)	0.60	0.67	0.73	1.48	1.42	1.58	1.74	2.20	1.75	1.54	0.72	0.57	0.25	0.45
Dividend payout (%)	79.4%	103.7%	99.1%	93.4%	98.8%	98.9%	97.1%	96.3%	94.0%	85.3%	42.9%	36.0%	56.0%	74.0%

*Subject to AGM approval

Shareholder structure



Stock exchange data

Tickers:

OASIS: OPAP

Reuters: OPAr.AT

Bloomberg: OPAP:GA

Outstanding Shares: 319,000,000

Market Cap.: 2.6bn (March 2015)



ANNUAL FINANCIAL REPORT

From January 1st to December 31st 2014
According to article 4 of L. 3556/2007

TABLE OF CONTENTS

I. Representation of the Members of the Board of Directors	5
Independent Auditor's Report.....	6
II. Board of Directors' Report for the period 1.1.2014 -31.12.2014	8
A. Financial progress and performances of year 2014	8
B. Main developments during the year of 2014 and their effect in the financial statements	10
C. Main risks and uncertainties	15
D. Company's strategy and Group's prospects for the year 2015	18
E. Related Parties significant transactions	21
F. Corporate Governance Statement	23
G. Dividend policy – Distribution of net profit	45
H. Number and par value of shares	46
I. Subsequent events after the end of fiscal year 2014 and until the announcement of the annual financial report.....	46
ANNEX.....	46
EXPLANATORY REPORT TO THE ORDINARY GENERAL MEETING OF OPAP S.A. SHAREHOLDERS PURSUANT TO ARTICLE 4 PAR. 7-8 OF LAW 3556/2007	46
III. Annual Financial Statements	50
1. Statement of Financial Position	51
2. Statement of Comprehensive Income	53
3. Statement of Changes in Equity.....	54
3.1. Consolidated Statement of Changes in Equity	54
3.2. Statement of Changes in Equity of OPAP S.A.	54
4. Cash Flow Statement.....	55
5. Information about the Company and the Group	57
5.1. General information	57
5.2. Nature of operations	57
6. Basis of preparation.....	60
6.1. New Standards, amendments to standards and interpretations.....	61
6.2. Important accounting decisions, estimations and assumptions.....	65
6.3. Consolidation method change of the company HELLENIC LOTTERIES S.A.	68
6.4. Seasonality.....	69
7. Summary of accounting policies	69
7.1. Basis of consolidation and investments in associates.....	69
7.2. Foreign currency translation	72

7.3. Operating segments.....	72
7.4. Income and expense recognition	72
7.5. Property, plant and equipment	74
7.6. Intangible assets	75
7.7. Goodwill	76
7.8. Impairment of assets	76
7.9. Leases	77
7.10. Other non-current assets.....	78
7.11. Financial assets	79
7.12. Inventories	80
7.13. Cash and cash equivalents	80
7.14. Restricted cash	80
7.15. Equity	80
7.16. Income tax and deferred tax	81
7.17. Provisions, contingent liabilities and contingent assets	82
7.18. Financial liabilities	83
7.19. Retirement benefits costs	84
7.20. Investment property	84
8. Structure of the Group	85
9. Dividend distribution	86
10. Operating segments	86
10.1. Consolidated Business Segments	87
10.2. Business Segments of OPAP S.A.	88
10.3. Geographical Segments.....	89
11. Notes on the financial statements.....	89
11.1. Cash and cash equivalents	89
11.2. Restricted cash	90
11.3. Inventories.....	90
11.4. Trade receivables.....	90
11.5. Other current assets	92
11.6. Intangible assets	92
11.7. Property, plant and equipment	94
11.8. Investment in real estate properties.....	96
11.9. Goodwill	97
11.10. Investments in subsidiaries.....	100
11.11. Investments in associates.....	101
11.12. Other non-current assets.....	104
11.13. Deferred tax assets / liabilities	104

11.14. Trade payables	105
11.15. Loans	106
11.16. Financial lease	107
11.17. Tax liabilities.....	108
11.18. Other payables	108
11.19. Employee benefit plans	109
11.20. Provisions	112
11.21. Other long-term liabilities	113
11.22. Share capital.....	113
11.23. Reserves	115
11.24. Minority interest.....	116
11.25. Dividends	116
11.26. Payout to the winners	116
11.27. Tax on the net revenues.....	117
11.28. Other revenues.....	117
11.29. Cost of services.....	117
11.30. Other operating income.....	118
11.31. Administrative / Distribution expenses	118
11.32. Other operating expenses.....	119
11.33. Financial results income / (expenses)	120
11.34. Income and deferred tax	120
11.35. Earnings per share	122
11.36. Personnel costs.....	122
11.37. Related party disclosures	123
11.38. Other disclosures	126
11.39. Financial risk factors.....	132
11.40. Subsequent events.....	138
IV. Summary Financial Information for the fiscal year 2014	140
V. Information on article 10 of L. 3401/2005.....	141
VI. Website where the financial report is posted.....	142

I. Representation of the Members of the Board of Directors

(according to article 4, par. 2 of L. 3556/2007)

The members of the OPAP S.A. BoD, of parent company (the “Company”):

1. Kamil Ziegler, Chairman and Chief Executive Officer,
2. Michal Houst, Member,
3. Spyridon Fokas, A' Vice-Chairman

notify and certify that as far as we know:

- a) the Group of OPAP S.A. (the “Group”) individual and consolidated Financial Reporting from 01.01.2014 to 31.12.2014 which have been prepared according to the IFRS, truthfully represent the elements of the assets and the liabilities, the equity and the statement of comprehensive income of the publisher as well as of the companies included in the consolidation, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.
- b) the BoD report truthfully represents the progress, the position and the performance of Company as well as of the Companies included in the consolidation and main risks and uncertainties, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.

Peristeri, 30 March 2015

Chairman of the BoD & CEO

A Member of the BoD

A Member of the BoD

Kamil Ziegler

Michal Houst

Spyridon Fokas

Independent Auditor’s Report

(Translated from the original in Greek)

To the Shareholders of
Greek Organization of Football Prognostics S.A.

Report on the Financial Statements

We have audited the accompanying Separate and Consolidated Financial Statements of Greek Organization of Football Prognostics S.A. (the “Company”) which comprise the Separate and Consolidated Statement of Financial Position as of 31 December 2014 and the Separate and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these Separate and Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these Separate and Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying Separate and Consolidated Financial Statements give a true and fair view of the financial position of Greek Organization of Football Prognostics S.A. as of 31 December 2014 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

- (a) The Board of Directors’ Report includes a corporate governance statement, which provides the information set by paragraph 3d of article 43a of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors’ Report are consistent and correspond with the accompanying Separate and Consolidated Financial Statements within the scope set by articles 37 and 43a and 108 of C.L. 2190/1920.

Athens, 30 March 2015

KPMG Certified Auditors A.E.

KPMG Certified Auditors A.E
3, Stratigou Tombra Str
153 42 Aghia Paraskevi
Greece
AM SOEL 114

Chrysoula Douka
Certified Auditor Accountant
AM SOEL 37551

Michael Kokkinos
Certified Auditor Accountant
AM SOEL 12701

II. Board of Directors' Report for the period 1.1.2014 - 31.12.2014

(according to article 4 of L. 3556/2007)

The Report at hand concerns the year 2014 and has been drafted in compliance with clauses set forth in L. 2190/1920 article 43a par. 3 & 4, article 107 par. 3 and article 136 par. 2. Also according to L. 3556/2007 articles 2c, 6, 7 & 8, and the Hellenic Capital Market Commission Decisions 7/448/11.10.2007 article 2, 1/434/3.7.2007 and the Company's Articles of Association, we submit you for the period 01.01.2014 - 31.12.2014 the annual financial report of BoD which includes audited Individual and Consolidated Financial Statements, notes to the Financial Statements and audit report by the certified public accountants auditors.

The report describes the financial outcome of the Group OPAP S.A. (the "Group") respectively for the year 2014 as well as important facts that have occurred during the same period and had a significant effect on the Financial Statements. It also describes the main risks and uncertainties and the expected course and development of companies of Group. Finally, the corporate governance, the dividend policy, the number and the face value of all shares as well as any transactions that took place between the company and related parties are mentioned.

A. Financial progress and performances of year 2014

Progress and Changes in Financial Figures, Performances

Basic Group economic figures that are mainly determined by the parent company are as follows:

1. Games' Revenues amounted to € 4,259,072 thousand in 2014 vs. the revenues of 2013 amount of € 3,711,059 thousand increased by 14.77%, which reflects: a) the introduction of the NATIONAL, POPULAR and INSTANT LOTTERY (SCRATCH) revenues amounted to € 292,025 thousand due to the change of the consolidation method of Hellenic Lotteries dated 19.06.2014, b) KINO sales decrease by 1.56%, c) PAME STIHIMA (offline and on-line), sales increase by 21.03% (including betting matches of FIFA World Cup during summer period of 2014), d) JOKER sales' increase by 28.48% and e) GO LUCKY and MONITOR GAMES sales' decrease by 20.64%.
2. Gross Profit amounted to € 423,920 thousand vs. € 346,350 thousand in 2013, increased by 22.40%.
3. The Tax on the Net Revenues amounted to € 391,924 thousand vs. € 345,401 thousand in 2013 increased by 13.47%, which was imposed from 01.01.2013 at the rate of 30% on the net revenues of OPAP S.A. (revenues minus payouts to the winners) according to L. 4093/12.
4. Profit before Tax increased by 62.75% and amounted to € 305,579 thousand vs. € 187,756 thousand in 2013.

5. Net Profit After Tax increased by 41.18% amounting to € 199,224 thousand vs. € 141,115 thousand in 2013.
6. The Payout to the Winners and the Cost of Services amounted to € 2,881,392 thousand vs. € 2,491,136 thousand and € 578,050 thousand vs. € 528,172 thousand in 2013, increased by 15.67% and 9.44% respectively.
7. Group Operating Profit (before depreciation and amortization, interest and taxes - EBITDA) amounted to € 346,519 thousand vs. € 221,712 thousand in 2013, increased by 56.29%.
8. Administration, Distribution and Other Operating Expenses amounted to € 135,243 thousand vs. € 151,593 thousand in 2013 decreased by 10.79%. Distribution cost is decreased by 12.28%, mainly concerning parent company's expenses.
9. Financial Results decreased by 85.25% (note 11.33 of financial statements).
10. Group cash flows are mainly determined by parent company cash flows:
 - a) Operational activities cash flows during the year 2014 increased by 3.53% (while EBITDA increased by 56.29%), reaching € 283,529 thousand vs. € 273,874 thousand of the year 2013.
 - b) Investing activities cash outflows amount of € 27,932 thousand in 2014 mainly reflect the increase of cash and cash equipment due to the change of the consolidation method of HELLENIC LOTTERIES S.A. (€ 49,210 thousand) and in first consolidation of PAYZONE S.A. (€ 3,709). The investing activities cash outflows amount of € 130,181 thousand in the relevant period 2013 mainly reflect: i) inflow from restricted deposits amount of € 95,710 thousand, ii) outflow amount of € 128,640 thousand as participation in associate company's share capital (define that this is actually a share capital increase of OPAP Investment in order to participate in the HELLENIC LOTTERIES share capital increase in which holds the percentage 67%) and € 23,342 thousand for purchase of equipment and capital interest of bond loan, iii) the payment of the remaining amount of € 86,025 thousand (paid in November 2013) for the license of installation and operation of 35,000 VLTs and iv) inflows from payment by credit interest sum of € 12,157 thousand.
 - c) Cash outflows from financing activities amount of € 261,998 thousand.

Value Creation Factors and Performance Measurement

The Group monitors the measurements through the analysis of twelve of its basic business segments, which, based on IFRS 8, are the twelve games it conducts, organizes and operates.

The business segment with the highest portion in the sales is KINO that constituted, for the year 2014, 47.20% of games turnover while it contributed the 53.82% of the total gross profit of the Group. Game's revenues amounted to € 2,010,397 thousand vs. € 2,042,309 thousand in 2013, decreased by 1.56%.

Second in sales is the business segment of the betting games "PAME STIHIMA (offline and on-line), GO LUCKY and MONITOR GAMES" that participates in 2014 36.92% in the total sales and 32.55 % in the

gross profit of the Group. Game's revenues amounted to € 1,578,523 thousand vs. € 1,328,238 thousand in 2013, increased by 18.84%.

JOKER still constitutes an important activity segment for the Group. This segment in 2014 constituted 6.26% of the turnover, as well as 12.37% over the total gross profit. Game's revenues amounted to € 266,675 thousand vs. € 207,555 thousand in 2013, increased by 28.48%.

The new introduced games, NATIONAL, POPULAR and INSTANT LOTTERY (SCRATCH) for the period 19.06-31.12.2014, that the HELLENIC LOTTERIES S.A. was fully consolidated in the Group's results, participate in 2014 by 6.86% in the total sales and by 6.15% in the gross profit of the Group, with revenues € 292,025 thousand.

The remaining games SUPER 3, PROPO, LOTTO, PROTO, EXTRA 5, PROPO-GOAL represent 2.62% of the total Group's sales for the year 2014 and 4.92% of the total gross profit, with revenues € 111,451 thousand.

Basic economic figures at the Company level are presented below:

1. Games' Revenues amounted to € 3.759.713 thousand vs. € 3,504,294 thousand in 2013, increased by 7.29%.
2. Gross Profit amounted to € 383,257 thousand vs. € 324,412 thousand in 2013, increased by 18.14%.
3. Operating Profit (before depreciation and amortization, interest and taxes - EBITDA) amounted to € 328,563 thousand vs. € 214,120 thousand in 2013, increased by 53.45%.
4. Profit before Tax increased by 55.89% and amounted to € 297,277 thousand vs. € 190,702 thousand in 2013.
5. Net Profit increased by 35.47% amounting to € 193,262 thousand vs. € 142,665 thousand in 2013.

B. Main developments during the year of 2014 and their effect in the financial statements

Online betting launch and Selection of software provider

On 04.03.2014, OPAP S.A. announced the appointment of GTECH S. p.A. as the provider for the development of its online betting platform.

The assignment came as a result of a Tender Procedure in which four (4) international companies took part. The cooperation of GTECH and OPAP S.A. focuses initially on online sports betting.

On 01.06.2014, OPAP S.A. in order to provide its players audience the games that conducts using state of the art technology launched successfully the operation of the online betting.

Loan payment in full

In March 2014 the Company repaid in full the outstanding balance of its bond loan obligation of € 166,75 million. At the same time it entered into a Revolving Bond Loan Agreement with Piraeus Bank and Geniki Bank which secures OPAP S.A. with a credit line of up to € 75 million for a period of 13 months (expiry date: 10.04.2015). It should be noted that during 2014, part of the loan was used, nevertheless, no repayment liability exists on 31.12.2014

Hellenic Lotteries developments

The Shareholders of HELLENIC LOTTERIES S.A. have resolved: (a) in amending the Company's Articles of Association in areas such as mainly amendments in relation to HELLENIC LOTTERIES S.A. annual budget, the appointment of the key managers etc.; and (b) in amending the supply agreements executed between HELLENIC LOTTERIES S.A. and its shareholders. Major amendments are the following: (i) the fees of SCIENTIFIC GAMES INTERNATIONAL INC. ("SGI") (for the Instant Ticket Supply Agreement), INTRALOT S.A. (for the Integrated Information System Agreement and for the Support Services Agreement) and OPAP S.A. (for its Retail Network Agreement) are decreased by 25%; and (ii) INTRALOT S.A. is entitled to a one-off up-front fee of € 5 million (VAT included) for the transfer of ownership of part of the equipment of the Integrated Information System. The amendment of SGI's supply agreement has already been executed on March 2014, whereas OPAP S.A. and INTRALOT S.A. by May 2014.

As a result of (a) above, i.e. amending certain articles of association under which OPAP INVESTMENT LTD (main shareholder of HELLENIC LOTTERIES S.A. with participation percentage of 67%) may exercise full control of the members of the Board and therefore consolidate for the first time HELLENIC LOTTERIES S.A. in full as of 19.06.2014 for the six month period that ended on 30.06.2014. The above mentioned amendment was approved by the competent authority of the General Electronic Commercial Registry (G.E.M.I.).

Collective labour

The collective labor agreement of OPAP S.A., which expired on 31.03.2014 has not been extended nor replaced by any other labor agreement.

Payment of 2013 dividend

The Fourteenth (14th) Annual Ordinary General Meeting of the shareholders of Greek Organization of Football Prognostics S.A. (OPAP S.A.) which took place on Thursday, 22.05.2014 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.25 Euro per share for the fiscal year 2013 (€ 79,750 thousand). Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 29.05.2014 (record-date). The Ex-dividend date for the fiscal year

2013 was Tuesday, 27.05.2014. The payment of the dividend was commenced on Wednesday, 04.06.2014 and was processed through the National Bank of Greece.

New IT contract

OPAP announced on 03.06.2014 that, following negotiations conducted with INTRALOT S.A., it was signed a new IT contract, becoming valid retrospectively as of 01.04.2014 and expiring on 31.07.2018. The new contract allows uninterrupted operations of OPAP S.A.'s core systems while also achieving better financial terms and increased technical services compared to the previous agreement.

Voluntary Leave Scheme

On 30.06.2014, OPAP Group introduced a voluntary leave scheme for the employees of its subsidiary OPAP SERVICES S.A. aiming at reorganizing its services and operations. The program was announced on 30.06.2014 and the deadline for participation expired on 18.07.2014. In total 347 employees participated in the scheme, which represent 52.9% of all employees of OPAP SERVICES S.A. as at 30.06.2014. The total compensation cost amounted to € 12,259 thousand, out of which € 10,477 thousand represent the leave incentive cost.

2010 tax audit completion

The tax audit of OPAP S.A. for the year 2010 was completed during the second quarter of the current year. The final audit report was delivered to the Company on 18.07.2014. The tax authorities imposed additional taxes and surcharges totaling € 29,568 thousand. This amount, minus the provision previously recorded in the company's books for the amount of € 8,000 thousand, i.e. an amount of € 21,568 thousand has been included in the Statement of Comprehensive Income on 31.12.2014.

Our company entered legally and on time into an judicial appeal to a higher administrative authority in the Directorate for Dispute Resolution (hereinafter the "DDR") of the General Secretariat of Public Revenue of the Ministry of Finance, asking the annulment of the decision 1519/2014 as also as the amendment of the income tax of the year 2010, paying at the same time 50% of the total amount of additional taxes and surcharges imposed.

The aforementioned judicial appeal was rejected from the DDR. Our company made an appeal before the Athens Administrative Court requesting cancellation otherwise its reform. Thus far, the hearing before the Administrative Court has not been determined.

On 29.01.2015 the remaining amount was paid in full.

OPAP S.A. announces the appointment of GTECH S.p.A. as the company's CIS – VLTs provider

On 15.07.2014 OPAP announced the appointment of GTECH as the company's Central Information System (CIS) provider for the Video Lottery Terminals (VLTs) project.

The assignment comes following the conclusion of a Request For Proposal (RFP) process, conducted by OPAP, in which four (4) international companies took part.

GTECH successfully met all requirements set and defined by OPAP management.

Mutual Betting on Horse Races Developments

On 29.08.2014, OPAP S.A. pursuant to article 21 of L.3556/2007 and Capital Market Commission's decision 3/347/12.07.2005 announced that, through the participation of its subsidiary OPAP INVESTMENT LTD, as lead member, in a consortium with the British investment company Global Family Partners, it will submit a bid to the tender regarding the grant of the exclusive right to organize and conduct mutual betting on horse races in Greece for 20 years, having undertaken that the price to be offered at the Hellenic Republic Development Fund's (HRADF) tender, to be released, will not be lower than € 40 million.

On 24.09.2014, OPAP S.A., pursuant to article 21 of L.3556/2007 and Capital Market Commission's decision 3/347/12.07.2005 announced that its subsidiary OPAP INVESTMENT LTD, was declared Provisional Successful Bidder for the 20-year Mutual Horse-betting License by the Board of Directors of Hellenic Republic Asset Development Fund (HRADF).

OPAP INVESTMENT's LTD bid stood at € 40.5 million.

On 22.12.2014 was established the societe anonyme under the name "Horse Races Societe Anonyme" and the distinctive title "Horse Races S.A." 100% subsidiary of the OPAP INVESTMENT LTD. The share capital of the company was fixed at € 24 thousand and was divided into 2,400 ordinary shares of face value € 10 each.

Until the financial report date, Horse Races S.A. has not undertaken the above right.

Plenary of Hellenic Council of State decision in relation to OPAP's exclusive right to conduct games of chance

On 03.10.2014, the Plenary of the Hellenic Council of State, after a long legal procedure, issued two decisions by which it is considered unquestionably that OPAP's exclusive right to organize gambling games is totally in line with European Union's law. This development strongly confirms the relevant choices of Greek state and the standing positions of OPAP S.A. while shielding the legal interests of the company.

The Council of State based its judgment on the undeniable fact that the Greek regulatory framework concerning the conduct of OPAP S.A. games is very strict and consistent, due to both the wholly enhanced regulatory and audit mechanisms of the independent gaming authority and the substantive limitations that have been set to fight effectively relevant crime and illegal money trading as well as protection of vulnerable groups of people from addictions. These decisions are irrevocable and no appeal can be raised against them before a National or EU Court.

In full compliance with the law and jurisprudence set by the Council of State, OPAP SA will continue its long lasting contribution to the Greek society focusing imperturbably to strict, consistent and responsible gaming, giving at the same time particularly significant financial benefits to the Greek State.

Payzone S.A. – Completion of acquisition

OPAP S.A. announced the completion of the acquisition of 90% of Payzone Hellas S.A. by OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A. The final agreement was signed on 19.11.2014, following clearance granted by the competent competition authorities.

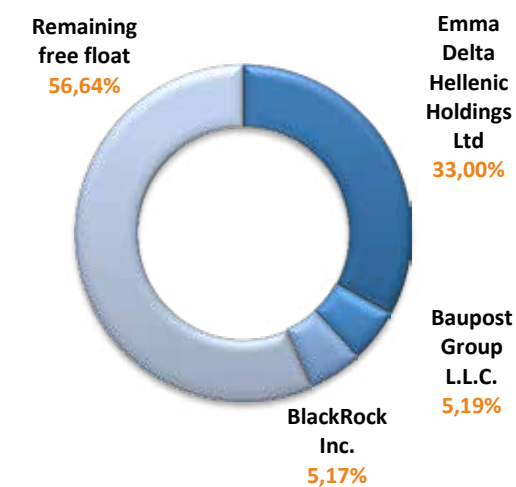
Change in shareholding of Group

There was no change in the shareholding of the Group. On 29.07.2014, OPAP S.A. announced that, pursuant to the provisions of L.3556/2007, art. 9-16 and following a disclosure received on 28.07.2014 by Emma Delta Hellenic Holdings Ltd, a shareholders' agreement was signed on 24.07.2014, according to which Emma Delta Management Ltd is jointly controlled by its ultimate beneficiaries Mr. Jiri Smejck (66.7%) and Mr. Georgios Melisanidis (33.3%), through their companies Emma Capital Limited and Georgiella Holdings Co. Limited respectively.

It is noted that according to previous related disclosures by Emma Delta Hellenic Holdings Ltd on 16, 17 and 18.10.2013, Emma Delta Management Ltd owns and controls 100% of the management and voting shares in Emma Delta Ltd. Emma Delta Ltd owns 100% of Emma Delta Hellenic Holdings Ltd, which directly holds 33% of OPAP S.A. shares.

Consequently, for the purposes of L. 3556/2007 the signing of the aforementioned shareholders' agreement, resulted to an indirect change over the quality of control of the 33% of OPAP S.A. shares, owned by Emma Delta Hellenic Holdings Ltd.

The shareholders (natural persons or legal entities) that according to their notification made up until 31.12.2014 hold directly or indirectly a percentage of shares of more of 5% of its total shares with the respective voting rights, are listed below:



C. Main risks and uncertainties

We present the main risks and uncertainties which Group may be exposed.

Risk from the impact of adverse financial circumstances on the Greek and Cypriot economy

Greece

The macroeconomic and financial environment in Greece remains variable during 2015 due to developments and discussions at national and international level on the review of the terms of Greece's funding program.

The return to economic stability depends greatly on the actions and decisions of institutions in the Greece and abroad.

Taking into account the nature of the activities of the Company and its financial situation, any negative development in the Greek economy is not expected to significantly affect the normal operation. Nevertheless, the Administration continually assesses the situation and its possible consequences, to ensure that all necessary and possible measures and actions are taken, to minimize any impact on the Company's activities.

Cyprus

In June 2012, the government of Cyprus applied for financial assistance from the European Central Bank, the EU and the IMF. In April 2013 they reached an agreement regarding the provision of a related financial aid package. Since then, Cyprus applies the package of relevant structural measures.

Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

The following describe in more detail the specific risks that make the market risk and their management policies by the Group and the Company.

Exchange risk

Our operations are in Greece and Cyprus, and we have not entered into any agreements with suppliers in currencies other than in euro. We earn all of our revenues from games in euro, our transactions and costs are denominated or based in euro and as such we do not carry any substantial foreign exchange risk.

Capital Management

The primary objective of the Group and the Company relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to maintain or adjust the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

Credit risk

The Group's exposure to credit risk, comes from bad debts from agents as well as from the debts of agents on which arrangements have been made. The cumulative figure for the Group for bad debts up to 31.12.2014 amounts to € 34.8 million and respective provision 100% is already included in the Financial Statements. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group has placed limits on the maximum amounts placed in any financial institution. The Group is also exposed to credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships. The Group manages credit risk exposure to its agents through various practices. First, each agent is required to provide the Group with a warranty

deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, the Board of Directors has imposed a maximum amount that an agent may owe during each settlement period. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from receiving wagers.

Liquidity risk

The Group manages liquidity risk by managing games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics. As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1.0 million while maximum winnings/column are also defined for Stihima.

Cash flow risk and fair value change risk due to interest rate changes

The Group is exposed to interest rate risk principally in relation to outstanding debt and financial assets. The only existing debt facilities as of 31.12.2014 were the Company's Bond Loan and the HELLENIC LOTTERIES Bond Loan. The Group generally does not undertake any specific actions to hedge exposure to interest rate risk and at December 31, 2014 it was not a party to any such transactions.

Risk from PAME STIHIMA operations

The Stihima game, is a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. As such, the Group's sports-betting team has implemented a comprehensive risk management methodology at different stages of the sport-betting cycle. Different limits have been set per sport, league and game, and treat each event differently. The Group uses most of the feeds available in the betting industry and cooperates with a number of the most well-known odds compilers to create the initial odds of any available event. After the compilers publish their initial odds, odds are changed by taking into account the overall market (through various feeds in the betting industry) and by own books. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Liability of each game is monitored through the entire book. In case the limits have been exceeded, a visual warning is given to the team. Furthermore, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities. Finally, all agents and online customers are categorized by setting and monitoring individual personal limits.

Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network.

D. Company's strategy and Group's prospects for the year 2015

Business Strategy: Plan for success!

The objective is to further strengthen the position in the Greek gaming scene and retain high profitability through:

- The continuous improvement, evolution of the legacy game portfolio
- Focusing on growth opportunities, capitalizing on acquired licenses and concessions
- Continuous optimization of network, cost base, and operations
- Marketing initiatives focused on the relationship with customers and on brand and emphasize on responsible gaming
- Maintaining OPAP as a best-in-class European gaming company
- Committing to a prudent financial policy by focusing on cash generation and limited leverage

Continuously improve and evolve legacy game portfolio

The main target is to continue promoting and developing the legacy games in order to strengthen the existing customer base and secure resilient and predictable revenues. The Group will keep updating the games' interfaces, format, and betting/gaming options on a regular basis to rapidly update offering to changes in customers' preferences.

The Group has continued to evolve the Stihima games offering by introducing live betting as well as increasing the number of events and betting options available. At the same time one of the basic goals is to continue to develop the other core offering, Kino.

The longstanding experience in the gaming sector, together with the marketing capabilities will allow the Group to constantly adapt the existing game portfolio to address future demand, satisfying the public interest objective of channeling players to regulated and legal gaming operations. In addition, the rebranding and modernization of the agent branch network, which the Company is currently undertaking, will be instrumental to showcase its innovations and generate traffic.

Focus on growth opportunities by capitalizing on recently acquired licenses and concessions to offer a complete and comprehensive gaming offering

Alongside the legacy game improvement strategy, the Company puts emphasis on widening the product offering through the introduction of new games such as VLTs, which have demonstrated their potential in other European geographies (such as the adjacent Italian sector).

VLTs

Through the exclusive ten-year VLT License, a separate comprehensive network of gaming halls is sought to host the 16,500 VLTs that will be installed and operated by OPAP, while 18,500 terminals will be put up for tender to be installed and run by sub-concessionaires.

Hellenic Lotteries

Following the acquisition of the exclusive Lottery Concession through Hellenic Lotteries, a range of instant win games were re-launched in May 2014, which had been absent for ten years from the Greek market. The plan is to further widen the lottery and scratch cards offering with new ticket series that are attractive both in terms of design and payout ratio and a selection of nominal values in order to attract a diverse range of customers.

Online operations

The existing legacy game portfolio is planned to operate through the online channel. The online services were launched in June 2014. The online offering will be further enriched with new betting content, prepare new customer-oriented marketing actions so as to attract more customers and focus on initiatives to reduce access to illegal online products, by providing constant support to the Greek State in its opposition to illegal online gaming providers.

Continue to optimize network, cost base and operations

Following the privatization of OPAP, Company management team has and will continue to strengthen the controls over cost base by reviewing and renegotiating main contracts and/or commissions agreements, restructuring the internal organization and optimizing network's efficiency.

Focus on cost efficiencies through successful renegotiation of key contracts and efficient media buying will seek to enhance exposure while maintaining strong brand awareness and goodwill. Furthermore, since the privatization, management has re-evaluated staffing levels, policies and needs.

Implement marketing initiatives to further develop the relationship with our customers, strengthen our brand and continue to be a leading advocate of responsible gaming

OPAP is deeply embedded in the Greek society and closely connected to its customers. Going forward, one of the priorities is to further develop this relationship by focusing on customer experience and improving customer loyalty. Through the introduction of the customers' loyalty club, relationship with customers is expected to be further strengthened, thus decreasing the churn rate and channeling players to regulated and legal gaming products, thereby satisfying the public interest underlying the exclusivity rationale in Greece.

The Group's operations have a significant impact on the public's gaming activities and should be carried out in a socially responsible manner that reflects public interest objectives relating to the gaming industry. To this end, the marketing strategy includes sponsoring events and activities in the fields of sports, culture, healthcare, education and the environment, in addition to selective advertising and promotional activities. Furthermore, continuous efforts are made to combat illegal gaming in Greece by working closely with dedicated State and independent authorities to identify and implement measures designed to control illegal gaming. Social responsibility activities enhance trust in the brand and help direct the public's gaming activity away from the illegal sector.

Maintain OPAP as a best-in-class European gaming company

OPAP aims to be established as one of the most successful and recognized gaming companies in Europe. Through the development of a complete and comprehensive product offering across most of the gaming industry and a dense, modern, dedicated and branded agency network, OPAP will be able to compare positively with the most developed peers. The intention is not only to maintain the status as a strong player in the European gaming sector based on revenues and market capitalization, but also to promote and invest in the brand. To this end, growth opportunities are reviewed, and will continue to be reviewed, through organic expansion and, selectively, through bolt-on acquisitions to the extent possible.

Commit to a prudent financial policy by focusing on cash generation and limited leverage

The Group has a strong track record of profitability and deleveraging. The aim is to increase EBITDA primarily driven by the new product offering and focusing on cost efficiency and robust cash flow generation. There is a clear intention to distribute the bulk of the FCF as dividend, excluding any potential investments, in a counterbalanced manner (i.e. semi-annually twice a year). The Company at this moment is below the optimum leverage levels and remains committed to a prudent financial policy.

An asset-light agent business model will be maintained with targeted investments in personnel, network and equipment. The proven ability to effectively manage payout ratio coupled with the largely variable cost structure and fixed cost optimization initiatives, will allow to maintain a high level of cash flow from operating activities. High cash conversion rate is reinforced by the moderate ongoing maintenance capital

expenditure requirements and the absence of any major upfront concession payments in the short-to-medium term.

The management is confident that the flexible operating structure, effective cost management and structurally capital expenditure requirements, coupled with the well-invested game offering, represent key elements of an attractive financial profile.

E. Related Parties significant transactions

In the following tables significant transactions are presented among the Group and the Company and the related parties as defined by IAS 24:

Company's transactions with related parties (erased for consolidation purposes)

Company	Expenses	Income	Assets' Purchase	Payables	Receivables
(Amounts in thousands euro)					
OPAP SERVICES S.A.	26,938	2,531	0	17,683	28,123
OPAP SPORTS LTD	0	850	0	0	0
OPAP INTERNATIONAL LTD	2,524	0	0	291	0
OPAP CYPRUS LTD	0	22,639	0	0	9,666
OPAP INVESTMENT LTD	0	0	0	0	802
HELLENIC LOTTERIES S.A.	0	3,911	0	0	1,567
HORSE RACES S.A.	0	1	0	0	1
NEUROSOFT S.A. (not erased for consolidation purposes)	1,230	0	4,052	90	0
KESTREL S.A. (not erased for consolidation purposes)	1,000	0	171	0	0

Group's companies transactions with related parties (not erased for consolidation purposes)

Company	Expenses	Income	Assets' Purchase	Payables	Receivables
(Amounts in thousands euro)					
HELLENIC LOTTERIES S.A.	0	1,358	0	0	0
GLORY TECHNOLOGY LTD	791	0	0	0	0
NEUROSOFT S.A.	1,230	0	4,052	90	0
KESTREL S.A.	1,000	0	171	0	0
INTRALOT S.A.	4,512	0	0	1,341	0
SCIENTIFIC GAMES INTERNATIONAL INC.	4,378	0	0	1,281	0

Transaction and balances with Board of Directors members and management personnel

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2014	01.01-31.12.2014
MANAGEMENT PERSONNEL	Salaries	4,858	3,438
	Other compensations	125	79
	Cost of social insurance	<u>463</u>	<u>218</u>
Total		5,446	3,735

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2014	01.01-31.12.2014
BOARD OF DIRECTORS	Salaries	763	320
	Other compensations	0	0
	Cost of social insurance	<u>0</u>	<u>0</u>
Total		763	320

The Group and the Company balance from management's remuneration and Board of Directors' compensation reached € 190 thousand for the Group and € 166 thousand for the Company respectively.

From the abovementioned transactions, the transactions and the balances from the subsidiaries have been eliminated from the consolidated financial statements of Group.

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company "DIKEFALOS 1924 Construction S.A.", which signed a sponsorship contract on 12.09.2013 with OPAP S.A., the total cost of which amounts to € 1,940 thousand plus VAT. For the year of 2014 the cost resulting from this contract amounts to € 1,257 thousand and is included in the Statement of Comprehensive Income and the receivable that arises from the aforementioned contract amounts to € 443 thousand. Furthermore, he is also the main shareholder of the company "AEGEAN OIL SA" which supplies OPAP S.A. with heating oil. For the year 2014, the cost amounts to € 26 thousand and is included in the Statement of Comprehensive Income and there is no liability. Additionally, he is also shareholder of the company "EMMA DELTA MANAGEMENT LTD" which provides consulting services to OPAP S.A. For the year 2014, the cost amounts to € 9 thousand and is included in the Statement of Comprehensive Income and there is no liability. Finally, he is the main shareholder of the company "TEMETERON LTD" (a subsidiary of "AEGEAN OIL S.A.") which is in the sales network of HELLENIC LOTTERIES S.A. For the year 2014 the income amounts to € 59 thousand and is included in the Statement of Comprehensive Income and the amount of the receivable is € 8 thousand.

Also one of the members of the Board of Directors of OPAP S.A., is the sole shareholder of the company "Prime Applications S.A.", which signed two sponsorship contracts on 01.08.2013 and 15.08.2013 with OPAP S.A., the total cost of which amounts to € 165 thousand plus VAT. For the year of 2014 the cost

resulting from this contracts amounts to € 124 thousand and is included in the Statement of Comprehensive Income. No liability occurs from the aforementioned contracts on 31.12.2014.

F. Corporate Governance Statement**Chairman's Statement on Corporate Governance**

The Hellenic Corporate Governance Code (Code) issued by the Hellenic Council of Corporate Governance (ESED) in October 2013 was applicable to the Company throughout the financial year ended 31 December 2014. The Board takes seriously its responsibility for effective corporate governance and delivery of long-term shareholder and stakeholder reward and its decisions are taken in light of these considerations. I am pleased to report to you directly on OPAP's governance activities.

OPAP and Governance

The Board believes that implementing and maintaining high governance standards underpin our business objectives and our drive to create and maximize shareholder value whilst managing the business effectively, responsibly and with integrity, so that we demonstrate accountability and maintain the trust of all our stakeholders. In addition to compliance with the best practice advice from regulatory and governance bodies, the Board wishes to ensure that high ethical standards are reflected in business behavior and culture through OPAP's Group Code of Conduct, which is under development. All employees and contractors will be required to acknowledge that they have read and understood the Code. Reports on employee compliance are subject to review by the Audit Committee. In addition, OPAP operates illegal gaming and responsible gaming hotlines, the reports from which can be reviewed by the Audit Committee. We are constantly seeking to develop our practices and governance framework to ensure that transparency and good governance permeate through the Group at all levels. This year such target was served with the performance of an Employee Culture survey that had particularly positive response rate- right after a massive restructuring effort - with particularly positive messages. Our professional employees are encouraged to suggest improvements maintaining a dynamic process of enhancement which enables our business and group functions to operate with an appropriate awareness and recognition of their governance and regulatory obligations.

Composition of the Board

The current and future composition of the Board remains an issue to which I and the rest of the Board give our full attention. We remain mindful of the recommendations of the Code on gender diversity and it is our aim to comply with these recommendations without compromising the culture that drives the success of our business. Moreover, the Board remains keen to ensure compliance with the

recommendations of the Code but recognizes also that the role of CEO and Chairman cannot yet be two separate ones. To ensure transparency and responsiveness to its shareholders, there are two non-executive Vice Chairmen and the AC Chairman, who is independent non-executive member of recognized international standing in the area of auditing, who can also function as the Senior Independent Director in case needed. To ensure that the Board is able collectively to increase its focus on Board composition, it may consider to assign the responsibility of a Nomination Committee to one of the two existing BoD Committees. As part of the review of the Board's effectiveness, the constitution setting out the matters reserved for the Board and the delegations to the CEO, together with the terms of reference for the Audit Committee, were reviewed and updated so that they continue to reflect the spirit and emphasis of the Code, remain fit for purpose and relevant to how OPAP operates.

BoD Re-elections

All the Directors were elected in the General Assembly of November 2013 and are subject to election by shareholders at intervals of no more than four years in compliance with the Code. The members of the Board of Directors are unconditionally re-eligible and may be freely removed. Members of the Board of Directors are removed by the General Meeting of shareholders. The General Meeting may replace any of the elected members of the Board of Directors even before their term of office expires.

Risk Assessment and Management

The Board monitors the level of risk through the Group's major risk assessment process which was facilitated by the Internal Audit with the cooperation of Risk Unit, presented to the Audit Committee and submitted to the Board. We remain committed to building on and improving our understanding of the key risks facing the Group and its business operations and we constantly refine our tolerance of such risks.

Board Evaluation

The Code recommends that listed companies should undertake an evaluation at least once every two years based on a predefined process. This year, the Board performed its annual evaluation internally and may consider the performance of an external evaluation next year.

Diversity

The Company operates under a corporate diversity and inclusion principle adopted. The Board reiterates its view that facilitating and promoting diversity in its broadest sense has helped propel the Company's success to date. It remains its practice to ensure that the Company's Top40 executive roles, in particular, are open to fresh thinking and must include personnel from different global backgrounds who bring new ideas to the table. The Company values its freedom to retain a group of people who, collectively, have the skills, experience and insight to implement the Company's vision and objectives and achieve long-term

value growth without being hindered by a gender quota which does not take cognizance of the specific situation and culture of the Company. As at 31 December 2014:

- the Board members are male and 75% of the BoD members are non-Greek nationals (Italian, Czech, Russian, French, Swiss, Cypriot),
- 28% of the Executives are female and 50% are non-Greek nationals and
- 22,5% of the Top 40 managers are female and 25% are non-Greek nationals.

The Company does not set specific targets in absolute percentage terms to deter artificiality in the process; it measures progress year on year to ensure an improving picture on gender balance which it believes contributes to the Company's growth and success.

Explanation on Non-conformities with the Code

The Board recognizes that the objective of the Code is to facilitate management's delivery of business success in a transparent and responsible manner. The Code does not impose a rigid set of rules and recognizes that certain actions and behaviors do not automatically imply poor organizational governance. The Board has authorized an explanation for the following areas:

- The BoD composition is considered satisfactory since it is comprised in its majority of non-executive directors from various industries, nationalities, and age groups.
- The role of the Chairman is coupled with the role of CEO in order to lead the first years of the OPAP Group restructuring efforts. Moreover, two non-executive Vice Chairmen were appointed. Their duties are going to be clearly documented in the revised version of the Internal Rules and Regulations that is under development (difference from special practices 3.3, 3.4). Also the role of the Senior Independent Director could be adequately fulfilled by the AC Chairman, who is the most senior independent non-executive member of the Board, if needed.
- The requirement for preapproval of appointment of an Executive BoD member as non-executive member in another non related company is covered partially through the process of special declarations of the BoD members and the Executive team. The specific requirement is also planned to be included in the new Code of Conduct (difference from special practices 4.4).
- The Remuneration Committee is composed of Non-Executive Directors, who are independent from executive tasks, including the two Vice-Chairmen of the Board and is considered adequate to fulfill its purpose (difference from special practices 4.6).
- The BoD has appointed two Committees, the Remuneration and the Audit Committee, and may consider whether it wishes to delegate its collective power to nominate new members to one of the existing Committees or to a Nomination Committee that will be formally defined by the BoD with its own Terms of Reference (difference from special practices 5.5-5.7).

The Board has instructed me to confirm that, notwithstanding the foregoing disclosures, each Director's independence of thought and actions was assured and all decisions were taken to promote the success of OPAP as a whole.

Statement of Compliance with the Code

The Corporate Governance Report on the following pages contains a summary of the Company's governance arrangements and the regulatory assurances required under the Code. Except as explained above, the Company has complied with the Code (that is the current legal requirements and additional optional best practices) throughout the year ended 31 December 2014.

Kamil Ziegler, Chairman of the BoD

Corporate Governance Report

Report of the Board

The Company enjoys a premium listing on the Athens Stock Exchange and is therefore required to produce a Corporate Governance Statement containing the information set out in this Report. This Report is prepared with reference to the Hellenic Corporate Governance Code (Code) in effect for the financial periods beginning on or after October 2013. This Report sets out how the Company has applied the main principles of the Code throughout the year ended 31 December 2014 and as at the date of this Report.

A: Leadership

A.1: THE ROLE OF THE BOARD

The Board of Directors is the supreme administrative body of the Company that mainly formulates the Company's strategy and growth policy, while supervising and controlling its management and administration of corporate affairs and the pursue of its corporate purpose.

The Board of Directors is competent to decide on every issue concerning the Company's assets management, administration, representation and its operations in general, taking all appropriate measures and decisions that assist the Company in achieving its objectives. Those issues which, according to the provisions of the law or the Articles of Association, fall within the exclusive competence of the General Meeting shall be outside the competence of the Board of Directors. The Board of Directors shall specifically have the authority to decide on the issuance of any kind of bonds, with the exception of those that by law fall under the exclusive competence of the General Meeting of shareholders. The Board of Directors can also decide on the issuance of bonds convertible into shares following decision of the

General Meeting of the shareholders and the provision of authorization to the Board of Directors in accordance with the provisions of Company L. 2190/1920, as in force.

The schedule of 2014 matters for the Board's decision included the following:

- Significant business projects;
- Significant acquisitions and capital expenditure projects;
- Final approval of annual budgets, business plans, organizational structure, advertising and sponsorships program;
- Approval of financial statements and shareholder communications;
- Treasury policies and changes to borrowing facilities or currency transactions ;
- Approval of key executive management;
- Regulatory compliance issues and related policies;
- Significant transactions with related parties ;
- Review and approval of recommendations from the Committees of the Board.

Meetings

Board meetings are structured to allow open discussion. The Board meets a minimum of once per month and constitutes additional meetings (including by telephone or written resolution) to consider specific matters which it has reserved to itself for decision. In 2014, there were twelve regular Board meetings (plus eleven additional meetings via rotation). There were ten Audit Committee meetings and two Remuneration Committee meetings. The table below sets out the attendance by individual Directors at scheduled Board and Committee meetings.

Number of Scheduled Meetings Attended during 2014

BoD member name	Position	BoD Presence	BoD Representation	Audit	Remuneration
Kamil Ziegler	Chairman and Chief Executive Officer	12	-	10	-
Spyros P. Fokas	A'Vice-Chairman –Non Executive	12	-	-	1
Pavel Horak	B'Vice-Chairman – Non Executive	12	-	-	1
Michal Houst	Member – Executive CFO	11	1	-	-
Dimitrakis Potamitis	Member– Independent Non Executive	12	-	10	-
Rudolf Jurcik	Member– Independent Non Executive	10	2	10	-
Igor Rusek	Member– Independent Non Executive	7	5	8	-
Christos Kopelouzos	Member– Non Executive	12	-	-	-

Pavel Saroch	Member– Non Executive	9	3	-	1
Konstantin Yanakov	Member– Non Executive	8	4	-	-
Marco Sala	Member– Non Executive	4	8	-	-
Georgios Melisanidis	Member– Non Executive	2	10	-	-

Notes:

In the year 2014, eleven (11) additional Meetings were held per rotation, in which all members participated

Directors' Insurance and Indemnities

The Directors benefit from the indemnity provision in the Company's Articles of Association. Each individual, who is an Officer of the Company and/or of any company within OPAP at any time on or after October 2013, benefits from a deed poll of indemnity in respect of the costs of defending claims against him or her and third party liabilities. Additionally, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense.

A.2: THE CHAIRMAN ROLE

There is a clear division of responsibilities between the Chairman and the CEO in the company's Articles of Association, Internal Rules and regulation but both roles were entrusted by the Board and the General Assembly to one person.

The Chairman is responsible for the overall operation, leadership and governance of the Board. The Chairman is responsible for leading the Board and enabling the Directors to operate effectively as one unit to determine the strategy, risk appetite and governance structure necessary to deliver Shareholder value in a transparent and responsible manner. His responsibilities include:

- Chairing and ensuring that Board meetings provide a forum that encourages open debate and effective contributions from individual Directors with sufficient time allocated to key issues;
- Finalizing the Board meeting agenda developed by the CEO and the Company Secretary;
- Encouraging dialogue between the Company and its Shareholders and other stakeholders and facilitating the Board's understanding of Shareholders' and other stakeholders' concerns;
- Overseeing the induction, information and support provisions for Directors; and
- Leading the annual performance evaluation of the Board and its Committees

A.3: THE CEO/MANAGING DIRECTOR ROLE

The Managing Director is a member of the Board of Directors of the Company. The Managing Director is given full management and representation authority by the Board of Directors as formally constituted. Within the framework of such authority, the Managing Director presides over all services of the Company, directs their operations and takes necessary decisions within the framework set by the legislation in force,

by the Articles of Association, the regulations governing the operation of the Company, the approved programs and budgets as well as the decisions of the Board of Directors.

The Managing Director may delegate part of his authority provided for by the law and the Articles of Association of the Company to other members of the Board of Directors, executives and employees of the Company on specific items, without right of further substitution, unless otherwise specifically stated. The matters delegated to the CEO by the Board include:

- Power to delegate the day-to-day management of the business of the Company to each of the Officers of the Executive Committee, acting individually or as a group or sub-committee;
- Power to acquire and dispose of businesses and to approve unbudgeted capital expenditure projects subject, in each case, up to € 500k limit per transaction;
- Power to represent and bind the company against third parties for the signing of payment orders, bank checks, payment of salaries, insurance contributions, payment of taxes and fees of any nature to the State; and
- Power to represent the company judicially and extrajudicially and to sign every document from or to the company, to instruct advisers and to instigate legal proceedings on behalf of the Company in respect of matters for which no further collective Board authority is required by the law or the articles of association.

If the Managing Director is absent or unable to perform his functions, he shall be replaced by a person appointed by decision of the Board of Directors upon the Managing Director's recommendation.

A.4: NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are independent of management and therefore able to provide critical input into Board decisions through their contributions to Board discussions and their roles on, and Chairmanship of, Board Committees. They:

- Contribute international and operational experience and a knowledge and understanding of global financial issues, the sectors in which OPAP operates and the health and safety, environmental and community challenges it faces;
- Monitor management performance against strategy and provide reasoned input and constructive challenge to ensure objectives are met; and
- Assess and monitor the integrity of financial information and the systems of risk management, compliance and internal control.

The Audit Committee Chairman can act as the Senior Independent Director (SID) who provides a sounding board for the Chairman and is available to the other Directors and Shareholders who have concerns that cannot be addressed through the Chairman / CEO or Vice Presidents, if needed.

Curricula Vitae of the members of the Board of Directors

Kamil Ziegler

Chairman and Chief Executive Officer

Born in 1962 in Ceska Lipa in the Czech Republic. In 1984 Mr. Ziegler graduated from the University of Economics, Faculty of Trade, in Prague. In 1996 he graduated from the Southern Graduate School of Banking at the Southern Methodist University in Dallas, Texas.

He began his professional career at the State Bank of Czechoslovakia where he served in several top executive managerial positions: he worked as an Executive Director for Finance at Komerční banka, Prague, and then as a deputy CEO and Board member at Czech Savings Bank. Thereafter, he was appointed Chairman of the Board and CEO in the Czech state-owned Consolidation Bank. After that he served as Chairman of the Board and CEO in Raiffeisenbank Czech Republic. He also held the position of Executive Director for Finance and Board Member in the PPF Group. His last executive appointment was as the CEO and proxy holder in SAZKA sázková kancelář, the largest Czech lottery organisation, where he is currently serving as a Board member.

Mr. Ziegler was also a member of the Board of Directors of many companies in the Czech Republic and Cyprus. He is also the vice-president of the Czech Club of Chief Financial Officers.

Spiros Fokas

A' Vice-Chairman, Non Executive Member

Born in 1954 in Piraeus, where he completed his high school studies in Ionidios Exemplary High School. In 1977 Mr. Fokas graduated from the Law School of the National and Kapodistrian University of Athens, whilst during 1977-1978 he undertook post-graduate studies in shipping law at the University College London.

As an Attorney-At-Law Mr. Fokas has been a member of the Piraeus Bar Association since 1980 and practices law specializing in the sectors of maritime and corporate law.

Mr. Fokas is a member of the Hellenic Maritime Law Association, whereas since 2005 he is a member of the Board of Directors and General Counsel of Aegean Marine Petroleum Network Inc., which is listed on the New York Stock Exchange.

Pavel Horak

B' Vice-Chairman, Non Executive Member

Presently the Chief Investment Officer of EMMA Capital, the controlling shareholder of Emma Delta. Before joining EMMA Capital, Mr. Pavel Horak served in position of Chief Financial Officer of Home Credit Group since 2012 and previously Chief Financial Officer of PPF Group since 2006. Mr. Horak gained experience in financial management as an auditor at Deloitte & Touche, and later during his tenure as

CFO of TV NOVA from 2001 to 2006. He is a Chartered Certified Accountant and a member of the Association of Chartered Certified Accountants (ACCA, UK). He is a graduate of the Faculty of Economics of the Masaryk University in Brno and the Faculty of Finance of the University of Economics in Prague.

Michal Houst

Executive Member

Born in 1979 in the Czech Republic. In 2005 Mr. Houst graduated from the University of Economics, in Prague.

He began his professional career in JM Engineering as a financial manager, before moving to PPF, where he served as a financial analyst. In 2010 he became chief banking analyst at PPF Russia, with the focus of his responsibilities on Nomos Bank, in which he was later appointed as project manager, responsible for the various development and restructuring projects within the Bank. Also, he held the position of investment director in Emma Capital, responsible for the preparation, realisation, management and monitoring of various investments.

Christos Kopelouzos

Non Executive Member

Born in 1979 in Athens, Mr. Kopelouzos is currently Co-CEO of Copelouzos Group with business activities in the area of Natural Gas, Renewable Energy, Electricity Production and Trading, Real Estate, Concessions, Airports and Gaming. In 2002 he completed his studies at the City University/City Business School in the field of Investment & Financial Risk Management.

Georgios Melisanidis

Non Executive Member

Georgios Melisanidis is a Greek entrepreneur with investments in the shipping, oil trading and marine environmental services sectors. Born in 1981, Mr. Melisanidis holds a Bachelor Degree in Maritime Studies from the Southampton Solent University.

Marco Sala

Non Executive Member

Marco Sala is Chief Executive Officer of GTECH S.p.A. (formerly Lottomatica Group S.p.A.) with responsibilities for all the activities of the company. He joined Lottomatica, currently GTECH's Italian operation, in April 2003. Following Lottomatica's takeover of GTECH in August 2006, he was appointed Managing Director and General Manager of Lottomatica S.p.A. with responsibility for Italy and assigned European activities. In March 2009, he was appointed to his current position as CEO of the combined company. He also serves as a member of the Board of Directors of GTECH S.p.A since March 2003.

Prior to joining Lottomatica, Mr. Sala was Head of the Business Directories for Seat Pagine Gialle, a position that included responsibility for Thomson (Great Britain), Euredit (France) and Kompass (Italy) going concerns. Mr. Sala has also held senior management positions with Magneti Marelli (a Fiat Group company) as Head of the Lubricants Division and prior to that Head of the Spare Parts Division. Having joined Kraft in March 1985, he had a twelve-year career with the Company that included various roles in the Marketing Department as well as Sales Director of the Fresh Food Division.

Mr. Sala graduated in Business and Economics from Bocconi University.

Pavel Šaroch

Non Executive Member

Born in 1970, he graduated from the University of Economics, Prague.

Having specialized in investment banking and economic management of corporations since 1995, he has served in management positions with securities trading firms such as Ballmaier & Schultz CZ and Prague Securities. From 1999 to 2001, he was Member of the Board of Directors at I.F.B., which focuses on organizational and economic consultancy, management of private investment projects. In 2001, he was appointed Deputy Chairman of the Supervisory Board of ATLANTIK finanční trhy and subsequently became a member of the company's Board of Directors.

Mr. Šaroch is a member of the Boards of Directors of the parent company of KKCG investment group KKCG SE and of individual holding companies that belong to the Group. He is also the Chief Investment Officer of KKCG a.s.

Konstantin Yanakov

Non Executive Member

Konstantin Yanakov was born in 1977 in Moscow. Mr. Yanakov is currently the CFO at ICT Group, a Russian private equity firm. Prior to joining ICT, he held senior executive positions at MDM Bank and was the CFO of JSC Polymetal until 2004. Mr. Yanakov also serves as member of the Board at Piraeus Bank, a leading banking group in Greece and Polymetal International Plc, a precious metals mining company listed on LSE (FTSE250). He graduated from the State Finance Academy with a degree in Global Economics and received a PhD in Economics from the Russian State University of Management. In 2007, Mr Yanakov received an MBA degree from the London Business School.

Rudolf Jurcik

Independent non Executive Member

Born in 1950 in Prague, Czech Republic, Mr. Jurcik is a French citizen. He is married and has two children. Mr. Jurcik studied Ancient and Oriental Languages as well as History at Charles IV University in Prague. He is currently the Owner and Executive Director of the Prestige Oblige, Private Management & Consultants

FZ LLC in Dubai. Previously, he served as the CEO of MAF Hospitality (Property) in Dubai and as President of the Oberoi International Group in New Delhi. He has also worked as a Special Advisor to the CEO of Air France Group in Paris and as Managing Director of Forte/Meridien Hotels in Paris. Additionally, Mr. Jurcik has served as a Senior Vice President of Meridien, based in Athens. He has also worked as a French foreign trade Advisor and as a COO of the Casino Royal Evian in France.

Dimitrakis Potamitis

Independent Non Executive Member

Mr. Potamitis was born in 1941 in Cyprus. He graduated from the Athens University of Economics and Business (former ASOEE).

His professional career began in 1968, as a junior auditor at PricewaterhouseCoopers International Limited (PwC). His main expertise was shipping and banking audits. Since 1982 and up until 2004, Mr. Potamitis was a PWC Partner in charge of Piraeus Office-Greece, while from 2004 up to 2008 he acted as a Consultant. From 2008 and up until today he is an Independent, Non-Executive Board Member of Aegean Baltic Bank S.A. and Chairman of the Audit Committee, as well as Member of the Remuneration Committee (from 2012) of the aforementioned bank.

Mr. Potamitis has also provided specialist consultancy and advisory services in matters related to the audit of the financial statements of companies in the shipping industry.

He is a Member of the Hellenic Institute of Public Accountants – Auditors.

Igor Rusek

Independent Non Executive Member

Dr. Igor Rusek graduated from the Faculty of Law at the University of Basel, Switzerland, where he undertook post-graduate studies in international private law. He has served for many years as a member of Boards of Directors of various international groups of companies and has managed for two decades in this capacity the organisation of internal audits, accounting standards and corporate governance under applicable international standards. From 1994 to 2001, he was Associate Attorney at ATAG Ernst & Young, auditing and consulting firm in Basel. In 2001 he was appointed Partner and Member of Executive Committee at ATAG. Meanwhile Dr. Rusek is CEO of ATAG PCS Ltd, a leading Swiss based European Advisory Company. He has the chair of ATAGs Compliance Audit Team and is mainly responsible for Audit and Tax Audit Procedures in companies which are administrated by ATAG, as well as their Corporate Governance.

B: Effectiveness

B.1: BOARD COMPOSITION

The Board comprises of ten Non-Executive Directors and two Executive Directors, Kamil Ziegler, the Chairman and CEO and Michal Houst, CFO. Information regarding the Directors and the Company Secretary serving at the date of this Report is set out on page 27. Additional biographical details are available from the Company's website.

B.2: COMMITMENT

All Non-Executive Directors confirm that they are able to allocate sufficient time to meet the expectations of the role and the requirement to disclose any actual or potential conflicts of interest.

The Non-Executive Directors devoted sufficient time to the Company's business with more than 73,3% being physically present to 12 meetings and all participating if absent by proxy voting procedures.

B.3: INFORMATION AND SUPPORT

All members of the Board receive timely reports on items arising at meetings of the Board to enable due consideration of the items in advance of meetings. Directors unable to attend a particular meeting during the year had the opportunity to review and raise any issues on the relevant briefing papers.

Each Director has access to the advice and services of the Company Secretary and a procedure exists for Directors to take independent professional advice at the Company's expense in furtherance of their duties.

Company Secretary

The Company Secretary ensures that the correct Board procedures are followed and proper records are maintained. All Directors have access to the Company Secretary. Her appointment and removal are matters reserved to the Chairman of the Board / CEO.

B.4: EVALUATION

Performance Evaluation

The Board maintains an ongoing review of its procedures and its effectiveness and those of its Committees throughout the year. The Board of Directors is performing a self-assessment in respect to the achievement of the action program it has drafted within the framework of the annual report for the previous year. The performance of each committee is assessed based on its objectives specified at the beginning of each business year and in relation to whether such objectives were achieved or not. The

Company considers the introduction of both qualitative and quantitative criteria for the assessment of the performance of both the Board of Directors and its committees.

The evaluation of the Chairman's performance was undertaken by the Remuneration Committee with input from the rest of the BoD members. The Chairman evaluates each Director's performance through one-to-one discussions with other Directors. The Remuneration Committee also reviews the performance of the Executive Directors of the Board.

B.5: DIRECTORS' RE-ELECTION

In accordance with Code recommendations, all the Directors are subject to election by shareholders at intervals of no more than four years. Such term of office shall be extended ipso jure until the election of new directors from the next ordinary General Meeting of shareholders in accordance with the more specific provisions of the Articles of Association. The members of the Board of Directors are unconditionally re-eligible and may be freely removed. Members of the Board of Directors are removed by the General Meeting of shareholders. The General Meeting may replace any of the elected members of the Board of Directors even before their term of office expires. The date each Director was originally appointed to the Board is included in the biographical details on page 30.

C: Accountability

C.1: FINANCIAL AND BUSINESS REPORTING

The Board is responsible for the integrity of OPAP's consolidated and the Company's financial statements and recognizes its responsibility to present a fair, balanced and understandable assessment of OPAP's position and prospects.

The Board is satisfied that the financial statements and reports to regulators present a fair, balanced and understandable assessment of OPAP's position and prospects.

To assist with financial reporting and the preparation of standalone and consolidated financial statements, the Finance function has in place a series of accounting and treasury policies, practices and controls which are designed to ensure the identification and communication of changes in accounting standards, and reconciliation of core financial systems. The function consists of consolidation and financial accounting teams, and technical support which comprises of Senior Finance personnel who review external technical developments and accounting policy issues.

Throughout the year OPAP has had in place an ongoing process for evaluating the financial reporting process and the preparation of consolidated accounts. The basis for the preparation of consolidated accounts is as set out on page 69 under Accounting Policies.

Following the Audit Committee recommendation, the Board agrees an engagement letter with the Auditors in respect of the full and half-year results and the Auditors' statement on their work and reporting responsibilities.

Information on OPAP's business model and strategy for generating and preserving longer-term growth and delivering on the Company's stated objectives is set out in the Business Strategy section of the Annual Report on page 18.

An extra step involving an additional review of the Annual Report was added to the approval process so that the full Board, acting together, could confirm that the Annual Report was fair, balanced and understandable.

C.2: RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a risk and control structure designed to manage the achievement of business objectives. It has overall responsibility for OPAP's system of internal control and for the effectiveness of such system. The system follows the guidance on Internal Control – Integrated Framework COSO (Committee of Sponsoring Organizations of the Treadway Commission) and Risk Management and provides reasonable, but not absolute, assurance against material misstatement or losses.

The Board maintains an ongoing process for evaluating the system of internal control and identifying and managing risk. Management is required to apply judgment in evaluating the material risks OPAP faces in achieving its objectives, in determining the risks that are considered acceptable to bear, in assessing the likelihood of the risks concerned materializing, in identifying OPAP's ability to reduce the potential impact of risks on the business and in ensuring that the costs of operating particular controls are proportionate to the benefit.

OPAP's control environment is supported by the principles of Business Conduct which are included in the Internal Rules and Regulations, and a range of ISO policies and procedures on corporate, social and environmental responsibility. Other key elements within the internal control structure are summarized as follows:

- **The Board and Management** – the Board approves the strategy and performs an advisory and supervisory role, with the day-to-day management of the Company being undertaken by the CEO

supported by the CFO and the Executive management. The CEO and other Executives have clearly communicated OPAP's vision, strategy, operating model, values and business objectives across the Group;

- **Organizational Structure** – during the year ended 31 December 2014, OPAP operated covering all its game types (Numeric games, sports betting, instant and passives lottery, VLTS) , and centralized functions covering marketing, sales, finance, legal, information services, human resources and compliance as well as an independent internal audit function. Throughout the organization, the achievement of business objectives and the establishment of appropriate risk management and internal control systems and processes are embedded in the responsibilities of line managers;
- **Budgeting** – there is an annual planning process whereby operating budgets (opex and capex) for the following financial year are prepared and reviewed by the Board. Long-term business plans are also prepared and reviewed by the Board on an annual basis;
- **Management Reporting** – there is a comprehensive system of management reporting. The financial performance of operating units and OPAP as a whole are monitored against budget on a monthly basis and are updated by periodic forecasts. Area and functional executives also perform regular reviews with their management teams, which incorporate an assessment of key risks and opportunities at least on an annual basis;
- **Risk Management** – as part of the ongoing risk and control process, operating units review and evaluate risks to the achievement of business objectives and the Audit Committee reviews those significant risks which might impact on the achievement of corporate objectives. Mitigating controls, together with any necessary actions, are identified and implemented. A summary of the most significant risks faced by OPAP is included in the Business Strategy section on page 15 and details of OPAP's relationships and principal risks are set out on pages 18 to 21;
- **Business Units' Controls** – each business unit maintains a system of internal control and risk management which is appropriate to its own business environment. Such controls must be in accordance with Group policies and include management authorization processes, to ensure that all commitments on behalf of OPAP are entered into only after appropriate approval.
- **Compliance Controls** – the Group maintains a compliance program that includes an independent and anonymous responsible gaming hotline and a line for reporting illegal gaming sites, systematic reviews by KETHEA and the illegal gaming committee respectively, annual management reviews more specifically in Hellenic Lotteries and ISO systems compliance certification as well as specialized training in specific areas and functions of the business. Compliance is expected to provide the Audit Committee with regular updates on the compliance controls of the Group and recommendations for continuous improvement; and
- **Monitoring** – the effectiveness of the system of internal control and risk management is monitored regularly through a combination of management review, self-assessment, independent review

through quality assurance, environment, health & safety and regulatory audits, as well as independent internal and external audit. The results of internal and external audit reviews are reported to and considered by the Audit Committee, and actions are taken to address any significant control matters identified. The Audit Committee also approves annual internal audit plans and is responsible for performing the ongoing review of the system of internal control and risk management on behalf of the Board.

The Board confirms that reviews the appropriateness and effectiveness of the system of internal control and risk management throughout the financial year and up to the date of approval of the Annual Report and Accounts have been satisfactorily completed.

Report of the Audit Committee

C.3: AUDIT COMMITTEE AND AUDITORS

Introduction

In 2013 changes were made to the Hellenic Corporate Governance Code. We reviewed our Terms of Reference and Annual Plan in the light of these changes particularly with respect to Shareholder information being fair, balanced and understandable. The production of the Annual Report is a complex task which is completed in a relatively compressed timeframe, so we commenced a process for the review and approval of its contents.

The Committee recognizes that independent and effective auditors are essential. The Internal Audit plan is risk based and the Head of Internal Audit has dual reporting lines, administrative to the Chairman /CEO and functionally to the Audit Committee. In 2014, KPMG has been appointed to perform the statutory audit.

Throughout the year the Committee focused on providing reassurance to the Board on the integrity of the Company's financial reporting, internal controls framework and risk management processes. The Committee has met with operational business management.

Dimitrakis Potamitis, Chairman of the Audit Committee

Audit Committee

The Audit Committee (AC) comprises three Independent Non-Executive Directors: *Dimitrakis Potamitis*, Institute of Certified Public Accountants of Greece, ex PWC partner, Chairman since November 2013 and is Chairman of the Audit Committee and member of the Remuneration Committee of Aegean Baltic Bank SA, *Dr Igor Rusek*, with Law studies from Basil University in Switzerland, he is CEO of the Swiss Consulting

Company ATAG PCS Ltd and Chairman of the Compliance Audit team and *Rudolf Jurcik*, who studied ancient languages and history in the University of Prague and was advisor to the CEO of Air France, Senior VP of Meridien and COO of Casino Royal Evian. OPAP's Auditors, Head of Internal Audit and CFO attend meetings and have regular private meetings with and direct access to the Committee. The Chairman and CEO attended some of the meetings and other senior management attended Audit Committee meetings by invitation.

The Audit Committee:

- Monitors the adequacy and effectiveness of the system of internal control;
- Considers operational risk and control processes;
- Reviews compliance procedures and OPAP's overall risk framework (including fraud risk);
- Considers reports on Internal Audit's activities, significant legal claims and regulatory issues;
- Reviews the interim and full year financial statements before submission to the full Board;
- Makes recommendations to the Board regarding the Auditors and their terms of appointment; and
- Reviews and monitors the Auditors' independence and services supplied and the objectivity and the effectiveness of the audit process.

During 2014 the Audit Committee:

- Met ten times;
- Introduced COSO (Committee of Sponsoring Organizations of the Treadwell Commission);
- Recommended to the Management the appointment of a qualified Head of Internal Audit as a result of the resignation of the former one;
- Instructed the performance of cash counts as of Dec 31, 2013. Findings were reported to the CFO who has taken action to remediate deficiencies found. These weaknesses did not have an effect on financial statements.
- Considered detailed risk and controls for selected Group major risks covering political/country risk, channels availability, technological innovation, risk management, third party fraud, stakeholder relations, product/service failure, engineering and facilities, settlement, contract commitments and resources availability;
- Reviewed and approved the external audit plan for 2014 and internal audit plan for 2015
- Reviewed the internal audit consultative memo regarding the approach to deliver an upgrade to the Group's ERP and planned the monitoring of the delivery of the software implementation;
- Established the review process for non-audit fees to the External Auditors and monitored its application;
- Reviewed the Audit Committee Charter and Internal Audit Charter and the annual AC Agenda;
- Reviewed the work and effectiveness of the Internal Audit function;

- Approved the terms of engagement and reviewed the strategy, scope and effectiveness of the External Auditors;
- Reviewed and discussed with the Auditors the findings of their work during the year;
- Received regular technical updates to keep abreast of changes in financial reporting and governance matters; and
- Recommended the establishment of whistleblowing activities and the Code of Conduct;
- Reviewed a summary of long outstanding audit findings and suggested their submission to the appropriate functions for their comments, if any, and for implementation actions. 75% of these points were cleared by the appropriate functions.
- Reviewed the performance of the Audit Committee itself.

The Audit Committee has considered the following areas of significant judgment, complexity or estimation in relation to the 2014 Group financial statements:

- *Tax provisioning*

The Group from time to time is involved in disputes in relation to ongoing tax matters where the approach of the authorities is particularly difficult to predict. Where appropriate, provisions are made based on an assessment of each case. The level of provisioning for these tax investigations is an issue where management and tax judgment is important. The Committee has debated with management and external auditors the key judgments made, including relevant professional advice that may have been received in each case, and considers the tax provisioning levels to be reasonable.

- *Impairment testing of goodwill and indefinite life intangible assets.*

Management performs an annual impairment review for goodwill and other intangible assets with indefinite lives, including the Group's gaming licenses. This is important given the significance of these items to the Group's Balance Sheet. Key judgments include estimates of future business performance and cash generation, discount rates and long-term growth rates (refer to note 7 of the Group Financial Statements for further detail). The Committee has reviewed management's analysis, including an assessment of the discount rates used, the appropriateness of specific risk factors applied to individual cash generating units and the adequacy of sensitivities applied. As a result of this review the Committee is comfortable with management's conclusion that no impairment is required and that the indefinite life of the Group's concession agreements and various other intangible assets continues to be reasonable.

- *Legal liability provisioning*

For the year ended 31 December 2014, the Group has recognized certain exceptional legal costs relating to historical regulatory investigations by various government authorities. The level of provisioning for these regulatory investigations is a matter where management and legal judgment is

important. The Committee has discussed with management and external auditors the key judgments made, including relevant legal advice received.

- *Exceptional items*

The Committee has considered the presentation of the Group and Company financial statements and, in particular, the presentation of exceptional items and the items included within such measures. The Committee has discussed this with management and agrees that the presentation provides more meaningful information to Shareholders about the underlying performance of the Group and Company.

Directors' Conflicts of Interest

The Audit Committee is responsible for the Company's procedures for dealing with Directors' conflicts of interest and these procedures have operated effectively during the year. A register of Directors' conflicts is maintained by the Company Secretary and reviewed by the Board at least annually. The Board is aware of the other commitments of its Directors and any changes to these commitments were reported to the Board at least twice a year or on an ad hoc basis.

Auditors and Auditor Independence

KPMG Certified Auditors has been the sole Auditors of OPAP since 2014. In the opinion of the Audit Committee, the relationship with the Auditors works well and the Committee remains satisfied with their independence, cooperation and effectiveness.

OPAP has a formal process in place to safeguard Auditor independence. The Audit Committee and the CFO keep the independence and objectivity of the Auditors under review. The Committee reviews the nature and level of non-audit services undertaken by the Auditors during the year to satisfy itself that there is no impact on their independence. The Board recognizes that in certain circumstances the nature of the advice required may make it more timely and cost effective to appoint the Auditors who already have a good understanding of OPAP.

Following a recommendation by the Audit Committee, a resolution proposing the re-appointment of KPMG as the Company's Auditors will be put to the Shareholders at the AGM. Their remuneration for 2015 will be discussed later with Audit Committee and Company's Management and be approved by the Board of Directors.

The Auditors report to the Audit Committee on the actions they take to comply with professional and regulatory requirements and with best practice designed to ensure their independence from OPAP, including periodic rotation of the audit engagement partners.

D: Remuneration

D.1: THE LEVEL AND COMPONENTS OF REMUNERATION

The Company's compensation plan is performance-driven and designed to foster OPAP's innovative and entrepreneurial culture. Following the 2013 OPAP Group privatization, the Board set out to create a truly multinational Company and, as a result of this approach, people of various nationalities work with local citizens in each location in which OPAP operates.

The level and components of remuneration across OPAP is designed to facilitate global mobility and diversity. Salary ranges are based on benchmarking and OPAP's annual cash bonus structure, long-term incentives and other benefits are offered across operating companies.

Details on the Company's remuneration policy and the Directors' compensation arrangements are set out below:

DIRECTOR'S REMUNERATION REPORT

The Remuneration Committee is tasked with making decisions on pay that encourage good service to our customers, are fair to all of our employees, and are in the interests of all of our shareholders.

Our management team is multinational and mobile and thus central to our pay philosophy are the principles of:

- Simplicity
- Shareholder alignment
- Pay for performance

Pay reform

There has been a fundamental cultural shift in the Company's compensation approach:

- Prior to the privatization, the company's policy with regards to bonuses was based on the Collective Labor Agreement with no specific reference to individual performance. Post privatization, focus has shifted towards bonus schemes that build incentives via specific KPIs. Established criteria include quantitative benchmarking based on the overall company performance, taking into account key profitability metrics
- Qualitative criteria also apply, focusing on managerial skills, training & development of the working teams, project deliveries, external communication etc.

It is worth noting that bonuses and other variable pay arrangements are standard practice for FTSE100 companies. Research indicates that 99% of executives in the FTSE100 at Executive Committee level or

above have a variable to fixed pay ratio that exceeds 1:1, while this is not the case in our company accepting as a ceiling the 1:1 ratio for CEO position only.

Performance considerations for 2014

- Group Operating Profit, of € 296 million, an increase of 66.8% on 2014,
- GGR of € 1,378 million, increased by 12.9% versus last year
- EBITDA of € 347 million, increased by 56.3% versus last year
- Employee engagement is strong and there is clear evidence through the Employee Engagement / Culture survey that key values are being embedded across the Group.

Decisions made on pay

- In line with existing policy, CEO, CFO and the Executive team will receive a bonus and long-term incentive award in April 2015.
- Incentive awards continue to be targeted towards all levels of employees that fall in incentive scheme arrangement.

In conclusion, we believe our decisions on pay take account of performance while giving us the flexibility to attract and retain the expertise needed to build for the future. The Committee continues to receive valuable and independent advice from PwC that cooperates with HR and I would like to thank my fellow Committee members and those who support the Committee for their insight and guidance during the year.

D.2: REMUNERATION COMMITTEE AND PROCEDURE

The Remuneration Committee is chaired by Pavel Saroch, and comprised three members until December 2014. All the committee members are non-executive and considered independent from executive tasks (Pavel Saroch, non-executive member of the Board of Directors, Spiros Fokas, non-executive member and Vice President of the Board of Directors, and Pavel Horak, non-executive member of the Board of Directors), but not independent according to the full set of criteria of the Code. Their recommendations and reports were submitted to the Board for approval.

We hope that this report achieves the aim of improved transparency and clarity under the new reporting requirements and that we can count on your support at the forthcoming AGM for both our Remuneration policy and the decision we have taken as a committee during the year.

Pavel Saroch, Chairman of the Remuneration Committee

E: Relations with Shareholders

E.1: RELATIONS WITH SHAREHOLDERS

The Board is committed to effective communications between the Company and its Shareholders. The Executive Directors and the Director of Investor Relations meet regularly with institutional Shareholders and financial analysts to discuss matters relating to the Company's business strategy and current performance. The CEO and CFO receive monthly and annual updates on share price developments, major buyers and sellers of shares, peer group analysis, investors' views and analysts' reports on the industry and on the Company specifically by the Investor Relations Division and periodically include updates to the BoD. Feedback on presentations and roadshow meetings with institutional investors is presented to the Executive Directors of the BoD and any other specifically interested Non-Executive directors. The investor relations program includes:

- Formal presentations of full year and half year results and quarterly interim management statements;
- Regular meetings between institutional investors and senior management to ensure that the investor community receives a balanced and complete view of OPAP's performance, the issues faced by OPAP and any issues of concern to the investors;
- Response to enquiries from institutional and from retail Shareholders through the Company's investor relations team ; and
- A section dedicated to Shareholders on the Company's website.

Overall, the Investor Relations Division's main responsibilities are to:

- develop strategies & implement IR initiatives to target & attract investors and increase shareholders value;
- Enable effective two-way communication between OPAP and financial community to contribute achieving fair valuation;
- Filter Market Feedback to Management.

In 2014 the company participated in more than ten international investor events and roadshows related to either Gaming, Emerging Markets and/or Greece - South Eastern Europe. The frequency, duration and location of roadshow activity as well as the level of participation is determined in the beginning of the year.

The Investor Relation Team is fully dedicated to communicate with investors community, while the top management including Chairman, CFO and key directors, are available to discuss governance and strategy with major Shareholders should such a dialogue is needed.

E.2: THE ANNUAL GENERAL MEETING

The AGM provides all Shareholders with an opportunity to vote on the resolutions put to them. The AGM is used as the main opportunity for the Directors to meet directly with private investors. It is attended by the Directors and all Shareholders present are given the opportunity to ask questions of the Chairman, the Chairs of Board Committees and the Board as a unit.

All resolutions are voted on by way of poll so that each share has one vote. The results of the poll are released to the Stock Exchange and published on the website shortly after the AGM. In the last two years, more than the remarkable 70% quorum was achieved.

G. Dividend policy – Distribution of net profit

In relation to dividend distribution, the Company's Management, after taking into consideration the Company's performance, its prospects and its investment plans, proposes the distribution of dividend of € 0.4517 per share before withholding taxes (according to the applicable tax legislation) versus € 0.25 per share for the year 2013 increased by 80.68%.

Furthermore, it must be noted that the Company's Board of Directors, based on the results of the nine month period ended on 30.09.2014, approved the distribution of interim dividend of € 0.2017 per share. The record date was set for 13.01.2015, the cutoff date was set for 12.01.2015 while the payment date was set for 19.01.2015.

Based on the aforementioned information, the total dividend (versus the 2013 dividend) before applicable withholding taxes, will be as follows:

	2014	2013	Deviation
Interim dividend	0.2017	0.0000	-
Final dividend	0.2500	0.2500	0%
Total dividend	0.4517	0.2500	80.68%

The Extraordinary General Assembly of its Shareholders, on 18.12.2014 decided upon the distribution of the Company's tax exempt reserves of a net amount of € 9,039 thousand i.e. € 0.0283 (euro) per share, in accordance with the provisions of article 72 of L. 4172/2013, as in force.

H. Number and par value of shares

All the shares issued by the company are common shares.

The total authorized number of common shares was 319,000,000 on 31.12.2014 with a par value of € 0.30 / share (€ 0.30 in 2013). All issued shares are fully paid.

There was no changes in the share capital of the company during the period that ended on 31.12.2014.

I. Subsequent events after the end of fiscal year 2014 and until the announcement of the annual financial report

On 01.01.2015 stopped the distribution of the betting offering library of games GO LUCKY due to its low performance.

Regarding additional taxes and surcharges imposed by tax authorities, on 2010 tax audit grounds, the remaining amount was paid in full on 29.01.2015.

On 16.03.2015, OPAP INVESTMENT LTD proceeded to a share capital increase of € 8,300 thousand in order to undertake the share capital increase of HORSE RACES S.A. amount € 8,500 thousand in which it participates by 100%.

On 03.16.2015 an increase of share capital of OPAP amount INVESTMENT LTD € 8.300 so this in turn participate in the share capital amount € 8.500 of Horse Racing SA which holds 100%.

ANNEX

EXPLANATORY REPORT TO THE ORDINARY GENERAL MEETING OF OPAP S.A. SHAREHOLDERS PURSUANT TO ARTICLE 4 PAR. 7-8 OF LAW 3556/2007

The present explanatory report of the company's Board of Directors to the Ordinary General Meeting of OPAP S.A. Shareholders consists of detailed information pursuant to the provisions of art. 4, par. 7 and 8 of L. 3556/2007.

1. Company's Share Capital Structure

The company's Share Capital mounts up to the sum of ninety five million seven hundred thousand (€ 95,700,000), divided to three hundred and nineteen million (319,000,000) nominal common and outstanding voting shares, with nominal value of thirty cents of euro (€ 0.30) each.

The company's Share Capital has not changed during the fiscal period from 1.1.2014 until 31.12.2014.

All shares are admitted to trading at the Athens Stock Exchange Market, classified as Large Cap Stock.

The rights of the Shareholders of OPAP S.A. which stem from the company's share are equivalent to the percentage of their equity investment in the paid-up share capital.

Each share provides all rights and obligations required by the Law and the Statutes and more specifically:

- Participation and voting right to the General Meeting of OPAP S.A.
- The right of being entitled to receive dividend out of annual profits or out of company liquidation, as well as the right on the company's assets in the event of liquidation. Every shareholder listed in the company's share register at the ex-dividend date is entitled to a dividend. The date and the way of the collection of the dividend's distribution are announced by the company through the Media, pursuant to L. 3556/2007 and the relevant decisions of the Exchange Commission. Within five (5) years starting from the year when distribution is approved by the General Meeting, the right of the collection of the dividend is lapsed and the amount not collected is prescribed to the Hellenic Public Sector.
- The right of pre-emption to any share capital increase of the company holding cash and the assumption of new shares.
- The General Meeting of the Company's Shareholders retains all the functions and authorities during the company's liquidation (pursuant to article 46 of its Statutes). The liability of the company's shareholders is limited to the nominal value of shares held.
- The right to receive copies of financial statements and reports of the auditors and the Board of Directors.

2. Restrictions on the transfer of shares of the Company

According to the Law, the Company transfers its shares and this transfer is not subject to restrictions by the Statute.

3. Significant direct and indirect holdings according the provisions of Law 3556/2007

The shareholders (natural persons or legal entities) that according to their notification made up until 31.12.2014 hold directly or indirectly a percentage of shares of more of 5% of its total shares with the respective voting rights, are listed below:

Name	Percentage
Emma Delta Hellenic Holdings Limited	33.00%
The Baupost Group LLC	5.19%
BlackRock Inc.	5.17%
Investors	56.64%

4. Shareholders of any shares with special auditing rights

There are no shares offering to the shareholders special auditing rights in the Company.

5. Restrictions of voting rights

According to the provisions of the company's Statutes, there are no restrictions of shareholders voting rights.

6. Agreements of shareholders, acknowledged by the company, involving restrictions on transfer of shares or exercising of voting rights

The company does not acknowledge the existence of agreements among its shareholders which conclude to restrictions on transfer of shares or exercising of voting rights.

7. Regulations concerning appointment or replacement of members of the Board of Directors and amendment of the Statutes

The regulations of the company's statutes regarding the appointment and replacement of BoD members and the modification of provisions of Statutes do not differentiate from the ones provided in the Codified L. 2190/1920 as amended and currently in force.

8. Competence of the Board of Directors or some of its members regarding issue of new shares or purchase of own shares

According to the Article 8 of the company's Statutes, upon decision of the General Assembly, which is subject to publicity formulations of Article 7b of the codified L. 2190/1920 as currently in force, the Board of Directors can be given the right, upon the Board's decision taken by, at least, a majority of two third (2/3) of its members, to increase the share capital partially or totally by issuing new shares, up to the amount of the paid-up capital the date that the Board of Directors was granted the authority in question. The Board of Directors' authority can be renewed by the General Assembly for a period of time that will not exceed the five-year period for each renewal. No such decision has been made by the General Assembly of the Shareholders. According to the same article of the Statutes, upon decision of the General Assembly, a program of shares disposal can be established for the members of the Board of Directors and the company's personnel, as well as for the associated companies, in the form of optional right of shares acquisition, with the terms and conditions of paragraph 13, Article 13 of the codified law 2190/1920 as currently in force. No such decision has been made by the General Assembly of the Shareholders. According to the provisions of Article 16 of the codified L. 2190/1920 as currently in force, the companies listed on the Athens Exchange may acquire own shares, upon decision of the General Assembly of their shareholders, which provides the terms and the conditions of provided acquisitions and, in particular, the maximum number of shares that can be acquired and the duration of this approval. Their acquisition

takes place under the Board of Directors responsibility, under the conditions mentioned in the law. No controversy provision exists in the company's Statutes. No such decision has been made by the General Assembly of the Shareholders.

9. Important agreements signed by the company, that are put into force, modified or expire in case of change of company control following a public offering and the results of these agreements

There are no agreements that are put into force, modified or expire in case of change of company control following a public offering.

10. Each agreement signed among the company and the members of the Board of Directors or its personnel, which provides for compensation in the event of resignation or dismissals without just cause or termination of service or employment due to public offering

There are no agreements made by company with the members of its Board of Directors, which provide for compensation, specifically in the event of resignation or dismissal without just cause or termination of service or employment due to public offering. The fixed predictions for compensations due to Company's personnel service abandon amounted on 31.12.2014 the sum € 746 thousand (Group's: € 847 thousand).

Peristeri, 30 March 2015

Kamil Ziegler

Chairman of the BoD & CEO

III. Annual Financial Statements

The attached Financial Statements as of 31.12.2014 of the OPAP S.A. (the “Company”) and the Group of OPAP S.A. (the “Group”) were approved by the Board of Directors of OPAP S.A. on 30.03.2015 and have been posted at the Company’s website www.opap.gr as well as in the website of Athens Stock Exchange. The attached financial statements will remain at the disposal of investors at least five years from the date of their announcement.

It is noted that the published in the press attached financial information arise from the Financial Statements, which aim to provide the reader with a general information about the financial status and results of the Group and the Company but they do not present a comprehensive view of the financial position and results of financial performance and cash flows of the Company and Group, in accordance with the International Financial Reporting Standards (IFRS).

The auditors of the separate and consolidated financial statements of OPAP S.A. for the year ended on 31.12.2014 is the auditing firm KPMG Certified Auditors S.A. and for the year ended on 31.12.2013 was the auditing firm PWC S.A.

1. Statement of Financial Position

As of 31 December 2014 and for the year then ended

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.12.2014	31.12.2013	31.12.2014	31.12.2013
ASSETS					
Current assets					
Cash and cash equivalents	11.1	291,499	242,036	195,055	192,617
Restricted Cash	11.2	5,920	25	3,400	0
Inventories	11.3	2,976	880	0	0
Receivables	11.4	92,250	34,894	72,523	38,314
Other current assets	11.5	<u>16,730</u>	<u>19,207</u>	<u>15,020</u>	<u>16,061</u>
Total current assets		409,375	297,042	285,998	246,992
Non - current assets					
Intangible assets	11.6	1,267,236	1,103,211	1,087,569	1,103,206
Tangible assets (for own use)	11.7	44,205	49,314	27,089	30,565
Investments	11.8	1,540	1,139	1,540	1,139
Goodwill	11.9	15,047	8,435	0	0
Investments in subsidiaries	11.10	0	0	182,104	173,354
Investments in associates	11.11	9,732	129,563	0	0
Long – term receivables	11.4	527	1,385	527	1,385
Other non - current assets	11.12	3,177	6,941	31,114	36,996
Deferred tax assets	11.13	<u>0</u>	<u>515</u>	<u>0</u>	<u>0</u>
Total non - current assets		<u>1,341,463</u>	<u>1,300,503</u>	<u>1,329,943</u>	<u>1,346,645</u>
TOTAL ASSETS		1,750,838	1,597,545	1,615,940	1,593,637
EQUITY & LIABILITIES					
Short - term liabilities					
Loans	11.15	1	165,447	0	165,447
Trade payables	11.14	170,353	69,855	120,731	70,861
Payables from financial leases	11.16	0	393	0	0
Tax liabilities	11.17	178,228	121,268	165,980	119,676
Other payables	11.18	<u>108,325</u>	<u>43,457</u>	<u>100,116</u>	<u>38,028</u>
Total short - term liabilities		456,907	400,420	386,827	394,012
Long - term liabilities					
Loans	11.15	0	0	0	0
Payables from financial leases	11.16	0	42	0	0
Deferred tax	11.13	566	0	6,699	3,799
Employee benefit plans	11.19	847	13,937	745	13,307
Provisions	11.20	51,316	49,292	49,133	48,092
Other long-term liabilities	11.21	6,343	8,571	5,875	8,386

Total long - term liabilities		59,071	71,842	62,452	73,584
Equity					
Share capital	11.22	95,700	95,700	95,700	95,700
Reserves	11.23	48,474	59,633	48,474	59,633
Retained earnings		1,023,525	969,950	1,022,488	970,708
Non controlling interest	11.24	<u>67,160</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total equity		<u>1,234,859</u>	<u>1,125,283</u>	<u>1,166,661</u>	<u>1,126,041</u>
TOTAL EQUITY & LIABILITIES		1,750,838	1,597,545	1,615,940	1,593,637

The attached notes on pages 57 to 136 form an integral part of financial statements

2. Statement of Comprehensive Income

As of 31 December 2014 and for the year then ended

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

GROUP	Notes	GROUP		COMPANY	
		01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
Revenues	10	4,259,072	3,711,059	3,759,713	3,504,294
Payout to the lottery and betting winners	11.26	<u>-2,881,392</u>	<u>-2,491,136</u>	<u>-2,557,183</u>	<u>-2,354,148</u>
Net revenues before tax (30%)		1,377,679	1,219,923	1,202,529	1,150,146
Contribution on the net revenues	11.27	<u>-391,924</u>	<u>-345,401</u>	<u>-359,879</u>	<u>-344,726</u>
Net revenues after tax (30%)		985,756	874,522	842,651	805,420
Other revenues	10/11.28	16,215	0	0	0
Cost of services	11.29	<u>-578,050</u>	<u>-528,172</u>	<u>-459,394</u>	<u>-481,008</u>
Gross profit		423,920	346,350	383,257	324,412
Other operating income	11.30	7,521	2,581	28,878	20,762
Distribution expenses	11.31	-88,927	-101,382	-78,594	-99,419
Administrative expenses	11.31	-41,346	-33,949	-39,433	-37,276
Other operating expenses	11.32	-4,971	-16,262	-4,725	-16,227
Impairment of assets	11.7	<u>0</u>	<u>-19,737</u>	<u>0</u>	<u>-19,737</u>
Operating result		296,198	177,601	289,383	172,515
Gain / (Loss) from sales of non-current assets		5	-410	-29	-209
Income / (Loss) from associates		321	-235	0	0
Impairment of investments	11.11	7,462	0	0	0
Financial income	11.33	3,786	14,207	2,504	12,289
Financial expenses	11.33	-2,192	-3,407	-1,351	-1,195
Dividends from subsidiaries	11.25	<u>0</u>	<u>0</u>	<u>6,769</u>	<u>7,302</u>
Profit before tax		305,579	187,756	297,277	190,702
Current income tax	11.34	-105,878	-49,718	-101,286	-49,602
Deferred tax	11.34	<u>-477</u>	<u>3,077</u>	<u>-2,728</u>	<u>1,565</u>
Profit after tax		199,224	141,115	193,262	142,665
Parent company shareholders		194,998	141,115	193,262	142,665
Minority interest		4,226	0	0	0
Other comprehensive income – items that will not be reclassified to profit or loss					
Actuarial profit	11.19	740	4,426	662	4,433
Deferred tax	11.34	<u>-192</u>	<u>-894</u>	<u>-172</u>	<u>-929</u>
Other total income after tax		548	3,532	490	3,504
Total income after tax		199,772	144,647	193,752	146,169
Parent company shareholders		195,548	144,647	193,752	146,169
Non controlling interest		4,224	0	0	0
Basic earnings per share in €	11.35	0.6245	0.4424	0.6058	0.4472

The attached notes on pages 57 to 136 form an integral part of financial statements

3. Statement of Changes in Equity

3.1. Consolidated Statement of Changes in Equity

As of 31 December 2014 and for the year then ended

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Retained earnings	Minority interest	Total equity
Balance as of 1 January 2013	95,700	44,064	1,022,702	0	1,162,466
Comprehensive total income for the period 01.01-31.12.2013	0	0	144,647	0	144,647
Reserves	0	15,569	-15,569	0	0
Dividends paid	0	0	-181,830	0	-181,830
Balance as of 31 December 2013	95,700	59,633	969,950	0	1,125,283
Balance as of 1 January 2014	95,700	59,633	969,950	0	1,125,284
Comprehensive total income for the period 01.01-31.12.2014	0	0	195,548	4,223	199,771
Reserves	0	-11,160	2,120	0	-9,039
Non controlling interest	0	0	0	62,937	62,937
Dividends paid / for distribution	0	0	-144,092	0	-144,092
Balance as of 31 December 2014	95,700	48,474	1,023,526	67,160	1,234,860

3.2. Statement of Changes in Equity of OPAP S.A.

As of 31 December 2014 and for the year then ended

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Retained earnings	Total equity
Balance as of 1 January 2013	95,700	43,060	1,022,942	1,161,702
Comprehensive total income for the period 01.01-31.12.2013	0	0	146,169	146,169
Reserves	0	16,573	-16,573	0
Dividends paid	0	0	-181,830	-181,830
Balance as of 31 December 2013	95,700	59,633	970,708	1,126,041
Balance as of 1 January 2014	95,700	59,633	970,708	1,126,041
Comprehensive total income for the period 01.01-31.12.2014	0	0	193,752	193,752
Reserves	0	-11,160	2,120	-9,039
Dividends paid / for distribution	0	0	-144,092	-144,092
Balance as of 31 December 2014	95,700	48,474	1,022,488	1,166,661

The attached notes on pages 57 to 136 form an integral part of financial statements

4. Cash Flow Statement

As of 31 December 2014 and for the year then ended

(Amounts in thousand of euro)

	GROUP		COMPANY	
	01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
OPERATING ACTIVITIES				
Profit before tax	305,579	187,756	297,277	190,702
Adjustments for:				
Depreciation & Amortization	50,321	44,111	39,180	41,605
Financial results	-1,587	-13,402	-7,915	-18,466
Employee benefit plans	868	7,207	795	7,092
Provisions for bad debts	-684	0	372	0
Other provisions	1,314	10,685	1,106	10,685
Exchange differences	-7	70	-7	70
(Reversal of) impairment loss on reameasurement of associates	-7,462	0	0	0
Share of loss / (profit) of associates	-330	235	0	0
Results from investing activities	41	404	41	211
Impairment of assets	0	19,737	0	19,737
Total	348,053	256,803	330,849	251,636
Changes in Working capital				
(Increase) / Decrease in inventories	-724	-156	0	0
(Increase) / Decrease in receivables	-41,417	776	-30,782	10,846
Increase / (Decrease) in payables (except banks)	73,012	-25,469	27,722	-25,717
Increase / (Decrease) in taxes payables	-24,887	104,604	9,394	101,061
Total	354,037	336,558	337,183	337,826
Interest expenses	-1,725	-242	-1,618	-59
Income taxes paid	-68,783	-62,442	-68,125	-59,660
Cash flows from operating activities	283,529	273,874	267,440	278,107
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	6	0	6	0
Establishment of subsidiary	0	0	0	0
Establishment of associate	0	-128,640	0	0
Increase in share capital of subsidiary	-7,350	0	-8,750	-130,300
Restricted cash	-5,120	95,669	-3,400	95,710
Outflow of intangible assets	-7,321	-103,563	-7,650	-103,561
Outflow of tangible assets	-8,499	-5,804	-7,431	-1,015
Dividends from subsidiaries	0	0	6,769	6,347
Interest received	3,297	12,157	2,016	10,388

Increase of cash due to change of Hellenic Lotteries S.A. consolidation method and in first consolidation of PAYZONE S.A.	52,919	0	0	0
Cash flows used in investing activities	27,932	-130,181	-18,441	-122,431
FINANCING ACTIVITIES				
Proceeds from loan	85,001	0	70,000	0
Payments of loan installments	-266,751	-87,000	-236,750	-87,000
Payments of loan financing cost	0	0	0	0
Payments of financial lease interests	0	-52	0	0
Payments of financial lease capital	-437	-362	0	0
Dividends paid	-79,811	-181,825	-79,811	-181,825
Cash flows used in financing activities	-261,998	-269,239	-246,561	-268,825
Net increase / (decrease) in cash and cash equivalents	49,463	-125,546	2,438	-113,149
Cash and cash equivalents at the beginning of the period	242,036	367,582	192,617	305,766
Cash and cash equivalents at the end of the period	291,499	242,036	195,055	192,617

The attached notes on pages 57 to 136 form an integral part of financial statements

5. Information about the Company and the Group

5.1. General information

OPAP S.A. (the “Company” or “parent company” was established as a private legal entity in 1958. It was reorganized as a société anonyme in 1999 domiciled in Greece and its accounting as such began in 2000. The company’s registered offices and principal place of business, is 62 Kifissou Avenue, 121 32 Peristeri, Greece. OPAP’s shares are listed in the Athens Stock Exchange.

The group OPAP (“the Group”) beyond the parent company includes the companies which OPAP S.A., either directly or indirectly controls (see note 8 Structure of the Group).

The Financial Statements for the year that ended on 31.12.2014 (including the comparatives for the year that ended on 31 December 2013) were approved by the Board of Directors on 30.03.2015 and are subjected to approval by the General Meeting.

5.2. Nature of operations

On 13.10.2000 the Company acquired from the Hellenic Republic the 20-year exclusive right to conduct, manage, organise and operate by any appropriate means or measures provided by modern technology certain numerical lottery and sports betting games (and any variations of these games) and the Company paid € 322,817 thousand. The Company also acquired the exclusive right to operate and manage any new sports betting games in Greece as well as a right of first refusal to operate any new games permitted by law. The number of games was progressively increased over time and includes at present 13 games. The Company's exclusive right has been extended by a period of 10 years, *i.e.*, until 12.10.2030, for a consideration of (i) a lump sum payment of € 375,000 thousand and (ii) a participation of the Hellenic Republic at an additional rate of 5% of the gross gaming revenues arising from the games concerned, for the period 13.10.2020 – 12.10.2030.

Therefore, the Company currently holds the exclusive right to conduct, manage, organise and operate by any appropriate means six numerical lottery games (JOKER, LOTTO, PROTO, EXTRA 5, SUPER 3 and KINO) and three sports and other betting games (PROPO, PROPOGOAL and STIHIMA [which includes MONITOR GAMES and GO LUCKY]), two new lottery games (BINGO and SUPER 4) and “Prognostika Agonon Basket”, “Prognostika Agonon Omadikon Athlimaton” (these last four games have not been launched yet). On 04.11.2011, following conclusion of an agreement with the Hellenic Republic, OPAP S.A. acquired and paid for an exclusive licence to operate 35,000 VLTs for a period of 10 years.

The Concession Agreement

On 15.12.2000, OPAP entered into a 20-years concession agreement, with the Hellenic Republic pursuant to which OPAP has the exclusive right to conduct, manage, organise and operate by any appropriate means provided for by the current technology lotteries and sports betting games. The agreement was extended with the Addendum concluded in November 2011 until 12.10.2030 except for Stihima, and its variations, Monitor Games and Go Lucky's, online operations for which OPAP has online exclusivity until 12.10.2020. Under the terms of the concession agreement, OPAP was also granted the exclusive right to operate and manage any new sports betting games in Greece, as well as a right of first refusal for the right to operate and manage any new games, in case the Greek law does provide for the exclusive conduct of this game and solely under the regulation of the Hellenic Gaming Commission.

VLT License

On November 2011, OPAP was granted a license for 35,000 video lottery terminals in Greece. Under the terms of the VLT License, OPAP has already paid a consideration of € 16,000 per VLT (i.e., € 560.0 million in total). OPAP paid € 474.0 million in 2011 with the remainder of € 86 million paid in November 2013. Of these 35,000 VLTs, 16,500 will be installed and operated by OPAP through its network while 18,500 will be put up for tender to be installed and run by sub-concessionaires.

Hellenic Lotteries

OPAP S.A., through a wholly-owned subsidiary, was the leader of a consortium consisting of OPAP Investment Limited, Lottomatica Giochi e Partecipazioni S.r.l., Intralot Lotteries Limited and Scientific Games Global Gaming S.a r.l. that was declared the provisional winner of the tender for an exclusive license to produce, operate, circulate and manage the state lotteries and Instant Scratch games in Greece from 30.07.2013 for a period of 12 years, which includes the National Ticket, the Popular Ticket, the European Ticket, the Instant State Ticket or Scratch Ticket, the State Housing Ticket and the New Year's Eve Ticket. The Consortium has paid a € 190.0 million fee, of which OPAP INVESTMENT LTD was responsible for € 127.3 million. In addition, the Consortium will also pay 30.0% of the GGR generated from the Greek State Lotteries (with the exception of the New Year's Lottery) to the Greek State; however such amount is not to be less than € 30.0 million in the first year of operation and € 50.0 million per year for each of the following 11 years (for a total of € 580.0 million for the duration of the Lottery Concession). OPAP INVESTMENT LTD holds 67.0% of the paid-up share capital of the operating joint venture.

Distribution Network

OPAP Group activities are offered through an extended sales' network, with 8,467 distribution points within Greece (including OPAP S.A. and HELLENIC LOTTERIES S.A shops) and 194 shops in Cyprus (consisting of OPAP CYPRUS LTD and OPAP SPORTS LTD shops).

Supervisory Committee

The three member Supervisory Committee is established by primary law and will attend OPAP S.A.'s board meetings to ensure that OPAP S.A., its agents and concessionaires (in relation to the gaming machines) comply with the legislation in force and observe OPAP S.A.'s contractual obligations towards the Greek State. The Supervisory Committee specifically monitors OPAP S.A.'s conduct to ensure compliance with the terms of the Gaming Concession, the VLT License and the gaming legislation, the protection of consumers against addiction and crime related to games of chance, the protection of minors and other vulnerable groups, the reliability of the games and the payment to players of their winnings, the protection of personal data and the payment of the taxes and contributions due to the Greek State. OPAP S.A.'s Board of Directors (or the persons to whom the relevant decision-making powers have been delegated) makes available to the Supervisory Committee any relevant draft recommendations, decisions or other documents prior to any decision being taken. OPAP S.A. is obliged to refrain from adopting any decision or entering into a contract for which the Supervisory Committee has expressed its disagreement. The Supervisory Committee will immediately inform the HGC if it considers that OPAP S.A. is in about to breach its contractual obligations towards the Greek State or the legislation in force. The HGC will rule on any disagreement between OPAP and the Supervisory Committee. Finally, according to Law 4141/2013, the members of the Supervisory Committee are appointed for a three year term and the current members will remain in office for three years from publication of their initial appointment by the competent Minister (Decision 07274_X/2012 of the Minister of Finance published in the Greek Gazette on 31.8.2012). Following this, they will be appointed by decision of the HGC and will consist of one member who will be among the HGC appointed members and two members that will be selected in accordance with the conditions, requirements and procedures provided for in the Regulation on the Conduct and Control of Games.

Key games

KINO

Kino is a fixed odds numerical lottery game, introduced in 2003 and is currently OPAP's most popular game generating revenues of € 1,867.3 million for FY 2014 which accounted for 49.7% of OPAP's total revenues. The game is based on draws that take place with a five minutes frequency during playing hours (09.00 – 22.00). Kino is played at any agency outlet by making a selection of one (1) to twelve (12) numbers out of a total of 80 numbers. The minimum price for each Kino wager is € 0.50. The maximum

prize money that can be won by the winners in the top category is € 1.0 million. Kino has a target payout of 70%.

PAME STIHIMA

Pame Stihima (ground and on-line betting) has been established since 2000 and pertains to wagering on different sporting events but predominantly football. Being OPAP's second most popular game, Stihima generated revenues of € 1,503.1 million for FY 2014 which accounted for 40% of OPAP's total revenues. As Stihima is a fixed odds sports betting game, OPAP depends on the actual occurrence of the sporting events that are included in OPAP's Stihima coupon. The Stihima game risk management is brought in-house since 2007.

6. Basis of preparation

The consolidated financial statements of the Group and the financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB) and have been adopted by European Union.

The financial statements have been prepared under the historical cost principle and the principle of the going concern.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 6.2.

The basic accounting policies adopted in preparing the financial statements for the year that ended on 31.12.2014 are the same as those followed in the preparation of financial statements for the year that ended on 31.12.2013 and described in these.

The comparative figures have been reclassified where was necessary in order to comply with changes in presentation of the current year.

All amounts presented in the financial statements are in thousands of euro unless otherwise stated.

The amounts included in the financial statements have been rounded in thousands of euro. Any differences between the amounts included in the financial statements and the respective amounts included in the notes are attributed to roundings.

6.1. New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. There is no impact at the Group's and Company's financial statements from the implementation of these new standards, amendments to standards and interpretations as follows:

Standards and Interpretations effective for the current financial period

IFRIC 21 "Levies"

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

IFRS 10, IFRS 12 and IAS 27 (Amendment) "Investment entities"

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) "Recoverable amount disclosures for non-financial assets"

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

Standards and Interpretations effective for subsequent periods

The Company considers it unlikely that future implementation will have major impact of these Standards and Interpretations.

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7: (effective for annual periods beginning on or after January 1, 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. It also establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The standard has not yet been endorsed by the EU.

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after January 1, 2017)

The objective of the Standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The standard has not yet been endorsed by the EU.

IAS 19 (Amendment) “Employee Benefits”: (effective for annual periods beginning on or after July 1, 2015)

This narrow scope amendment applies to contributions from employees or third parties to defined plans and simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

IFRS 11 (Amendment) “Joint Arrangements” (effective for annual periods beginning on or after January 1, 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a “business”. This amendment has not yet been endorsed by the EU.

IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortization” (effective for annual periods beginning on or after January 1, 2016)

These amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and they also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. These amendments have not yet been endorsed by the EU.

IAS 27 (Amendment) “Separate Financial Statements” (effective for annual periods beginning on or after January 1, 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements and clarifies the definition of separate financial statements. This amendment has not yet been endorsed by the EU.

IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective for annual periods beginning on or after January 1, 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after February 1, 2015)

The amendments set out below describe the key changes to six IFRSs, following the publication of the results of the IASB’s 2010-2012 cycle of the annual improvements project.

IFRS 2 “Share-based payment”

The amendment clarifies the definition of a ‘vesting condition’ and separately defines ‘performance condition’ and ‘service condition’.

IFRS 3 “Business combinations”

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 “Operating segments”

The amendment requires disclosure of the judgements made by management in aggregating operating segments.

IFRS 13 “Fair value measurement”

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 “Related party disclosures”

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Annual Improvements to IFRSs 2013 (effective for annual periods beginning on or after January 1, 2015)

The amendments set out below describe the key changes to three IFRSs, following the publication of the results of the IASB’s 2011-2013 cycle of the annual improvements project.

IFRS 3 “Business Combinations”

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 “Fair Value Measurement”

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 “Investment Property”

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after January 1, 2016)

The amendments set out below describe the key changes to four IFRSs, following the publication of the results of the IASB’s 2012-2014 cycle of the annual improvements project. The improvements have not yet been endorsed by the EU.

IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”

The amendment clarifies that, when an asset (or disposal group) is reclassified from “held for sale” to “held for distribution”, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 “Financial Instruments: Disclosures”

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, “Disclosure – Offsetting financial assets and financial liabilities” is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 “Employee Benefits”

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim Financial Reporting”

The amendment clarifies what is meant by the reference in the standard to “information disclosed elsewhere in the interim financial report”.

6.2. Important accounting decisions, estimations and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.2.1. Judgements

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the Management that have the most significant effect on the amounts recognized in the financial statements. Mainly judgements relate to:

- **recoverability of accounts receivable**

Management examines annually the recoverability of the amounts included in accounts receivable, in combination with external information (such as creditability databases, lawyers, etc) in order to estimate the recoverability of accounts receivable.

- **classification of investments**

On investment acquisition, the Management decides on its classification as that in held-to-maturity assets, held for the purpose of being traded, instruments at fair value through profit or loss or available-for-sale assets. As far as held-to-maturity assets are concerned, the Management examines whether they are qualified under IAS 39 and in particular, the extent to which the group has intention and ability to hold them to maturity. The Group classifies assets as those held for the purpose of being traded in case they were acquired mainly to create short term profit. The classification of assets as instruments at fair value through profit or loss depends on the way the Management monitors the return on such investments. In case they are not classified as those held for the purpose of being traded but there are available and reliable fair values and the changes in fair values are included in profit and loss accounts of the Management, they are classified as instruments at fair value through profit or loss. All the other investments are classified as available-for-sale assets.

- **Consolidation and sharing on related companies**

(see note: 7.1.)

- **Revenue from commission**

(see note: 7.4.)

6.2.2. Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A “critical accounting estimate” is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The company evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts,

trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also see note 7, “Summary of Significant Accounting Policies”, which discusses accounting policies that we have selected from acceptable alternatives.

Retirement benefit costs

(see note: 7.19.)

Estimated impairment of goodwill and other intangible assets

(see notes: 7.7. and 7.8.)

Income taxes

(see note: 7.16.)

Provisions

(see note: 7.17.)

Contingencies

(see note 7.17.)

Bussiness Combinations

(see note 7.1.)

Useful life of depreciated assets

(see note: 7.5.)

Fair value of financial instruments

The Management uses techniques of assessment of fair value of financial instruments where they are not available prices from active market. Details of admissions that used are analyzed in notes what concern in financial instruments. For the application of techniques of assessment, the Management uses the best available estimates and assumptions that are in line with the existing information which participants would use in order to value a financing instrument. Where the information does not exist, the Management uses the best possible estimates for the assumptions to be used. These estimates may differ from the real prices at the closing date of the financial statements.

6.3. Consolidation method change of the company HELLENIC LOTTERIES S.A.

The Company participates in HELLENIC LOTTERIES S.A. through its 100% subsidiary OPAP INVESTMENT LTD percentage 67%.

On 31.12.2013 the HELLENIC LOTTERIES S.A was included in the Group's Statement of Financial Position with the equity method.

At the Extraordinary General Meeting of Shareholders on 09.01.2014 some changes in the Statute articles of HELLENIC LOTTERIES S.A. about decision-making in important issues of financial management which was required a majority of 2/3 of the BoD members. After the General Electronic Commercial Registry (G.E.M.I.) announcement on 19.06.2014 of the amendment of Articles of Association of HELLENIC LOTTERIES S.A, (as was approved by), the aforementioned company's method of consolidation was changed and thus for the period from 19.06.2014 up to 31.12.2014 consolidates (through its subsidiary OPAP INVESTMENT LTD) with the Full Consolidation Method.

If instead of equity method used by the Full Consolidation Method then, the Group's Statement of Financial Position on 31.12.2013 would be as follows:

GROUP	31.12.2013	
	PROFORMA	PUBLISHED
ASSETS		
Cash and cash equivalents	243,714	242,036
Intangible assets	1,293,211	1,103,211
Tangible assets	50,453	50,453
Investments in associates	1,503	129,563
Trade and other receivables	54,987	54,987
Non - current assets	<u>21,169</u>	<u>21,079</u>
TOTAL ASSETS	1,665,036	1,601,329
EQUITY & LIABILITIES		
Trade and other payables	401,034	400,402
Long-term liabilities	75,645	75,645
Share capital	95,700	95,700
Reserves	59,633	59,633
Retained earnings	<u>1,033,024</u>	<u>969,949</u>
TOTAL EQUITY & LIABILITIES	1,665,036	1,601,329

Respectively the total turnover, expenses and profit before tax of the HELLENIC LOTTERIES S.A. of the Group for the year that ended on 31.12.2014, if the consolidation method had become on 01.01.2014, would be as follows:

HELLENIC LOTTERIES S.A.		
	01.01-31.12.2014	19.06-31.12.2014
Turnover (Wagers)	395,891	292,025
Total expenses	379,609	278,706
Profit before tax	16,282	13,319

It should be noted that the Company consolidated the participation of HELLENIC LOTTERIES S.A. with the Equity Method for the period of 01.01.2014 up to 18.06.2014.

6.4. Seasonality

Under the International Financial Reporting Standards, the Company's operations are not affected by seasonality or cyclical factors, except for those relating to PAME STIHIMA sales that increase in connection with significant sports events, such as the UEFA Euro or the FIFA World Cup.

7. Summary of accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. It should be noted, as aforementioned in paragraph 6.2, that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

7.1. Basis of consolidation and investments in associates

The consolidated financial statements include the accounts of the Company and its subsidiaries.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition.

Subsidiaries

Subsidiaries are companies in which OPAP S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise the power to exercise control over their operations.

When assessing whether OPAP S.A. controls another entity potential voting rights the existence and effect of potential voting rights that are currently exercisable or convertible are considered.

All subsidiaries of Group have as balance date on 31 December.

The financial statements of Group include the financial statements of parent company as also and entities which are controlled by the Group with complete consolidation.

Subsidiaries are consolidated using the purchase method from the date on which effective control is transferred to the company and cease to be consolidated from the date on which control is transferred out of the company.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Minority interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. If the loss of a subsidiary, that concern in minority interest, exceed the minority interest in the equity of subsidiary, the excess sum is shared out in the shareholders of parent company apart from the sum for which the minority has a obligation and it is capable to make up this loss. Where necessary, accounting policies for subsidiaries are revised to ensure consistency with those adopted by the Group.

All inter-company transactions have been eliminated.

In the individual financial statements of OPAP S.A. investments in subsidiaries are accounted from the cost minus the value impairment.

Associates

Associates are those entities over which the Group is able to exert significant influence but does not exert control. Significant influence is the power to participate in the financial and operating policy decisions of the issuer but is not control over those policies. Significant influence normally exists when Grantor has 20% to 50% voting power through ownership or agreements.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill is included within the book price of the investment and is assessed for impairment as part of the investment. Where a Group entity transacts with an associate of the Group, profit or losses are eliminated to the extent of the Group's interest in the relevant associated company.

All subsequent changes to the share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are charged against "Results from equity investments" in OPAP's consolidated income statement and therefore affect net results of the Group. These changes include subsequent depreciation, amortization or impairment of the fair value adjustments of assets and liabilities. Items that have been directly recognised in the associate's equity, for example, resulting from the associate's accounting for available-for sale securities, are recognised in consolidated equity of the Group. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognised in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the financial statements of associate that are used for the application of equity method are worked out in report date that differs from that of parent, then the financial statements of associate are adjusted that reflect the effects of important transactions or events that happened between that date and the date of financial statements of investor company. In any case, the difference between the report date of associate and investor company is up to 3 months.

Accounting policies of associates are consistent with those of parent company and was not needed any change to ensure consistency with those adopted by the Company.

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Investments in associates are accounted for and presented at cost less any impairment of value.

7.2. Foreign currency translation

OPAP's consolidated financial statements are presented in euro (€), which is also the functional currency of the parent company and the currency of presentation for the Company and all its subsidiaries.

Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under financial result except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities such as assets held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as assets classified as available for sale are included in the available-for-sale reserve in equity.

Assets and liabilities have been translated into euros at the closing rate at the balance sheet date.

7.3. Operating segments

In order to recognize the presented operating segments, the Management is based on the business operating segments that mainly represent the goods and services provided by the Group.

The accounting principles used by the Group for the purposes of segment reporting in compliance with IFRS 8, are the same as those used for the preparation of the financial statements.

7.4. Income and expense recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received and is shown net of value-added tax, returns, discounts and after eliminating sales within the Group. The amount of revenue is considered to be reliably measurable when all contingencies relating to the sale have been resolved.

Turnover:

Includes the gross receipts from the conduct of games.

Net revenues:

Include the gross receipts from the games minus the winners' payout.

The revenues recognition is as follows:

Revenues from games:

Revenues from the games is recognized upon the completion of games and draws, typically immediately before the announcement of the games' results. Revenues from sports betting games, for BETTING games are recognized daily, for games PROPOGOAL and PROPO that last longer than three or four days are recognized on a cash basis three times weekly respectively. The revenues prereduced for the above prediction games before closing the year, relating to events after the closing of the financial statements, are not important. The prizes to the winners are recognized on cash basis as above except for cases relating to prereduced revenues.

Other revenue categories are recognized based on the following methods:

Sale of goods:

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods and the payment has been ensured.

Rendering of services:

Revenue from fixed-price contracts is recognised by reference to the stage completion of the transaction at the balance sheet date. Under the percentage of completion method, revenue is generally recognised based on the cost of services activity and performance to date as a percentage of the total services to be performed. When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. The amount of the selling price associated with the subsequent servicing agreement is deferred and recognised as revenue over the period during which the service is performed. This deferred income is included in "Other liabilities".

Revenue from commissions:

The New Year's Eve Lottery is issued once a year and the draw is held on New Year's Eve. Net Revenues from this Lottery are attributed to the Greek State.

Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on gross sales. The fee included all Company costs related to the operations of the New Year's Eve Lottery. This commission is recognized once a year, during December.

Interest income

Interest income is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When a receivable is impaired, the Group reduces the carrying amount to the amount expected to be recovered, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

Dividend income:

Dividend income is recognized to the income statement at the date of distribution approval by the Annual General Meeting of shareholders.

Expenses:

Expenses are recognized in the statement of comprehensive income on accrual basis. Interest expenses are recognized on accrual basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7.5. Property, plant and equipment

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequently are valued at undepreciated cost less any impairment.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their

cost can be accurately and reliably measured. The repair and maintenance cost is booked in the Statement of Comprehensive Income when such is realized.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Land	-
Buildings	20 years
Plant & Machinery	3-9 years
Vehicles	6.5 years
Furniture and other equipment	5 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

Assets up to a value of € 1,5 are amortized during the year.

7.6. Intangible assets

Intangible assets include software and concession rights.

Software: Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Rights: The exclusive rights are recognized initially at market cost or estimate and subsequently at amortized cost decreased with any impairment. The 20-year concession granted by the Hellenic Republic to the Company to operate by any appropriate means provided for by the current technology numerical lottery and sports betting games has been stated at cost, which was determined by independent actuaries and depreciated during the 20 years period. (Refer to note 7.8, for the impairment test procedures).

Extensions to existing exclusive rights and new licenses of new video lotteries on an exclusive basis, treated as separate assets and are amortized over on a straight line basis.

On 4.11.2011 was issued to OPAP S.A. a license to install and operate 35,000 VLTs. The license of OPAP S.A. for the VLTs shall be valid for a period of 10 years, whichever comes first, either a) twelve (12) months after the Gaming Conduct and Control Regulation is issued (GG 2041/25.07.2014), or b) from the date on which the commercial operation of the first gaming machine will take place, after the issue of the above Regulation or of the above decision, as it will be established by the Hellenic Gaming Commission (HGC) upon relevant Act.

Under the current regime, as provided for in L. 4002/2011, OPAP shall also be obliged to put into operation the 16,500 gaming machines within twelve (12) months from the date on which the Gaming Conduct and Control Regulation is issued. According to the above amendments, adopted with L. 4141/2013, this term is extended to eighteen (18) months.

After the elapse of the above term, the number of gaming machines that will not have been put into operation shall be deducted, without prejudice to the State. The rest 18,500 gaming machines, whose operation will be assigned following tender procedure to sub-concessionaires, must be put into operation within twenty-four months after the Gaming Conduct and Control Regulation is issued. After the elapse of the twenty – four months term, the number of gaming machines, for which licenses were granted but were not put into operation, shall be deducted, without prejudice to OPAP S.A.. OPAP S.A. may, the latest within one (1) year after the elapse of the twenty-four months term, install and operate the gaming machines that were not put into operation in the company's Points of Sales (agencies) or may assign their installation and operation to sub-concessionaires, after proceeding to a notice of invitation to public international highest bidder tender, whose terms shall be approved by HGC. After the elapse of the above term, the number of the gaming machines that would have not been into operation will be deducted from the number of gaming machines for which licenses had been granted.

The depreciation will be calculated using the straight line method and will begin at the start of operation.

The license to use the Source Code of the games' software, the central system and the agent terminals, the license to use the applications software for the provision of added value services, the license to use the games' software of the agent terminals of 31.07.2007 private contract have useful life of 9 years and depreciation is calculated using the straight line method.

Intangible assets up to a value of € 1,5 are amortized during the year.

7.7. Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Company tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired (refer to note 7.8, for a description of impairment testing procedures).

7.8. Impairment of assets

The Group's goodwill and assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an

impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (cash generating unit - CGU) is greater than its recoverable amount. Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

However, the Group's policy is that any changes in present value of future cash flows due to factors outside of the Company's control (eg interest rates), do not constitute reasons for reversal of impairments that had been recorded in previous years.

7.9. Leases

The Group enters into agreements that are not those of the legal type of a lease but pertain to the transfer of the right to use assets (property, plant and equipment) as against certain payments.

The consideration of whether an agreement contains an element of a lease is made at the inception of the agreement, taking into account all the available data and particular circumstances. After the inception of the agreement, there is conducted its revaluation concerning whether it still contains an element of a lease in case any of the below mentioned happen:

- a) there is a change in the conditions of the leases apart from cases when the leases is simply prolonged or renewed,
- b) there is exercised the right to renew the leases or a prolongation of the leases is decided apart from the cases when the terms of prolongation and renewal were initially included in the leasing period,
- c) there is a change in the extent to which the realization depends on the defined assets and
- d) there is a material change in the assets.

If a lease is reevaluated, the accounting treatment of leases is applied as starting from the date the changes qualify for those mentioned in (a), (c) or (d) and as starting from the date of prolongation and renewal in cases specified in (b).

The Group as the lessee

The ownership of a leased asset is transferred to the lessee in case all the risks and rewards of ownership of the leased assets have been transferred to the lessee irrespective of the legal type of the agreement. At the commencement of the lease term, lessees shall recognise finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent accounting treatment of assets acquired through finance leases is that the leased land and buildings are revalued at fair value. The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the lessee will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

All the remaining leases are treated as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Group as the lessor

The leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initially, the lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

7.10. Other non-current assets

Non-current assets are recorded at their historical cost, without any present value discount from the date of their anticipated maturity or realization.

Guarantee deposits

Guarantee deposits are placed on deposit with certain suppliers to secure the company's obligations to those suppliers. Amounts remain as demands for their duration. Upon the maturity of these obligations,

the amounts on deposit may be applied against all or a portion of the outstanding obligations according to the terms of the deposit, with any balance being returned to the Group.

7.11. Financial assets

Financial assets include cash and financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets, other than hedging instruments, can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Regular way purchase or sale of financial assets is recognised on their settlement date. All financial assets that are not classified as at fair value through profit or loss are initially recognised at fair value, plus transaction costs.

The Company determines whether a contract contains an embedded derivative in its agreement. The embedded derivative is separated from the host contract and accounted for as a derivative when the analysis shows that the economic characteristics and risks of the derivative are not closely related to the host contract.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Company assesses at each balance sheet date whether a financial asset or Group of financial assets is impaired.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortization process. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Trade receivables are provided against when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount

of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

ii) Fair value

The fair values of financial assets that are traded in active markets, are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.

7.12. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the yearly weighted average cost formula.

7.13. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less.

7.14. Restricted cash

Restricted cash is cash not available for immediate use. Such cash cannot be used by a Company until a certain point or event in the future. In cases when restricted cash is expected to be used within one year after the balance sheet date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the balance sheet date, it is classified as a non-current asset. Restricted cash is not included in Cash and Cash Equivalents.

7.15. Equity

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Additional paid-in capital includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Preference shares that provide characteristics of a liability are recognised in the balance sheet as a financial liability, net of transaction costs. The dividend payments on shares wholly recognised as liabilities are recognised as interest expense in the income statement.

The components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity are recognised separately and classified separately as financial liabilities, financial assets or equity instruments.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, with all the related expenses included, is deducted from equity attributable to the Company's equity holders. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own share capital. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

7.16. Income tax and deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences.

This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with goodwill.

No deferred tax is recognised from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor

taxable profit or loss. No deferred taxes are recognised to temporary differences associated with shares in subsidiaries and joint ventures if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a part of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity. Deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. The Group recognises previously unrecognised deferred tax asset are reassessed at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

7.17. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are not recognised for future operating losses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision. The expense relating to a provision is presented in the income statement, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost in the income statement.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised unless assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is minimum.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

7.18. Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, trade and other payables and finance leasing liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and derecognised when the obligation under the liability is discharged or cancelled or expires.

All interest related charges are recognised as an expense in "Finance cost" in the income statement.

Finance lease liabilities are measured at initial value less the capital element of lease repayments.

Trade payables and other liabilities are recognised initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortization process.

Where an existing financial liability is exchanged by another or the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as extinguishment of the original liability and recognition of a new liability. Any difference in the respective carrying amounts is recognised in the income statement.

The bank loans are recorded in liabilities at fair value on the date the funds are released and are presented net of direct issue costs on loans. The direct issue costs on loans carried at amortized cost. The difference between the funds released (net of direct issue costs on loans) and the total borrowed amount, is recognized in installments during the loan using the effective interest method. Interest expenses are recognized when paid and the balance sheet date to the extent such expenses are accrued and not paid. The loans are divided into long term (mature in more than one year) and short term (mature in one year or less).

7.19. Retirement benefits costs

The parent company, its subsidiaries OPAP SERVICES S.A., PAYZONE S.A. and HELLENIC LOTTERIES S.A. in Greece, pay contributions to employee benefit plans after leaving the service in accordance with the laws and practices of the Group. These programs are separated into defined benefit plans and defined contribution plans.

Defined benefit plans

As defined benefit plan is a benefit plan to an employee after leaving the service, in which benefits are determined by certain parameters such as age, years of service or salary. At defined benefit plan, the value of the liability is equal to the present value of defined benefit payable at the balance sheet date less the fair value of plan assets and of past services cost. The defined benefit liability and the related expense is estimated annually by independent actuaries using the projected credit unit method. The present value of the liability is determined by discounting the estimated future cash flows to the interest rate of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the liability, where the market depth for such bonds is weak. The costs of liability are recognized in income during the rendering of insured services. The expenses for defined benefit plans, as estimated, are recognized in the income statement and are included in the account "Staff Costs". Additionally, based on the requirements of IAS 19 (Amendment) the actuarial profits/(losses) are recognised in the statement of comprehensive income.

7.20. Investment property

In this category the Group classifies property held for long-term rental yields which is not occupied by the companies. These investments are initially recognized at their cost, increased by the expenses related to the acquisition transaction. After the initial recognition they are valued at their cost less the accumulated depreciation and the possible accumulated losses from the reduction of their value. Expenses for the maintenance and repairing of the invested upon property, plant and equipment, are recognized in the income statement. For the calculation of depreciation, their useful life has been defined equal to that of owner occupied property.

8. Structure of the Group

The structure of OPAP Group as of 31.12.2014 is the following:

Company's Name	Ownership Interest	Country Of Incorporation	Consolidation Method	First Consolidation Date	Principal Activities
OPAP S.A.	Parent company	Greece			Numerical lottery games and sports betting
OPAP CYPRUS LTD	100%	Cyprus	Full consolidation	1.10.2003	Numerical lottery games
OPAP SPORTS LTD	100%	Cyprus	Full consolidation	1.10.2003	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Full consolidation	24.2.2004	Holding company – Services
OPAP SERVICES S.A.	100%	Greece	Full consolidation	15.9.2004	Sports events – Promotion – Services
OPAP INVESTMENT LTD	100%	Cyprus	Full consolidation	23.11.2011	Gaming activities
PAYZONE HELLAS S.A.	90%	Greece	Full consolidation	19.11.2014	Services for electronic transactions - Mobile Top-ups - Utility and Bill Payments
HORSE RACES S.A.	100%	Greece	Full consolidation	22.12.2014	Mutual Betting on Horse Races
GLORY TECHNOLOGY LTD	20%	Cyprus	Equity method	1.10.2003	Software
NEUROSOFT S.A.	30%	Greece	Equity method	24.2.2009	Software
HELLENIC LOTTERIES S.A. consolidation during the year 2014					
HELLENIC LOTTERIES S.A.	67%	Greece	Equity method	15.6.2013	Lotteries
HELLENIC LOTTERIES S.A.	67%	Greece	Full consolidation	19.6.2014	Lotteries

It must be noted that according to the article 12 of par. 3 of the Statute of HELLENIC LOTTERIES S.A to 18.06.2014 a majority of 2/3 of the BoD members was required in order to resolve on certain issues. Therefore OPAP S.A. for the period from 01.01.2014 up to 18.06.2014 consolidated (through its subsidiary OPAP INVESTMENT LTD) the HELLENIC LOTTERIES S.A with the Equity Method. After the General Electronic Commercial Registry (G.E.M.I.) announcement on 19.06.2014 of the amendment of Articles of

Association of HELLENIC LOTTERIES S.A., (as was approved by the Extraordinary General Meeting of Shareholders on 09.01.2014), the aforementioned company's method of consolidation was changed and thus for the period from 19.06.2014 up to 31.12.2014 consolidates (through its subsidiary OPAP INVESTMENT LTD) with the Full Consolidation Method.

The extra Ordinary General Meeting of OPAP INVESTMENT LTD, 100% subsidiary of OPAP S.A., of 05.09.2014, decided to increase the company's share capital by issuing 10,000 new ordinary shares of € 1 (euro) nominal price each and allotment price € 875 (euro) each.

OPAP S.A. announced the completion of the acquisition of 90% of PAYZONE S.A. by OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A. The final agreement was signed on 19.11.2014, following clearance granted by the competent competition authorities.

On 22.12.2014 was established the societe anonyme under the name "Horse Races Societe Anonyme" and the distinctive title "HORSE RACES S.A." 100% subsidiary of the OPAP INVESTMENT LTD. The share capital of the company was fixed at € 24 and was divided into 2,400 ordinary shares of face value € 10 each.

All subsidiaries report their financial statements on the same date as the parent company does.

9. Dividend distribution

Dividend distribution to the shareholders of the parent company and the Group is recognized as a liability named "Payables", at the date at which the distribution is approved of by the Shareholders' General Meeting.

10. Operating segments

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Management recognizes business segment as primary and reports separately revenues and results from each game. The reports concerning results per game are the basis for the management's decisions, mainly the Chairman and CEO of OPAP S.A.

10.1. Consolidated Business Segments

As of 31 December 2014 and for the year then ended

GROUP 01.01-31.12.2014	Revenue and Other Revenue	Gross profit	Results from operations	Unallocated items	Profit before tax	Profit after tax
PROPO	8,106	1,250	1,088	0	1,088	709
LOTTO	48,875	11,143	9,009	0	9,009	5,873
PROTO	27,674	4,793	3,323	0	3,323	2,167
STIHIMA	1,523,191	137,315	103,956	0	103,956	67,775
MONITOR GAMES	54,405	647	-176	0	-176	-115
GO LUCKY	927	26	12	0	12	8
PROPO GOAL	451	-27	-38	0	-38	-25
JOKER	266,675	52,439	38,162	0	38,162	24,880
EXTRA 5	7,519	558	218	0	218	142
SUPER 3	18,825	3,130	1,918	0	1,918	1,251
KINO	2,010,397	228,137	165,134	0	165,134	107,660
SCRATCH	202,661	18,268	10,584	0	10,584	6,900
LAIKO	61,621	5,192	3,890	0	3,890	2,536
ETHNIKO	27,743	2,606	2,105	0	2,105	1,372
OTHER REVENUES	16,215	1,318	696	0	696	454
UNALLOCATED ASSETS	0	-42,873	-43,683	9,381	-34,302	-22,363
TOTAL	4,275,286	423,920	296,198	9,381	305,579	199,224

Unallocated assets relate to Companies with non-gaming activity

GROUP 01.01-31.12.2013	Revenue	Gross profit	Results from operations	Unallocated items	Profit before tax	Profit after tax
PROPO	12,640	2,114	1,567	0	1,567	1,178
LOTTO	58,747	13,966	11,054	0	11,054	8,305
PROTO	31,041	5,225	4,000	0	4,000	3,005
STIHIMA	1,258,518	105,079	52,650	0	52,650	39,556
MONITOR GAMES	68,070	-865	-3,492	0	-3,492	-2,612
GO LUCKY	1,650	4	-12,981	0	-12,981	-9,711
PROPO GOAL	996	72	34	0	34	26
JOKER	207,555	39,874	30,444	0	30,444	22,872
EXTRA 5	7,976	449	140	0	140	105
SUPER 3	21,557	3,469	2,635	0	2,635	1,980
KINO	2,042,309	188,485	103,072	0	103,072	77,439
SCRATCH	0	0	0	0	0	0
LAIKO	0	0	0	0	0	0
ETHNIKO	0	0	0	0	0	0
UNALLOCATED ASSETS	0	-11,522	-11,522	10,155	-1,367	-1,028
TOTAL	3,711,059	346,350	177,601	10,155	187,756	141,115

10.2. Business Segments of OPAP S.A.

As of 31 December 2014 and for the year then ended

COMPANY 01.01-31.12.2014	Revenue	Gross profit	Results from operations	Unallocated items	Profit before tax	Profit after tax
PROPO	7,901	1,148	995	0	995	647
LOTTO	42,906	9,754	8,363	0	8,363	5,437
PROTO	22,982	3,830	2,983	0	2,983	1,939
STIHIMA	1,503,062	125,876	92,012	0	92,012	59,818
MONITOR GAMES	54,405	402	-494	0	-494	-321
GO LUCKY	927	21	6	0	6	4
PROPO GOAL	428	-35	-44	0	-44	-29
JOKER	238,556	45,811	35,008	0	35,008	22,759
EXTRA 5	6,521	356	149	0	149	97
SUPER 3	14,724	2,343	1,690	0	1,690	1,099
KINO	1,867,300	195,394	150,359	0	150,359	97,750
SCRATCH	0	0	0	0	0	0
LAIKO	0	0	0	0	0	0
ETHNIKO	0	0	0	0	0	0
UNALLOCATED ASSETS	0	-1,644	-1,644	7,893	6,250	4,063
TOTAL	3,759,713	383,257	289,383	7,893	297,277	193,262

COMPANY 01.01-31.12.2013	Revenue	Gross profit	Results from operations	Unallocated items	Profit before tax	Profit after tax
PROPO	12,419	2,076	1,571	0	1,571	1,175
LOTTO	52,680	12,937	10,394	0	10,394	7,776
PROTO	25,615	4,305	3,355	0	3,355	2,510
STIHIMA	1,239,977	103,549	55,045	0	55,045	41,179
MONITOR GAMES	68,070	-865	-3,492	0	-3,492	-2,612
GO LUCKY	1,650	4	-12,981	0	-12,981	-9,711
PROPO GOAL	957	66	32	0	32	24
JOKER	182,901	35,691	27,684	0	27,684	20,710
EXTRA 5	7,123	305	46	0	46	34
SUPER 3	16,726	2,649	2,045	0	2,045	1,530
KINO	1,896,176	163,695	88,816	0	88,816	66,444
SCRATCH	0	0	0	0	0	0
LAIKO	0	0	0	0	0	0
ETHNIKO	0	0	0	0	0	0
UNALLOCATED ASSETS	0	0	0	18,187	18,187	13,606
TOTAL	3,504,294	324,412	172,515	18,187	190,702	142,665

There are no sales transactions between business segments. The allocation of operating costs in these business sectors, is carried out based on cost centers per game. A portion of the cost of services, distribution costs, administration costs, other income and expenses and the impairment provisions, were allocated to business segments according to revenue (turnover) of these business segments. The unallocated items mainly relate to financial income and expenses. Furthermore, it must be noted that, during 2013 the games KINO and GO LUCKY were charged with the amounts € 6,812 and € 12,925 respectively because of the T.A.X. impairment made by the Company (see Note 11.7)

10.3. Geographical Segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the parent company and of the subsidiaries OPAP SERVICES S.A., HELLENIC LOTTERIES S.A., HORSE RACES S.A., PAYZONE S.A. and of the associate NEUROSOFT S.A..

Year that ended on 31 December 2014	Greece	Cyprus	Intercompany Transactions	Total
Revenue and Other Revenue	4,094,969	209,858	-29,541	4,275,286
Gross Profit	395,264	15,606	13,050	423,920
Total assets	1,924,557	185,716	-359,436	1,750,838

Year that ended on 31 December 2013	Greece	Cyprus	Intercompany Transactions	Total
Turnover	3,504,294	206,765	0	3,711,059
Gross Profit	325,194	14,935	6,221	346,350
Total assets	1,654,055	158,424	-211,131	1,601,348

11. Notes on the financial statements

11.1. Cash and cash equivalents

Cash and cash equivalents analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Cash in hand	2,175	445	1,923	441
Cash at bank	41,062	49,982	18,102	31,076
Short term Bank deposits	<u>248,261</u>	<u>191,609</u>	<u>175,030</u>	<u>161,100</u>
Total	291,499	242,036	195,055	192,617

The average interest rate earned on bank deposits was 2.28% in 2014 and 3.81% in 2013. The average duration of short-term deposits was 12 calendar days in 2014 and 15 calendar days in 2013.

11.2. Restricted cash

Amount € 3,400 relates a term deposit in pledge until 09.01.2014 for OPAP S.A. related to the subsidiary PAYZONE S.A. Moreover amount € 1.727 (interest included) relates to OPAP INVESTMENT LTD (amount restricted for the acquisition of the PAYZONE S.A.).

11.3. Inventories

Inventories consist mainly of lottery tickets and athletic events prognoses games, coupons for PAME STIHIMA game etc.

According to the contract on 22.06.2009 between the parent company and OPAP SERVICES S.A. the subsidiary undertook the rendering of services of production, supply, storage and distribution of consumables and forms as well as promotional material to all agencies.

Furthermore, there are reserves amounted to € 2,176 of the subsidiary PAYZONE S.A. relating mainly to fixed and mobile phone cards, Internet and Paysafe cards.

Group's inventories have not been pledged as security.

11.4. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Receivables from agencies (revenues from games)	86,744	31,014	63,194	29,051
Receivables from agencies (accounts under arrangement)	2,441	5,497	2,349	5,354
Less discounting for receivables agents' accounts under arrangement	-81	-138	-81	-138
Doubtful receivables from agents	34,779	33,829	34,779	33,829
Other receivables	<u>4,478</u>	<u>71</u>	<u>8,032</u>	<u>5,597</u>
Sub total short term trade receivables	128,362	70,273	108,274	73,693
Less provisions for bad and doubtful debts and for accounts under arrangement	<u>-36,111</u>	<u>-35,379</u>	<u>-35,751</u>	<u>-35,379</u>
Total short term trade receivables	92,250	34,894	72,523	38,314
Long term receivables from agencies (accounts under arrangement)	550	1,492	550	1,492
Less discounting for receivable accounts under arrangement	<u>-23</u>	<u>-107</u>	<u>-23</u>	<u>-107</u>
Total long term trade receivables	527	1,385	527	1,385
Total trade receivables	92,778	36,279	73,050	39,699

Receivables from lottery agencies (revenues from games) refer to receivables from lottery and betting games that took place at the end of year and were collected at the beginning of next year.

The last settlement period that ended on 31.12.2014 was longer than that ended on 31.12.2013 and this is the reason why there is significant variation between the two above periods.

Management considers that the Group's main credit risk arises from doubtful receivables of agents including arrangements for unpaid revenues. On 31.12.2014 this debt amounted to € 34,779 (€ 33,829 in 2013) while the accounts under arrangement amounted to € 2,991 (€ 6,989 in 2013). The Company in order to cover this risk established cumulative provision of € 35,751 in the year 2014 (€ 35,379 in 2013). The charge of the year 2014 sum of € 684 is included in the cost of services. A warranty reserve that jointly secures part of the agents' obligations to the parent company, amounting to € 1,246 in 2014, is also available to cover bad debts (€ 3,820 in 2013) (see note 11.21). Management considers these provisions to be adequate.

In the year 2014 the part of interest bearing regulations, non-covered by provision, was carried at the current value at discount rate of 1.55%, based on which it was created financial cost amounting to € 104 lowering as by this amount the initial value of the asset.

In the year 2013 the part of interest bearing regulations, non-covered by provision, was carried at the current value at discount rate of 3.70%, based on which it was created financial cost amounting to € 245 lowering as by this amount the initial value of the asset.

The expected inflow of the total trade receivables are presented below:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Expected inflow phases:				
< 3 months	91,166	33,109	71,489	36,628
3 - 6 months	402	762	351	663
6 - 12 months	<u>682</u>	<u>1,023</u>	<u>682</u>	<u>1,023</u>
Total short term receivables	92,250	34,894	72,523	38,314
> 12 months	<u>527</u>	<u>1,385</u>	<u>527</u>	<u>1,385</u>
Total	92,778	36,279	73,050	39,699

11.5. Other current assets

The analysis of other current assets is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Housing loans to personnel	53	69	53	69
Prepayments of retirement compensation	0	553	0	553
Other receivable - revenue receivable	2,546	8,915	2,320	7,697
Prepaid expenses	14,131	9,107	8,606	7,349
Intercompany transaction of winners profits with OPAP CYPRUS LTD	0	0	4,040	393
Receivables from taxes	0	563	0	0
Total	16,730	19,207	15,020	16,061

The Prepaid expenses consist of prepayments made to the Superleague and football clubs for advertising and sponsoring services according to the terms of separate contracts signed with each of those associations.

The deviation in Prepaid expenses is attributed mainly to the change in the consolidation method of HELLENIC LOTTERIES S.A.

11.6. Intangible assets

Intangible assets refer to Software, Concession Rights and Know-how and analyzed as follows:

GROUP	Software	Rights of games	Software & Rights (Contract 31.07.2007)	Software & Rights of (Contract 30.07.2010 & 31.05.2014)	Total
Year that ended on 31 December 2013					
Opening net book amount (1 January 2013)	582	1,069,304	35,412	553	1,105,851
Additions	548	0	0	0	548
Capitalised finance costs	0	22,277	0	0	22,277
Amortization charge	-332	-16,141	-8,623	-369	-25,465
Net book amount (31 December 2013)	798	1,075,440	26,789	184	1,103,211
Year that ended on 31 December 2014					
Opening net book amount (1 January 2014)	798	1,075,440	26,789	184	1,103,211

Additions due to consolidation of HELLENIC LOTTERIES S.A. & PAYZONE S.A.	56	187,889	0	0	187,945
Additions	4,681	0	0	2,384	7,065
Capitalised finance costs	0	3,790	0	0	3,790
Amortization charge	-1,025	-24,585	-8,623	-542	-34,776
Net book amount (31 December 2014)	4,509	1,242,534	18,166	2,027	1,267,236

COMPANY	Software	Rights of games	Software & Rights (Contract 31.07.2007)	Software & Rights (Contract 30.07.2010 & 31.05.2014)	Total
Year that ended on 31 December 2013					
Opening net book amount (1 January 2013)	576	1,069,304	35,412	553	1,105,845
Additions	546	0	0	0	546
Capitalised finance costs	0	22,277	0	0	22,277
Amortization charge	-329	-16,141	-8,623	-369	-25,462
Net Book Amount (31 December 2013)	793	1,075,440	26,789	184	1,103,206
Year that ended on 31 December 2014					
Opening net book amount (1 January 2014)	793	1,075,440	26,789	184	1,103,206
Additions	4,497	0	0	2,384	6,881
Capitalised finance costs	0	3,790	0	0	3,790
Amortization charge	-1,003	-16,141	-8,623	-542	-26,309
Net Book Amount (31 December 2014)	4,287	1,063,090	18,166	2,027	1,087,569

Intangible assets are currently unencumbered. Amortization of the 20-year concession right, software and rights of 31.07.2007 Private Contract (consortium INTRALOT S.A.) is totally included in cost of sales, whereas amortization of software is allocated in cost of sales, administrative expenses and distribution costs.

The Group net book value of intangible assets comprises amount of € 179,444 (cost € 190,000 minus amortization € 10,556) which relates to HELLENIC LOTTERIES S.A. rights for the production, operation, distribution, promotion and management of State Lotteries for a period of 12 years. This was the result of the change in the applicable consolidation method of HELLENIC LOTTERIES S.A. as of 19.06.2014.

In the Rights is included the ten-year extension from 12.10.2020 to 12.10.2030 of the contract of OPAP S.A. exclusive right to conduct, manage, organise and operate twelve (12) games online and thirteen (13) games offline amounting to € 375,000 and the installation licence and operating of 35,000 VLTs

discounted amount of € 552,002 and capitalized finance costs for the acquisition of license amount above € 55,383 in accordance with IAS 23.

The total cost for the last license amounted to € 560,000.

The rights to future concessions are not depreciated but are tested for impairment until the date they come into force.

11.7. Property, plant and equipment

Plant, machinery mainly and equipment of 31.07.2007 Private Contract, 30.07.2010 and 31.05.2014 Contract with INTRALOT consortium include equipment for lottery agents. All property, plant and equipment are currently unencumbered.

GROUP	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery (of Contract 31.7.2007)	Equipment (of Contract 30.7.2010)	Total
Year that ended on 31 December 2013						
Opening net book amount (1 January 2013)	9,296	2,394	16,928	36,444	15,990	81,052
Additions	142	187	5,548	0	0	5,877
Transfers of assets	1,766	-460	460	0	0	1,766
Disposal	-306	0	-46	0	-340	-692
Value's impairment	0	0	0	-19,737	0	-19,737
Depreciation charge	-1,142	-764	-3,023	-8,656	-4,982	-18,567
Depreciation Transfers	-664	410	-410	0	0	-664
Depreciation disposals	105	0	42	0	132	279
Net Book Amount (31 December 2013)	9,197	1,767	19,499	8,051	10,800	49,314
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	9,197	1,767	19,499	8,051	10,800	49,314
Additions due to consolidation of HELLENIC LOTTERIES S.A. & PAYZONE S.A.	0	0	196	0	0	196
Additions	163	104	7,727	0	2,696	10,692
Transfers of assets	-1,157	0	1,251	0	0	94
Disposal	0	-113	-95	-4	-48	-260
Value's impairment	0	0	0	0	0	0
Depreciation charge	-1,938	-644	-4,566	-2,880	-5,376	-15,403
Depreciation Transfers	614	0	-1,255	0	0	-641
Depreciation disposals	0	84	93	3	33	213
Net Book Amount (31 December 2014)	6,879	1,199	22,851	5,170	8,106	44,205

COMPANY	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery (of Contract 31.7.2007)	Equipment (of Contract 30.7.2010)	Total
Year that ended on 31 December 2013						
Opening net book amount (1 January 2013)	8,914	2,312	728	36,444	15,990	64,388
Additions	142	186	760	0	0	1,088
Transfers of assets	1,766	0	0	0	0	1,766
Disposals	0	0	-46	0	-340	-386
Value's impairment	0	0	0	-19,737	0	-19,737
Depreciation charge	-1,132	-737	-557	-8,656	-4,982	-16,064
Depreciation Transfers	-664	0	0	0	0	-664
Depreciation of disposals	0	0	42	0	132	174
Net Book Amount (31 December 2013)	9,026	1,761	927	8,051	10,800	30,565
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	9,026	1,761	927	8,051	10,800	30,565
Additions	163	52	6,930	0	2,696	9,842
Transfers of assets	-1,157	0	0	0	0	-1,157
Disposal	0	-113	-95	-4	-48	-260
Value's impairment	0	0	0	0	0	0
Depreciation charge	-1,930	-640	-1,903	-2,880	-5,376	-12,728
Depreciation Transfers	614	0	0	0	0	614
Depreciation disposals	0	84	93	3	33	212
Net Book Amount (31 December 2014)	6,716	1,144	5,953	5,170	8,106	27,089

COMPANY	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery (of Contract 31.7.2007)	Equipment (of Contract 30.7.2010)	Total
Year that ended on 31 December 2013						
Opening net book amount (1 January 2013)	8,914	2,312	728	36,444	15,990	64,388
Additions	142	186	760	0	0	1,088
Transfers of assets	1,766	0	0	0	0	1,766
Disposals	0	0	-46	0	-340	-386
Value's impairment	0	0	0	-19,737	0	-19,737
Depreciation charge	-1,132	-737	-557	-8,656	-4,982	-16,064
Depreciation Transfers	-664	0	0	0	0	-664
Depreciation of disposals	0	0	42	0	132	174

Net Book Amount (31 December 2013)	9,026	1,761	927	8,051	10,800	30,565
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	9,026	1,761	927	8,051	10,800	30,565
Additions	163	52	6,930	0	2,696	9,842
Transfers of assets	-1,157	0	0	0	0	-1,157
Disposal	0	-113	-95	-4	-48	-260
Value's impairment	0	0	0	0	0	0
Depreciation charge	-1,930	-640	-1,903	-2,880	-5,376	-12,728
Depreciation Transfers	614	0	0	0	0	614
Depreciation disposals	0	84	93	3	33	212

During 2008 the Company's Management decided to install a range of terminals to the network of cooperating agents, called autonomous use terminals (T.A.X.). These terminals had enabled players to play certain games without the intermediation of an agent, using a card of player. Until the end of 2008, a total of 10,413 T.A.X. terminals had been installed to the network of cooperating agents.

During the year 2013 the Company reviewed the performance of T.A.X. terminals. Their performance was evaluated a) based on turnover generated and b) on the basis of the generated net revenues before tax of 30% for all T.A.X. terminals.

It was ascertained that both aforementioned figures presented significant bending, resulting in a cumulative decrease of about 91% (2008-2013) of the annual (2013) T.A.X. terminals' turnover. Similar decrease was recorded to the net revenues before tax of 30% (about 91% for the same period).

Considering all the above and furthermore, the extremely decreased resulting value of use and the fact that the net income before tax of 30% for 2013 was significantly lower than the annual depreciation, the Company's Management decided to proceed with the impairment of 10,413 T.A.X. terminals. Their depreciated value before the impairment on 31.12.2013 was € 19,737 while after the impairment, the value is zero. The impairment value per T.A.X. terminal, amounts to approximately € 1.9.

Furthermore, it must be stated that, the total impairment of € 19,737 had an effect in KINO and GO LUCKY of € 6,812 and € 12,925 respectively. The relevant amounts have been included in the relevant note 10.2 disclosing the Company's and Group's business segments.

11.8. Investment in real estate properties

According the demands of IAS 40 the Investments in Real Estate properties are shown below:

	GROUP	COMPANY
Balance 1.1.2014	1,139	1,139
Transfer from own used assets	1,157	1,157
Depreciation for the period 01.01.2014 - 31.12.2014	-142	-142

Depreciation transfer from own used assets	-614	-614
Impairment loss	0	0
Balance 31.12.2014	1,540	1,540
Acquisition cost	3,170	3,170
Accumulated depreciation	-1,630	-1,630
Net book amount	1,540	1,540

The above balance relates to property located on: a) Panepistimiou 25 street (5th floor), Athens and b) Cyprus 90-92 street, Peristeri. The income that the Company receives from leasing of these investments properties, amounted to € 260 for the year 2014.

The useful life of buildings is appreciated about 20 years and is used the fix method of depreciation. According to the Company's estimates, the current value of the property is not substantially different from its undepreciated value.

11.9. Goodwill

The analysis of goodwill presented in the consolidated financial statements, arisen from the acquisition of OPAP SPORTS LTD and PAYZONE S.A. is as follows:

	OPAP SPORTS LTD	PAYZONE S.A.	TOTAL
Goodwill at the acquisition date (90%)	14,231	0	14,231
Accumulated depreciation	-1,779	0	-1,779
Net book value as of 1.1.2005	12,452	0	12,452
Net book value as of 31.12.2005 and 31.12.2006	12,452	0	12,452
Impairment 31.12.2007	-4,780	0	-4,780
Net book value as of 31.12.2007	7,672	0	7,672
Purchase of rest 10%	763	0	763
Net book value as of 31.12.2008 – 31.12.2013	8,435	0	8,435
Goodwill at the acquisition date (90%)	0	6,612	6,612
Net book value as of 31.12.2014	8,435	6,612	15,047

OPAP SPORTS LTD:

Goodwill is subject to periodic testing for impairment.

In the year 2007: OPAP's Management decided to assign anew to an independent firm the valuation of the subsidiary OPAP SPORTS LTD, according to which an amount of € 4,780 was recognised as impairment loss of goodwill.

In the year 2008:

A) OPAP S.A. acquired a remaining 10% of additional shares of the subsidiary, a percentage owned by Glory Worldwide Holdings LTD, rendering it a wholly owned subsidiary, for a price of € 900.

B) OPAP's Management decided to assign anew to an independent firm the valuation of the subsidiary OPAP SPORTS LTD, according to which no further impairment was necessary.

In the years 2009, 2010, 2011, 2012, 2013 and 2014:

According to the independent firm's valuation report which is carried out each year, no further impairment of goodwill of the subsidiary OPAP SPORTS LTD was necessary.

PAYZONE S.A.:

On 19.11.2014 OPAP, through its 100% subsidiary OPAP Investment Ltd, concluded the acquisition of 90% of Payzone Hellas' share capital. Payzone Hellas S.A. is one of the largest mobile phone top-up networks in Greece with over 11,000 Points of Sales (POS) terminals installed, processing annually approximately 30 million transactions. PAYZONE S.A. has also pioneered in bill payment and prepayment services for utilities and service providers in Greece.

In the period from 19.11.2014 to 31.12.2014, PAYZONE S.A. contributed revenue of € 13,264 and profit before tax of € 66 to the Group's results.

Consideration transferred

The following table presents a preliminary estimate of the consideration transferred at the acquisition date:

Fixed payment amount	6,350
Projected free cash amount	1,000
Total consideration	7,350

It must be noted that in the SPA agreement there is a contingent consideration of € 1,725, which will be finalized upon the outcome of certain future events within six (6) to eighteen (18) months from the acquisition date. This amount is presented as a restricted deposit in the financial statements (refer to Note 11.2).

Acquisition related costs

The relevant amounts are immaterial and are thus not further analyzed.

Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Tangible assets	192
Intangible assets	51
Other non-current assets	180
Inventory	2,176
Receivables	4,307
Cash and cash equivalents	3,922
Other current assets	6
Provisions	-675
Employee benefit plans	-47
Trade and other payables	-9,135
Tax liabilities	-157
TOTAL	820

The valuation techniques that were used or will be used for measuring the fair value of material assets acquired are consistent with the techniques followed by the Group as presented in pages 69 through 84 of the annual financial statements.

Goodwill

Goodwill arising from the acquisition of PAYZONE S.A. has been recognized as follows.

Net Assets (100%)	820
Consideration on completion (for 90% of shares)	7,350
% of Share Capital Acquired	90%
Net Assets (90%)	738
Goodwill	6,612

The finalization of the value of goodwill arising from the acquisition of PAYZONE S.A. is expected to be completed within 12 months from the acquisition date.

11.10. Investments in subsidiaries

The subsidiaries of the Company included in the financial statements are the following:

Consolidated subsidiary	Ownership Interest	Acquisition cost	Country of incorporation	Principal activities	Consolidation basis
OPAP CYPRUS LTD	100%	1,704	Cyprus	Numerical lottery games	Percentage of ownership
OPAP INTERNATIONAL LTD	100%	11,499	Cyprus	Holding Company, Services	Percentage of ownership
OPAP SERVICES S.A.	100%	20,000	Greece	Sports events, Promotion, Services	Percentage of ownership
OPAP SPORTS LTD	100%	16,900	Cyprus	Sports betting Company	Percentage of ownership
OPAP INVESTMENT LTD	100%	139,250	Cyprus	Lottery Games	Percentage of ownership
Total	-	189,354	-	-	-
Impairment	-	-7,250	-	-	-
Value on 31.12.2014	-	182,104	-	-	-

The report date of the financial statements of the subsidiaries consolidated in the Group does not differ from the report date of the parent company.

In the financial statements of OPAP S.A., the Company's investments to subsidiaries are calculated to the acquisition cost minus each impairment value.

The share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 8,750 on 05.09.2014.

For the years 2008 - 2014, no further impairment value of subsidiary OPAP SPORTS LTD was necessary, according to the independent firm's valuation report.

For the current year 2014, the report of the independent firm based on the following admissions:

Impairment study assumptions	31.12.2014	31.12.2013
WACC	10.55%	11.36%
% Increase of flows	0.50%	0.50%
Tax rate	12.50%	12.50%
Period of net cash flows	5 years	5 years

From the susceptibility testing conducted on the above assumptions, particularly the increase or decrease by half point of basis in the discount interest rate (WACC) and the growth rate of cash flow, did not reveal differences that would require a change in net book value of this participation.

There are no significant restrictions on the ability of the above subsidiary to transfer funds to the Company in the form of cash dividends, or repayment of loans or advances.

Investments in subsidiaries are analyzed as follows:

	31.12.2014	31.12.2013
Opening balance	173,354	43,054
Share capital increase	8,750	130,300
Impairment losses	0	0
Closing balance	182,104	173,354

The share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 8,750 on 05.09.2014.

11.11. Investments in associates

The report date of the financial statements of the associate companies, consolidated with the equity method, does not differ from the report date of the parent company.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Investments in associates are analyzed as follows:

	31.12.2014	31.12.2013
GLORY TECHNOLOGY LTD	0	0
NEUROSOFT S.A. SOFTWARE PRODUCTION	9,732	1,503
HELLENIC LOTTERIES S.A.	0	128,060
Total	9,732	129,563

The item “Investments in associates” includes:

A) The sharing of OPAP S.A. to the net assets of the company GLORY TECHNOLOGY LTD participating with 20%.

GLORY TECHNOLOGY LTD has a contract with OPAP SPORTS LTD until the end of December 2015. Thereafter, the contract may be renewed but the time limit for such renewal will probably quarter or semester. Further renewal is uncertain.

Also, the main income of GLORY TECHNOLOGY is the commission (percentage of revenues PAME STIHIMA of OPAP SPORTS LTD) and this means that if the contract expires, the company will be left with virtually no revenue, which would have a negative impact on results and the viability, if it is unable to replace them with another source.

A valuation of the company for the purpose of impairment testing would take into account the flow of future operating flows, determined either by the administration of the company or in the worst case identified by the Financial Department of OPAP S.A. Future these flows should be discounted to a present value interest rate on money.

In this case it appears that the company will generate positive cash flows in the foreseeable time because the estimated end time of the contract, therefore an estimate of the value of the methodology of future cash flows will give zero value.

In the year 2012 impairment loss was recognized equal to the amount of the associate GLORY TECHNOLOGY LTD. The value is derived as follows:

Share acquisition cost	10,000
Amortization and impairment of goodwill	<u>-8,806</u>
Closing balance 31.12.2006	1,194
Share of profit / (loss)	<u>414</u>
Closing balance 31.12.2007	1,608
Share of profit / (loss)	<u>-138</u>
Closing balance 31.12.2008	1,470
Share of profit / (loss)	<u>100</u>
Closing balance 31.12.2009	1,570
Share of profit / (loss)	<u>21</u>
Closing balance 31.12.2010	1,591
Share of profit / (loss)	<u>-21</u>
Closing balance 31.12.2011	1,570
Share of profit / (loss)	<u>-1,570</u>
Closing balance 31.12.2012	0

B) The sharing of subsidiaries OPAP INTERNATIONAL LTD and OPAP CYPRUS LTD of OPAP S.A. to the net assets of the company NEUROSOFT S.A. SOFTWARE PRODUCTION, participating with 30%.

In the current year share of profit from the associate NEUROSOFT S.A. was recognised to the amount of € 767 versus year 2013 amount € 344.

In year 2014 due to the recovery of the market value, was deemed necessary the reversal part of investment impairment of the previous years and particularly the amount of € 7,462.

The value arises as follows:

Acquisition cost	11,520
Less dividend 2008	-72
Share of loss of 2009	<u>-80</u>
Net accounting balance 31.12.2009	11,368
Less Impairment	-3,000
Share of loss of 2010	<u>-1,120</u>
Net accounting balance 31.12.2010	7,248
Less Impairment	-5,526
Share of loss of 2011	<u>-373</u>
Net accounting balance 31.12.2011	1,349
Share of loss of 2012	<u>-190</u>
Net accounting balance 31.12.2012	1,159
Share of profit of 2013	<u>344</u>
Net accounting balance 31.12.2013	1,503
Reversal of investment impairment	7,462
Share of profit of 2014	<u>767</u>
Net accounting balance 31.12.2014	9,732

C) On 31.12.2013, the sharing of subsidiary OPAP INVESTMENT LTD to the net assets of the company HELLENIC LOTTERIES S.A. participating with 67% value of € 128,060.

Analytically:

On 11.06.2013 was established the societe anonyme under the name “HELLENIC LOTTERIES – SOCIETE ANONYME MANUFACTURING, OPERATION, DISTRIBUTION, PROMOTION AND MANAGEMENT OF LOTTERIES” and the distinctive title “HELLENIC LOTTERIES S.A.”. The share capital of the company was fixed at € 192,000 ($192,000 \times 67\% = € 128,640$). The loss of the year 2013 amount of € 865 decreases the participation by € 580. The participation was fixed at € 128,060.

It must be noted that although the Company controls 67% of Hellenic Lotteries’ share capital (through its 100% subsidiary OPAP INVESTMENT LTD) it does not include it in the consolidated financial statements as at 31.12.2013. This is attributed to the fact that the Company decided that it did not control the Board of

Directors since as per article 12, par. 3 of the articles of association of HELLENIC LOTTERIES S.A. a majority of 2/3 of the BoD members was required in order to resolve on certain issues.

Until 18.6.2014 the loss amount of € 446 (666*67%) fix the participation at € 127,614.

Ever since the Group changed the applicable consolidation method for HELLENIC LOTTERIES S.A. i.e. since 19.06.2014, HELLENIC LOTTERIES S.A. is accounted for as a subsidiary.

11.12. Other non-current assets

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Guarantee deposits	1,370	1,450	1,264	1,387
Prepayments of retirement benefits	221	3,460	221	3,460
Capital Investments under construction	1,222	1,211	1,141	1,141
Housing loans to personnel	360	731	360	731
Other receivables	4	89	28,127	30,277
Total	3,177	6,941	31,114	36,996

The short-term sum of “Other non-current assets” is included in other current assets and deferred expenses.

The Company’s amount of € 28,127 regards to the rest of capital reserves to be allocated for the completion of the reformation on the agencies’ corporate look from the subsidiary OPAP SERVICES S.A., on behalf of OPAP S.A. These funds were transferred to the subsidiary during the years 2004-2007.

11.13. Deferred tax assets / liabilities

For the Company, the increase in the deferred tax liability is mainly due to the following reasons:

- On 31.12.2013 the deferred tax asset on employee benefits plan was estimated (€ 13,307). A significant number of the Company’s staff resigned during the year of 2014.
- There are provisions for lawsuits and expenses for tax purposes that are not expected to be recognized in the future.

The analysis of deferred tax is the following:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Value adjustment of property, plant and equipment	447	2,686	49	2,084
Intangible assets recognition	15,254	16,352	15,598	16,352
Deferred expenses	5,190	6,459	4,496	6,458
Compensation for staff	-208	-3,607	-194	-3,460
Provisions	-9,591	-12,504	-9,537	-12,504
Accrued liabilities	-10,526	-9,901	-3,713	-5,131
Total	566	-515	6,699	3,799

The tax rate used for the calculation of the deferred taxes is 26% (2013: 26%).

Deferred taxes mainly arise from the tangible and intangible assets.

Additionally, deferred taxes from the cost of contingent liabilities and non-recognized expenses mainly arise from the direct expenses of bond loan financing, the provisions pertaining to lawsuits as against OPAP S.A. provisions of donations and payouts to winners provisions (of the game PAME STIHIMA) and fees and third party expenses payable next year.

	GROUP
OPAP S.A. (liability)	6,699
OPAP SERVICES S.A. (receivable)	-3,662
HELLENIC LOTTERIES S.A. (receivable)	-2,334
PAYZONE S.A. (receivable)	-136
Total	566

11.14. Trade payables

The analysis of trade payables is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Suppliers (services, assets, etc.)	41,637	24,772	39,041	28,637
Payout to the winners and retained earnings	113,249	38,861	77,375	36,354
Other payables (salaries – subsidies)	15,467	6,222	4,315	5,870
Total	170,353	69,855	120,731	70,861

At Company's level, the increase of trade payables amounting to € 49,870 due to winners' liability increase amount of € 24,955 and the increase of the undistributed payouts reserve by € 10,056.

At Group's level, the increase of trade payables amounting to € 100,498 due apart from the aforementioned, in the consolidation for the first time of the subsidiaries HELLENIC LOTTERIES S.A. (€ 43,481) and PAYZONE S.A. (€ 8,145).

11.15. Loans

The Group's and Company's borrowing is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Bond loan payable next year	1	166,750	0	166,750
Less: undepreciated direct cost of finance	<u>0</u>	<u>-1,303</u>	<u>0</u>	<u>-1,303</u>
Short term portion of bond loan	1	165,447	0	165,447
Long term bond loan	0	0	0	0
Less: undepreciated direct cost of finance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Long term portion of bond loan	0	0	0	0
Total of bond loan	1	166,750	0	166,750
Less: undepreciated direct cost of finance	<u>0</u>	<u>-1,303</u>	<u>0</u>	<u>-1,303</u>
Bond loan	1	165,447	0	165,447

The maturity of loans is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Up to 1 year	1	165,447	0	165,447
2 – 5 years	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1	165,447	0	165,447

On 10.03.2014 the Company repaid the entire outstanding loan amount of € 166,750 shown as outstanding on 31.12.2013. The same day, the Company entered into a revolving bond loan agreement with Peiraeus Bank and Geniki Bank which expires on 10.04.2015 for the amount of € 75,000. Peiraeus Bank participates in the consortium with 90% and has also assumed the role of payments representative on behalf of the bond holders while Geniki Bank participates with 10%. On 31.12.2014 there is no debt of the Company as a result of this contract.

At a Group level total loans include, apart from OPAP's loans, an amount of € 1 which represent HELLENIC LOTTERIES S.A. loan balance.

11.16. Financial lease

The accounting treatment of the financial lease in the financial statements of the years 2014 and 2013 is in line with the requirements of IAS 17 - Leases.

The future minimum payment for the financial lease is following:

GROUP				
The future minimum lease payments on 31 December 2014				
	< 1 year	1<5 years	>5 years	Total
Future lease payments	0	0	0	0
Finance charge	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present value	0	0	0	0

The future minimum lease payments on 31 December 2013				
	< 1 year	1<5 years	>5 years	Total
Future lease payments	414	42	0	455
Finance charge	<u>-21</u>	<u>0</u>	<u>0</u>	<u>-21</u>
Present value	393	42	0	435

COMPANY				
The future minimum lease payments on 31 December 2014				
	< 1 year	1<5 years	>5 years	Total
Future lease payments	0	0	0	0
Finance charge	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present value	0	0	0	0

The future minimum lease payments on 31 December 2013				
	< 1 year	1<5 years	>5 years	Total
Future lease payments	0	0	0	0
Finance charge	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Present value	0	0	0	0

11.17. Tax liabilities

The analysis of tax liabilities is as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Income tax liabilities	58,028	12,659	51,309	12,630
Contribution on the net revenues	105,895	98,148	102,928	98,148
Other taxes (withholding, VAT)	<u>14,305</u>	<u>10,461</u>	<u>11,743</u>	<u>8,898</u>
Total	178,228	121,268	165,980	119,676

As per L. 4093/2012 , a contribution 30% tax is imposed on OPAP's net revenue (revenue minus players' winnings as per the GAAP in Greece) with an effective date from 01.01.2013.

The amount of contribution on net revenue for the year ending on 31.12.2013 amounted to € 344,726 while the outstanding liability as at year ending on 31.12.2013 amounted to € 98,148. Respectively, for the year of 2014 the amount of contribution on net revenue amounted to € 359,879 while the outstanding liability as at 31.12.2014 amounted to € 102,928.

It must be noted that the Company's "Income tax" liability includes an amount of € 14,754 which represents the amount of additional taxes and surcharges imposed to the Company by the tax authorities for the audit of 2010 minus the provision of € 8,000 recorded in the Company's books in previous years.

Furthermore, it includes the assessment of income tax for the period 01.01-31.12.2014.

Finally, the Group's total tax liabilities have been significantly affected by the change in the consolidation method of HELLENIC LOTTERIES S.A. More specifically, € 6,326 relate to income tax liability, € 2,967 relate to tax on net revenue and € 1,548 relate to other taxes.

11.18. Other payables

Other payables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Provisions of donations	12,250	11,742	6,273	6,165
Provision of sponsorships	6,128	7,402	5,903	7,402
Provisions of payout to winners	2,148	2,258	2,148	2,258
Wages and salaries	7,738	3,649	6,998	3,649
Dividends and interim dividends payable	70,275	1,022	70,275	1,022
Received in advance sales' value	370	2,732	0	2,732
Insurance contributions payable	1,345	2,876	985	1,903
Year 2010 tax differences' provision	0	8,000	0	8,000
Other liabilities	<u>8,071</u>	<u>3,776</u>	<u>7,536</u>	<u>4,897</u>
Total	108,325	43,457	100,116	38,028

Regard to the Other liabilities of the Group should be noted that:

On 30.06.2014 OPAP Group, aiming at reorganizing its operations and services, introduced a voluntary leave scheme for the employees of its subsidiary OPAP Services. The scheme was introduced on 30.06.2014 and the deadline for participation ended on 18.07.2014. Three hundred and forty seven (349) employees participated in the scheme which represents 54.4% of total employees as at 30.06.2014. The total cost amount to € 12,502 out of which an amount of € 10,477 represented leave incentive cost. More specifically, the terms and prerequisites of the scheme were the following:

1. **Scheme duration:** The scheme was introduced on 30.06.2014 and expired on 18.07.2014
2. **Participation:** Participation in the scheme was optional
3. **Right to participate:** The right to participate in the scheme was granted to all employees that had a permanent working relationship with the company for a continuous period of more than 18 months as at 30.06.2014. The following were specifically excluded from the scheme a) those working for the company under their capacity as entrepreneurs and b) those working for the company for specific periods of time
4. **Scheme provisions:** The total amount granted to each employee who joined the scheme, comprised the following:
 - a. Statutory compensation
 - b. Leave incentive based on age
 - c. Leave incentive based on prior years of service
5. **Additional medical and hospital care provision:** For each employee who left the company under the voluntary leave scheme the company will continue to provide medical and hospital care provision until 31.12.2015 as per the current insurance program.

Moreover, the General Meeting on 18.12.2014, was informed on the Board of Directors' decision to distribute a gross amount of € 64,331 i.e. € 0.2017 (euro) per share, as interim dividend for the fiscal year 2014.

11.19. Employee benefit plans

The line "Employee benefit plans" presents a significant reduction 31.12.2014 versus 31.12.2013 as a result of the departure of a significant number of employees of OPAP S.A. during the year 2014 due to the expiration of the collective labour agreement. OPAP S.A.'s collective labour agreement expired on 31.03.2014 and was neither renewed nor substituted by any other agreement.

Defined Benefit Program

From our understanding, until 31.03.2014 the retirement benefit plan offered to the employees of OPAP S.A was in compliance to the article 25 of SSE.

After 31.03.2014, the employee benefit plan has changed and it is calculated thereafter according to L. 2112/20 and L. 3026/54 and as amended by L. 4093/2012. The valuation of the actuarial liability has been carried out based on the pensionable salaries depending on the years of service. The employees are entitled in retirement.

The analysis of the plans in Consolidated Statement of Financial Position on 31.12.2014 is following:

GROUP	Retirement plan	Total
31 December 2012 (revised)	23,333	23,333
Payments	-13,219	-13,219
Cost of service	7,206	7,206
Interest cost	1,051	1,051
Total cost recognized in Statement of Comprehensive Income	8,257	8,257
Actuarial (gain)/loss	-4,434	-4,434
31 December 2013 (published)	13,937	13,937
Addition due to PAYZONE S.A.	78	78
31 December 2011 (revised)	14,015	14,015
Payments	-25,421	-25,421
Cost of service	596	596
Interest cost	392	392
Settlement cost (result)	13,919	13,919
Past service cost	-1,912	-1,912
Total cost recognized in Statement of Comprehensive Income	12,994	12,994
Actuarial (gain)/loss	-740	-740
31 December 2014	847	847

The analysis of plans in statement of financial position of parent company on 31.12.2014 is following:

COMPANY	Retirement plan	Total
31 December 2012 (revised)	22,811	22,811
Payments	-13,190	-13,190
Cost of service	7,092	7,092
Interest cost	1,027	1,027

Total cost recognized in Statement of Comprehensive Income	8,119	8,119
Actuarial (gain)/loss	-4,433	-4,433
31 December 2013	13,307	13,307
Payments	-13,142	-13,142
Cost of service	538	538
Interest cost	378	378
Settlement cost (result)	1,977	1,977
Past service cost	-1,907	0
Transportation cost for the personnel	257	257
Total cost recognized in Statement of Comprehensive Income	1,242	1,242
Actuarial (gain)/loss	-662	-662
31 December 2014	746	746

The main actuarial assumptions that took place as on 31.12.2014 and 2013 for the retirement plan are the following:

OPAP S.A.	2014	2013
Discount rate	1.55%	3.70%
Expected salary increase percentage	2.00%	2.20%
Average service in the company	27.13	21.25
Inflation rate	2.00%	2.00%

OPAP SERVICES S.A.	2014	2013
Discount rate	1.55%	3.70%
Expected salary increase percentage	2.00%	2.20%
Average service in the company	24.72	23.88
Inflation rate	2.00%	2.00%

HELLENIC LOTTERIES S.A.	2014
Discount rate	1.55%
Expected salary increase percentage	2.00%
Average service in the company	26.94
Inflation rate	2.00%

PAYZONE S.A.	2014
Discount rate	1.55%
Expected salary increase percentage	2.00%
Average service in the company	28.68
Inflation rate	2.00%

The main financial assumptions (discount interest rate and inflation) for the pension plan do not differ significantly from the above program.

The estimated service cost for the next fiscal year amounts to € 233 for the Company and € 266 for the Group.

The following table shows the change in actuarial liability of the Company and Group if the discount rate was 0.5% higher or lower than that which has been used and the corresponding change if the expected rate of salary increase was 0.5% higher or lower than the one used:

Sensitivity analysis (Company)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	666	-11%
Decrease in discount rate by 0.5%	835	12%
Increase of the expected wages' increase by 0.5%	834	12%
Decrease of the expected wages' increase by 0.5%	667	-11%

Sensitivity analysis (Group)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	757	-11%
Decrease in discount rate by 0.5%	949	12%
Increase of the expected wages' increase by 0.5%	947	12%
Decrease of the expected wages' increase by 0.5%	757	-11%

11.20. Provisions

Group's and Company's provisions are analyzed as follows:

	GROUP	COMPANY
Balance as of 31 December 2013	49,292	48,092
Provisions of the year	1,384	1,042
Provision for unaudited fiscal years	<u>641</u>	<u>0</u>
Balance as of 31 December 2014	51,317	49,134

The amount of € 51,317 (2013: € 49,292) refers mainly to provisions made against losses from lawsuits (from third parties, agents and Company's employees) against OPAP S.A. amount of € 49,134 (2013: € 48,092) as well as cumulative provision for tax differences amount of € 1,841 (2013: € 1,200), (note 11.38). The provision is considered adequate by the Company's Management.

In the year 2014 provisions have been conducted by OPAP S.A. for legal cases and the PAYZONE S.A. and OPAP SERVICES S.A. for tax differences.

11.21. Other long-term liabilities

Other long - term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Guarantee deposits from lottery agents	6,342	4,113	5,874	3,931
Interests on guarantees - Penalties against agents	<u>1</u>	<u>4,458</u>	<u>1</u>	<u>4,455</u>
Total	6,343	8,571	5,875	8,386

Guarantees' deposits from lottery agents represent amounts placed on deposit to jointly secure agents' obligations.

These guarantees are paid back to the agents if they cease to act as agents.

11.22. Share capital

When the Company was organized as a societe anonyme in 1999, its articles of association provided that a valuation committee should value its assets within one year. In accordance with that requirement, the committee valued the Company's assets at € 33,778. Out of that amount, € 29,347 was capitalized through the issuance of one million shares. The remaining amount was recorded in the revaluation reserve account within shareholders' equity.

On 15.12.2000, the common shares of the Company were split to increase the number of shares outstanding to 100,000,000. Consequently, the Company's share capital was increased by € 64,270 to € 93,617 through the issuance of 219,000,000 new shares. The € 64,270 increase consisted of (a) retained earnings, (b) an amount released from the revaluation reserve account and (c) a portion of the concession € 29,347.

In 2001, the par value of the Company's shares was increased from € 0.29 to € 0.30 through the capitalization of special reserves.

All the shares issued by the Company are common shares.

The total authorized number of common shares was 319,000,000 on 31.12.2014 with a par value of € 0.30 / share (€ 0.30 in 2013). All issued shares are fully paid.

There were no changes in the share capital of the Company during the period ended on 31.12.2014.

11.23. Reserves

Reserves are analyzed as follows:

GROUP	Other reserves	Statutory reserves	Untaxed reserves	Total
31.12.2010	3,564	31,918	8,345	43,827
Changes in the year	0	174	0	174
31.12.2011	3,564	32,092	8,345	44,001
Changes in the year	0	63	0	63
31.12.2012	3,564	32,155	8,345	44,064
Changes in the year	-749	-255	16,573	15,569
31.12.2013	2,815	31,900	24,918	59,633
Changes in the year	-2,815	0	-8,345	-11,160
31.12.2014	0	31,900	16,573	48,473

COMPANY	Other reserves	Statutory reserves	Untaxed reserves	Total
On 31.12.2011 and 31.12.2012	2,815	31,900	8,345	43,060
Changes in the year	0	0	16,573	16,573
31.12.2013	2,815	31,900	24,918	59,633
Changes in the year	0	0	-11,160	-11,160
31.12.2014	2,815	31,900	13,758	48,473

The nature and purpose of each reserve account within shareholders' equity is following:

Other reserves reflect amounts deducted from the previous years' earnings. After taxation, are available for distribution to shareholders.

Statutory reserves reflect the addition of a minimum of 5% of the annual net profit of parent company added each year, subject to a maximum balance of 1/3 of the outstanding share capital. This amount is not available for distribution. After the allocation of net profit of 2003 this reserve has reached the statutory amount and further addition is not obligatory.

Untaxed reserves are came from untaxed earnings. Any portion of this reserve distributed to shareholders is subject to income tax.

The Group's and Company's reduction in reserves is mainly attributed to the fact that an amount of € 11,160 was transferred from Reserves to Retained Earnings in accordance with the L. 4172/2013. The corresponding tax for this amount (€ 2,120) has been recorded included in the Statement of comprehensive income for both the Company and the Group as well as tax liabilities.

The Extraordinary General Assembly of its Shareholders, on 18.12.2014 decided upon the distribution of the Company's tax exempt reserves of a net amount of € 9,039 i.e. € 0.0283 per share, in accordance with the provisions of article 72 of Law 4172/2013, as in force.

11.24. Minority interest

As a result of the change in the applicable consolidation methodology, the consolidation method for HELLENIC LOTTERIES S.A. changes from equity method to full consolidation, resulting minority interest for the percentage (33%) which does not belong to the Group. Also, after the acquisition of 90% of PAYZONE S.A. resulting minority interest for the rest the 10% of PAYZONE S.A.

11.25. Dividends

The Fourteenth (14th) Annual Ordinary General Meeting of the shareholders of Greek Organization of Football Prognostics S.A. (OPAP S.A.) took place on Thursday, 22.05.2014 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of € 0.25 (euro) per share for the fiscal year 2013 (€ 79,750). Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 29.05.2014 (record-date). The Ex-dividend date for the fiscal year 2013 was Tuesday, 27.05.2014. The payment of the dividend was commenced on Wednesday, 04.06.2014 and was processed through the National Bank of Greece.

The Extraordinary General Assembly of its Shareholders, on 18.12.2014 decided upon the distribution of a gross amount of € 64,331 i.e. € 0.2017 (euro) per share, as interim dividend for the fiscal year 2014.

The interim dividend of the amount of € 0.2017 per share is subject to 10% withholding tax in accordance to L. 4110/2013, i.e. € 0.02017 (euro) per share, and therefore the net payable amount to the shareholders is € 0.1815 (euro) per share.

Also, the Company presents dividend income of subsidiaries amounting to € 6,769. Specifically, the dividend from OPAP SERVICES S.A. amounts to € 2,000, from OPAP CYPRUS LTD € 3,919 and finally from OPAP SPORTS LTD € 850.

11.26. Payout to the winners

Payout to the lottery and betting winners represent the profit of the games' winners of the Group according to the rules of each game. The payout percentage on 31.12.2014 was: a) for Stihima 71.50% (2013: 68.98%) and b) for KINO 69.03% (2013: 69.25%). The total payout percentage of sales of all the games was 67.65% against 67.13% in 2013.

11.27. Tax on the net revenues

As per L. 4093/2012, a 30% contribution is imposed on OPAP's net revenue (revenue minus players' winnings as per the GAAP in Greece) with an effective date from 01.01.2013.

This Law also applies to HELLENIC LOTTERIES S.A..

11.28. Other revenues

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Commission on New Year's Eve Lottery revenues	2,951	0	0	0
Revenues from PAYZONE S.A.	<u>13,264</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	16,215	0	0	0

The New Year's Eve Lottery is issued once a year and the draw is held on New Year's Eve. Net Revenues from this Lottery are distributed to the Hellenic State. HELLENIC LOTTERIES S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on gross sales. The fee included all company costs related to the operations of the New Year's Eve Lottery. This commission is recognized once a year, during December.

Furthermore, the amount of € 13,264 relates to the sales of the PAYZONE S.A..

11.29. Cost of services

The analysis of Cost of Services classified by nature of expense is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Agents' commissions	359,653	312,944	313,184	291,611
Betting Commissions	8,151	7,609	7,361	6,860
Depreciation and Amortization	47,530	43,025	36,520	40,650
Repairs and maintenance expenditures	4,617	2,917	3,302	2,490
Third party outsourcing	68,546	81,870	69,844	104,818
Staff cost	24,467	30,570	17,168	10,812
Inventory consumption	20,380	7,181	0	0
Games' promotional activities	1,546	12,316	1,546	12,316
Other expenses	17,913	14,650	9,923	8,742
Returns to the Republic of Cyprus	12,611	12,272	0	0
Provisions for bad debts	684	0	372	0
Retirement benefit costs	<u>11,952</u>	<u>2,818</u>	<u>175</u>	<u>2,709</u>
Total	578,050	528,172	459,394	481,008

Agents' commissions are commissions accrued to the agents and they are accounted for at a fixed rate of 8% on revenues which are generated by «STIHIMA, GO LUCKY, MONITOR GAMES», KINO and SUPER 3 and 12% for the remaining games.

The third party outsourcing include expenses (fees and maintenance) originating from the Contract of 30.07.2010 between OPAP S.A. and INTRALOT consortium, as renewed on 31.05.2014.

Inventories are operated through OPAP SERVICES S.A., and thus are not appearing as an OPAP S.A. cost.

The significant difference in staff cost of the Group due to the voluntary leave scheme of OPAP SERVICES S.A. (see note 11.18).

11.30. Other operating income

The analysis of other operating income, is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Management fees	1,343	0	23,955	18,822
Rent income	511	533	532	533
Other Income	<u>5,667</u>	<u>2,048</u>	<u>4,391</u>	<u>1,407</u>
Total	7,521	2,581	28,878	20,762

11.31. Administrative / Distribution expenses

The administrative and distribution expenses, are as follows:

Administrative expenses	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Staff cost	16,224	14,031	19,965	11,277
Professional fees and expenses	14,623	9,808	11,492	17,283
Third party expenses	4,259	4,108	3,682	3,309
Taxes and duties	201	409	147	208
Other expenses	2,407	1,242	1,320	982
Depreciation and amortization	2,105	872	1,976	743
Retirement benefit costs	<u>1,526</u>	<u>3,479</u>	<u>851</u>	<u>3,474</u>
Total	41,346	33,949	39,433	37,276

Distribution Expenses	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Advertisement	24,167	10,399	16,802	8,647
Donations – financial aid	5,524	12,701	1,776	8,937
Exhibition and demonstration expenses	0	32	0	32
Sponsorships	<u>49,213</u>	<u>71,252</u>	<u>47,612</u>	<u>71,252</u>
Sub total	78,904	94,384	66,190	88,868
Staff cost	4,276	3,392	5,049	3,392
Professional expenses	3,622	1,282	5,339	4,966
Depreciation and amortization	685	214	684	212
Retirement benefit costs	127	909	124	909
Other distribution expenses	<u>1,313</u>	<u>1,201</u>	<u>1,208</u>	<u>1,072</u>
Sub total	10,023	6,998	12,403	10,551
Total	88,927	101,382	78,594	99,419

The decrease in distribution expenses due to the general effort of Administration to reduce these expenses.

11.32. Other operating expenses

The analysis of other operating expenses, is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Extraordinary expenses	56	28	53	28
Retroactive payments to personnel	0	102	0	102
Third party fees of previous year	0	246	0	222
Prior year expenses	3,601	5,201	3,566	5,190
Provisions	<u>1,314</u>	<u>10,685</u>	<u>1,106</u>	<u>10,685</u>
Total	4,971	16,262	4,725	16,227

Based on the letter of the Legal Department of the Group, provision has been made, which has been charged to income statement, amounting to € 1,106 for the year 2014 and € 10,685 for the year 2013 referring to third parties lawsuits against OPAP S.A. (notes 11.20 and 11.38).

11.33. Financial results income / (expenses)

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Interest expense from financial lease	0	-52	0	0
Interest and expenses of bond loan	-1,057	-37	-942	-37
Other financial expenses	-706	-2,268	-31	-131
Capital cost of pension plans	-429	-1,050	-378	-1,027
Discounting interest	0	0	0	0
Total expenses	-2,192	-3,407	-1,351	-1,195
Interest income				
Bank deposits	3,417	13,506	2,135	11,588
Personnel loans	26	162	26	162
Other financial income	201	483	201	483
Reversal of previous year discount interest	<u>142</u>	<u>56</u>	<u>142</u>	<u>56</u>
Total interest income	3,786	14,207	2,504	12,289
Financial income	1,594	10,800	1,153	11,094

The average interest rate earned on short-term bank deposits was 2.28% in 2014 and 3.81% in 2013.

At financial results of the Group and the Company are included:

- the capital cost of pension plans in accordance with actuarials and
- the financial discount cost of the item of receivables – arrangements of agents.

Interest income on bank deposits, both for the Company and the Group, have reduced significantly during the year of 2014 versus the year of 2013 due to the repayment of the loan obligations in March 2014 (see note 11.15).

11.34. Income and deferred tax

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Income tax expense				
From domestic activities	-83,522	-53,211	-79,719	-52,116
Tax differences 2010	-21,568	0	-21,568	0
Tax differences 2012	0	4,130	0	2,514
From foreign activities	<u>-788</u>	<u>-637</u>	<u>0</u>	<u>0</u>
Total income tax	-105,878	-49,718	-101,286	-49,602
Deferred taxes	<u>-670</u>	<u>3,077</u>	<u>-2,900</u>	<u>1,565</u>
Total tax expense	-106,547	-46,641	-104,186	-48,037

The income tax payable for the domestic activities was calculated with the rate of 26%. The Company's tax on profit before tax is different from the theoretical amount arising based on the Company's effective tax rate.

It must be noted that the Company's "Income tax" liability includes an amount of € 21,568 which represents the amount of additional taxes and surcharges (€ 29,568) imposed to the Company by the tax authorities for the audit of 2010 minus the provision of € 8,000 recorded in the Company's books in previous years. Group tax from domestic activities includes a provision of € 100 for unaudited tax years.

The analysis of deferred tax in statement of comprehensive income is following:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Value adjustment of property, plant and equipment	2,119	5,829	2,034	5,914
Intangible assets recognition	738	-11,038	754	-11,038
Deferred expenses	2,070	-2,390	1,961	-2,238
Provisions	-2,912	2,651	-2,966	2,651
Accrued liabilities	730	8,180	-1,418	6,449
Compensation for staff	<u>-3,414</u>	<u>-155</u>	<u>-3,266</u>	<u>-173</u>
Total deferred tax	-670	3,077	-2,900	1,565
Deferred tax at equity	0	-894	0	-929

The fluctuation of deferred income tax for the year 2014 by € 670 for the Company and € 2,900 for the Group is mainly due to the differences between the accounting and tax basis.

The reconciliation of income tax and deferred tax is following:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Profit before tax	305,579	187,756	297,277	190,702
Tax according to the tax coefficient of 26%	-79,450	-48,817	-77,292	-49,583
Tax differences for the year 2013/2012	1,161	4,130	1,161	2,514
Tax effect from expenses/income that are not tax deductible	-2,280	-6,420	-1,862	-6,268
Tax differences 2010 (after offsetting the corresponding provision)	-21,568	0	-21,568	0
Permanent and other differences	-3,322	-996	-4,625	168
Impairment of assets	0	5,132	0	5,132

Tax effect from the use of different tax coefficients in the profit of subsidiaries in other countries	<u>-1,088</u>	<u>330</u>	<u>0</u>	<u>0</u>
Total tax expense	-106,547	-46,641	-104,186	-48,037

11.35. Earnings per share

Basic earnings per share are calculated as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Net profit attributable to the shareholders of the company (in €)	194,997,626	141,114,684	193,262,425	142,665,579
Weighted average number of ordinary shares	319,000,000	319,000,000	319,000,000	319,000,000
Basic earnings per share (in €)	0.6113	0.4424	0.6058	0.4472

The Company has no dilutive potential categories.

11.36. Personnel costs

Personnel costs of the Group and the Company included in notes 11.29 and 11.31 are analyzed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Employee remuneration	30,751	36,310	31,740	18,735
Social security costs	6,464	8,645	3,053	4,181
Other remuneration	<u>7,751</u>	<u>3,038</u>	<u>7,388</u>	<u>2,565</u>
Subtotal	44,966	47,993	42,182	25,481
Retirement benefit costs	<u>13,605</u>	<u>7,206</u>	<u>1,149</u>	<u>7,092</u>
Total	58,571	55,199	43,331	32,573

The number of permanent employees and of part time employees of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
	2014	2013	2014	2013
Permanent employees	728	913	604	181
Part time employees	<u>1</u>	<u>4</u>	<u>1</u>	<u>4</u>
Total	729	917	605	185

The total personnel costs of the Company increased by 33.03% while the total personnel costs of the Group increased by 34.63%.

11.37. Related party disclosures

The term “related parties” includes not only the Group’s companies, but also companies in which the parent participates in their share capital with a significant percentage, companies that belong to parent’s main shareholders, companies controlled by members of the BoD or key management personnel, as well as close members of their family.

The Group’s and the Company’s income and expenses for the years of 2014 and 2013 as well as the balances of receivables and payables for the same period that have arisen from related parties’ transactions, as defined by IAS 24, as well as their relevant figures are analyzed as follows:

	GROUP		COMPANY	
	01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
Income				
Subsidiaries	0	0	29,930	26,569
Associates	<u>1,358</u>	<u>0</u>	<u>1,358</u>	<u>0</u>
Total	1,358	0	31,288	26,569

	GROUP		COMPANY	
	01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
Expenses				
Subsidiaries	0	0	29,461	36,484
Associates	<u>16,134</u>	<u>2,003</u>	<u>6,453</u>	<u>1,255</u>
Total	16,134	2,003	35,915	37,739

	GROUP		COMPANY	
Receivables	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Subsidiaries	0	0	40,158	36,196
Associates	<u>0</u>	<u>17</u>	<u>0</u>	<u>17</u>
Total	0	17	40,158	36,213

	GROUP		COMPANY	
Payables	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Subsidiaries	0	0	17,974	10,171
Associates	<u>2,712</u>	<u>128</u>	<u>90</u>	<u>128</u>
Total	2,712	128	18,064	10,299

	GROUP		COMPANY	
Transactions and salaries of executive and administration members	01.01-31.12.2014	01.01-31.12.2013	01.01-31.12.2014	01.01-31.12.2013
BoD and key management personnel	<u>6,209</u>	<u>8,706</u>	<u>4,056</u>	<u>5,911</u>
Total	6,209	8,706	4,056	5,911

The remuneration of the BoD and key management personnel of the Group is analyzed as follows:

- a) the Group's BoD compensation, reached € 763 for the year 2014 and € 921 for the year 2013 and
- b) the Group's key management personnel remuneration, reached € 5,446 for the year 2014 and € 7,785 for the year 2013.

The remuneration of the BoD and key management personnel of the Company is analyzed as follows:

- a) the Company's BoD compensation, reached € 321 for the year 2014 and € 363 for the year 2013 and
- b) the Company's key management personnel remuneration, reached € 3,735 for the year 2014 and € 5,548 for the year 2013.

	GROUP		COMPANY	
Receivables from related parties	31.12.2014	31.12.2013	31.12.2014	31.12.2013
BoD and key management personnel	<u>0</u>	<u>1,286</u>	<u>0</u>	<u>1,286</u>
Total	0	1,286	0	1,286

The Group's and Company's receivables from related parties are analysed as follows:

- a) the balance of parent company's managers' housing loans reached € 0 for the year 2014 and € 115 for the year 2013 and
- b) the balance of parent company's managers' prepayments of retirement benefits reached € 0 for the year 2014 and € 1,171 for the year 2013.

	GROUP		COMPANY	
Liabilities from Bod' compensation & remuneration	31.12.2014	31.12.2013	31.12.2014	31.12.2013
BoD and key management personnel	<u>190</u>	<u>1,257</u>	<u>166</u>	<u>1,204</u>
Total	190	1,257	166	1,204

The balance from management's remuneration and Board of Directors' compensation refers to:

- a) key management's personnel remuneration and compensation of the Group that amounted to € 190 for the year 2014 and € 1,257 for the year 2013 and
- b) key management's personnel remuneration and compensation of the Company that amounted to € 166 for the year 2014 and € 1,204 for the year 2013.

All the inter-company transactions and balances of the above have been eliminated in the consolidated financial statements of the Group.

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company "DIKEFALOS 1924 Construction S.A.", which signed a sponsorship contract on 12.09.2013 with OPAP S.A., the total cost of which amounts to € 1,940 plus VAT. For the year of 2014 the cost resulting from this contract amounts to € 1,257 and is included in the Statement of Comprehensive Income and the receivable that arises from the aforementioned contract amounts to € 443. Furthermore, he is also the main shareholder of the company "AEGEAN OIL SA" which supplies OPAP S.A. with heating oil. For the year 2014, the cost amounts to € 26 and is included in the Statement of Comprehensive Income and there is no liability. Additionally, he is also shareholder of the company "EMMA DELTA MANAGEMENT LTD" which provides consulting services to OPAP S.A. For the year 2014, the cost amounts to € 9 and is included in the Statement of Comprehensive Income and there is no liability. Finally, he is the main shareholder of the company "TEMETERON LTD" (a subsidiary of "AEGEAN OIL S.A.") which is in the sales network of HELLENIC LOTTERIES S.A. For the year 2014 the income amounts to € 59 and is included in the Statement of Comprehensive Income and the amount of the receivable is € 8.

Also one of the members of the Board of Directors of OPAP S.A., is the sole shareholder of the company "Prime Applications S.A.", which signed two sponsorship contracts on 01.08.2013 and 15.08.2013 with

OPAP S.A., the total cost of which amounts to € 165 plus VAT. For the year of 2014 the cost resulting from this contracts amounts to € 124 and is included in the Statement of Comprehensive Income. No liability occurs from the aforementioned contracts on 31.12.2014.

11.38. Other disclosures

Contingent liabilities

A) Tax liabilities

1. The parent company OPAP S.A. has been inspected by tax authorities until 2010 inclusive.

The tax audit of OPAP S.A. for the year 2010 was completed during the second quarter of the current year. The final audit report was delivered to the Company on 18.07.2014. The tax authorities imposed additional taxes and surcharges totaling € 29,568. This amount, minus the provision previously recorded in the company's books for the amount of € 8,000, i.e. an amount of € 21,568 has been included in the Statement of Comprehensive Income on 31.12.2014.

The Company entered legally and on time into an judicial appeal to a higher administrative authority in the Directorate for Dispute Resolution (hereinafter DDR) of the General Secretariat of Public Revenue of the Ministry of Finance, asking the annulment of the decision 1519/2014 as also as the amendment of the income tax of the year 2010, paying at the same time 50% of the total amount of additional taxes and surcharges imposed.

The aforementioned judicial appeal was rejected from the DDR. Our company made an appeal before the Athens Administrative Court requesting cancellation otherwise its reform. Thus far, the hearing before the Administrative Court has not been determined.

On 29.01.2015 the remaining amount was paid in full.

2. For the tax audit of the year 2011, the Company and the subsidiary OPAP SERVICES S.A., in the review of L. 2238/1994 concerning Tax Compliance Report by independent auditors, commissioned a special tax audit for the period 01.01.2011-31.12.2011 at its regular auditors companies. The above audit was completed in May 2012.

The Group's companies OPAP S.A. and OPAP SERVICES S.A. were subjected to tax audit for the fiscal years 2012 and 2013 by Legal Auditor in accordance with the par.5 of the article 82 of the L. 2238/1994 and received the Tax Compliance Report without differences. In order to consider the year terminated, the terms of par. 1a of article 6 of the number of a decision of the Ministry of Finance 1159/2011 should be in force.

3. For the Tax audit of the year 2014, from the regular auditors:

- a) it was not made any provision for tax differences for the OPAP S.A.
- b) OPAP SERVICES S.A. made a provision for the current period 2014 for tax differences amounting to € 100.

The Group's unaudited fiscal years by the relevant authorities are the following:

Company's Name	Fiscal Years
OPAP S.A.	2014
OPAP CYPRUS LTD	2007 – 2014
OPAP SPORTS LTD	2014
OPAP INTERNATIONAL LTD	2004 – 2014
OPAP SERVICES S.A.	2010, 2014
OPAP INVESTMENT LTD	2012 – 2014
GLORY TECHNOLOGY LTD	2007, 2010 – 2014
NEUROSOFT S.A.	2010 – 2014
HELLENIC LOTTERIES S.A.	Since its establishment (2013)
PAYZONE S.A.	2010 - 2014

The total cumulative provision for uninspected fiscal years by tax authorities reaches € 1,300 for the OPAP SERVICES S.A. and € 541 for the PAYZONE S.A..

B) Legal matters:

OPAP S.A.'s Legal Department estimations concerning legal claims against OPAP S.A., for which a negative outcome is likely, result in a provision for the Company amounting to € 49,133 and for the Group € 49,341, while the total amount of these claims for the Company amounts to € 57,922 and for the Group € 58,130. The total cumulative provision on 31.12.2014 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Labor disputes	23,764	27,785	23,556	27,785
Lawsuits from individuals or legal entities	13,127	7,856	13,127	7,856
Other legal claims	<u>12,451</u>	<u>12,451</u>	<u>12,451</u>	<u>12,451</u>
Total provision	49,341	48,092	49,133	48,092

Furthermore, according to the Legal Counsel, third party lawsuits as against OPAP S.A. have been filed, of a total claim of € 6,874 for which the outcome is estimated as positive for the Company and consequently, no provisions were required. The relevant amount for the Group is € 12,743.

There are no other pending or outstanding differences related to the Company or the Group as well as court or other administrative authorities' resolutions that might have a material effect on the financial statements or the operation of the Company and its subsidiaries.

Commitments

a) Contract for maintenance – technical support of IT systems

Maintenance and technical support of the central data processing system is provided by the IT Systems company assigned (main contracts those of 1997 and 2005). According to these contracts the assigned company provides maintenance and technical support of 1) the primary and ancillary data processing system's hardware and software, 2) the O/S software application platform LOTOS which was developed by the operator, 3) the agency terminals. The provider is also responsible for the operation of the central data processing system. The contract duration varies depending on the services provided.

The contract with the INTRALOT consortium as at 31.07.2007 regulates all above mentioned contract terms with the INTRACOM Group, clarifying also the following:

- 1) Effective from 28.07.2008 no contract is in effect except the contract signed on 31.07.2007.
- 2) The 29.01.2008 contract with INTRACOM, regarding terminals maintenance has expired. All "coronis" terminals are maintained by INTRALOT S.A. based on the new contract.
- 3) According to the latest contract effective from 30.11.2007, INTRALOT S.A. maintains all the equipment of the computer centres.

On 30.07.2010 the BoD of OPAP S.A. approved the extension of the contract with INTRALOT's consortium for one additional year, while aligning this extension with OPAP S.A. business plan to achieve the following objectives:

- uninterrupted OPAP's operation,
- enhance OPAP's growth with the provision of modern services to our clients,
- enrich the content and number of games offered,
- upgrade agency functionality and
- reduce operating costs.

OPAP S.A. exercised its option to extend the contract of 30.07.2010 with the consortium INTRALOT for one more year.

On 30.07.2012, 25.10.2012, 31.01.2013 and 18.04.2013, the Company's BoD approved four three-month successive extensions of the 30.07.2010 agreement with INTRALOT S.A., namely from 30.07.2012 until 30.07.2013 under the exact same terms defined in OPAP's announcement on 30.07.2010.

On 05.07.2013, OPAP S.A. made its announcement known to the investment community that following the approvals by the Company's Extraordinary General Meeting (EGM) on 06.04.2013 as well as the Board of Directors' on 19.06.2013, an agreement was signed with INTRALOT S.A. INTEGRATED INFORMATION SYSTEMS AND GAMING SERVICES.

Moreover, following negotiations with the contractor and with regards to the already approved terms by the EGM on 06.04.2013, the Company achieved a reduction of the one-off capital expenditure by € 2,000, reaching € 27,500 from € 29,500, while both the remainder of the financial parameters as well as the contract's duration remain the same.

On 05.08.2013 OPAP S.A., following its 05.07.2013 announcement related to the IT provider, made its announcement known to the investment community that the Company's Board of Directors (BoD) approved the amendment of the end date of the 30.07.2010 agreement with the INTRALOT consortium.

The contract amendment was considered necessary in order to secure the transition of current operations to the new IT system, specifically for the period from 31.07.2013 until 14.04.2014. It is also noted that the agreement could be terminated without any penalties after six (6) months.

On 31.05.2014 OPAP signed with INTRALOT S.A. a new IT contract, becoming valid retrospectively as of 01.04.2014 and expiring on 31.07.2018. The new contract allows uninterrupted operations of OPAP's core systems while also achieving better financial terms and increased technical services compared to the previous agreement.

Other commitments undertaken by the company and its subsidiaries are as follows:

b) Contract between OPAP S.A. and OPAP SERVICES S.A.

It was signed on 22.06.2009 and includes the following:

OPAP Services S.A. undertakes for OPAP S.A.: a) the rendering of support services and supervision of the agencies' network, according to the relevant policies of OPAP S.A., b) services for production, supply, storage and distribution of consumables and forms as well as promotional material to all agencies, c) support to the players (customers) and to the agents, d) safe-keeping services, cleaning services, maintenance and technical support of electromechanical equipment and building installations, e) supervision and maintenance of agencies' equipment according to the current contracts, f) secretarial support services, g) additional services e.g. the operation of OPAP S.A.'s agency at the Airport of Spata, h) technical advisory services and technical as also technical projects implementation and supervision.

OPAP S.A. undertakes for OPAP Services S.A.: a) services of internal control, b) quality management systems (QMS) safety management systems (SMS) etc. c) Logistics, d) infrastructure and support of technologies and administrative applications, e) education services and f) personnel with corresponding experience.

c) Contracts for operating Stihima in Cyprus

On 02.04.2003, GLORY LEISURE LTD (subsequent OPAP SPORTS LTD) signed an agreement with GLORY TECHNOLOGY LTD regarding the use rights of UGS (Universal Game System INTERGRADED TURN-KEY SOLUTION) a system of GLORY TECHNOLOGY LTD which automates the online betting operation. The contract expires on 31.12.2015.

d) Contract between OPAP S.A. and subsidiary OPAP International LTD

On 24.09.2009, a Service Level Agreement was signed between OPAP S.A. and its 100% subsidiary OPAP INTERNATIONAL LTD according to which the subsidiary will provide the parent company with advisory services for fixed odds betting games that the latter conducts. The contract expired on 31.12.2014.

e) Contract of Bond Loan with Consortium of Banks

On 10.03.2014, the Company entered into a Revolving Bond Loan Agreement amounting up to € 75,000 with an expiry date of 10.04.2015. The participating banks are Piraeus Bank (90%) as Bondholder and Facility Agent, and Geniki Bank (10%).

f) Agreement between Hellenic Republic and OPAP S.A. for the authorization of 35,000 Video Lottery Terminals (VLTs)

On 04.11.2011 OPAP S.A. signed an agreement with the Hellenic Republic according to which the former is licensed to 35,000 VLTs, 16,500 of which, it will install and operate through its network and the remaining 18,500 VLTs will be installed and operated by sub-concessionaires to whom OPAP shall assign the respective rights through a tender procedure, in accordance with the conditions that are defined by L. 4002/2011 and the said agreement.

g) Contract between OPAP S.A. and HELLENIC LOTTERIES S.A.

- Based on the 26.07.2013 contract and as it was amended on 18.06.2014, OPAP S.A. undertakes to provide to the HELLENIC LOTTERIES S.A., either itself or through a subsidiary or subcontractor and for a fee, New Network sales' development services for the State Lotteries' disposal to the Greek market.
- Based on the 26.07.2013 contract and as it was amended on 18.06.2014, OPAP S.A. provides to the HELLENIC LOTTERIES S.A. the relevant license to use the OPAP Agencies' network for the State Lotteries' disposal as well as the technological equipment use for a fee.

- Based on the 26.07.2013 contract and as it was amended on 18.06.2014, OPAP S.A. undertakes to provide to the HELLENIC LOTTERIES S.A. for a monthly fee a) technology infrastructure hosting, b) accounting services and c) legal services.
- Based on the 01.06.2014 contract, OPAP S.A. undertakes the right to provide to the HELLENIC LOTTERIES S.A. in exchange of monthly payment, the abovementioned services: a) facilities services (security and cleaning), b) press office and public relations services, c) thermal paper supply for the operation of network equipment, d) infrastructure hosting facilities, e) financial services support and support on banking issues, f) IT support services, g) support services and management of corporate services, h) Marketing support services and i) draws support services.
- On 15.08.2014 HELLENIC LOTTERIES S.A. signed a contract with SCIENTIFIC GAMES INTERNATIONAL INC. according to which the former can use the brand name Monopoly on the instant lottery Scratch. SGI will receive a fee calculated on gross sales of that particular Scratch edition.

h) Contract between OPAP S.A. and G-TECH

On 16.04.2014 OPAP S.A. signed contract with GTECH UK Interactive Ltd for providing a platform for the Company's operations conducting via internet (online betting). The contract's duration is for two years with unilateral right of OPAP S.A. to extend it for a period of another two years.

i) Contract between HELLENIC LOTTERIES S.A. and INTRALOT S.A.

On 26.07.2013 HELLENIC LOTTERIES S.A. signed contract (amended on 18.06.2014) with INTRALOT S.A. according to which the former undertakes design, available for use, installation, testing, commissioning, and maintenance in functionality throughout the contract, integrated IT system for the management of the State Lotteries and the operation of the HELLENIC LOTTERIES S.A. concern to the State Lotteries.

j) Contract between HELLENIC LOTTERIES S.A. and SCIENTIFIC GAMES INTERNATIONAL INC.

On 26.07.2013 HELLENIC LOTTERIES S.A. signed contract (amended on 14.03.2014) with SCIENTIFIC GAMES INTERNATIONAL INC. according to which the former undertakes the supply of instant tickets (SCRATCH) which includes the production services, design services and advisory services concern to the instant tickets.

k) As of 31.12.2014, the Group and the Company are parts of operating leasing agreements relating to transporting vehicles and property as well as contracts relating to operational activities of Group, including:

- a) Sponsorship and donation contracts,
- b) Maintenance contracts and other benefits,
- c) Contracts for third parties fees.

During the year, the Group paid € 4,209 for operating leases rentals.

Future minimum payments under these agreements are as follows:

	31.12.2014	31.12.2013
Less than 1 year	81,648	96,449
1 - 5 years	100,168	91,238
More than 5 years	3,156	499

During the year, the company paid € 3,881 for operating leases rentals.

Future minimum payments under these agreements are as follows:

	31.12.2014	31.12.2013
Less than 1 year	70,104	95,658
1 - 5 years	96,744	90,404
More than 5 years	2,040	0

	Less than 1 year	1 - 5 years	More than 5 years	Total
INTRALOT fee	29,503	76,217	0	105,721
Sponsorships-financial aid	23,113	5,901	0	29,014
Maintenance and other third party expenses	6,700	8,159	0	14,859
Insurance expenses	1,182	1,920	2,040	5,142
Professional expenses	6,671	3,238	0	9,908
Rents	2,474	1,022	0	3,495
Operating leases	462	288	0	750
	70,104	96,744	2,040	168,889

Finally, the Company has guaranteed on behalf of subsidiaries HELLENIC LOTTERIES S.A., OPAP INVESTMENT LTD and PAYZONE S.A. amounting to € 26,500.

11.39. Financial risk factors

We present the main risks and uncertainties which the Group is exposed.

1. Risk from the impact of adverse financial circumstances on the Greek and Cypriot economy

Greece

The macroeconomic and financial environment in Greece remains variable during 2015 due to developments and discussions at national and international level on the review of the terms of Greece's funding program.

The return to economic stability depends greatly on the actions and decisions of institutions in the Greece and abroad.

Taking into account the nature of the activities of the Company and its financial situation, any negative development in the Greek economy is not expected to significantly affect the normal operation. Nevertheless, the Administration continually assesses the situation and its possible consequences, to ensure that all necessary and possible measures and actions are taken, to minimize any impact on the Company's activities.

Cyprus

In June 2012, the government of Cyprus applied for financial assistance from the European Central Bank, the EU and the IMF. In April 2013 they reached an agreement regarding the provision of a related financial aid package. Since then, Cyprus applies the package of relevant structural measures.

2. Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

The following describe in more detail the specific risks that make the market risk and their management policies by the Group and the Company.

Exchange risk

Our operations are in Greece and Cyprus, and we have not entered into any agreements with suppliers in currencies other than in euro. We earn all of our revenues from games in euro, our transactions and costs are denominated or based in euro and as such we do not carry any substantial foreign exchange risk.

Capital Management

The primary objective of the Group and the Company relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to maintain or adjust the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

The capital for the years 2014 and 2013 is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Total Equity	1,234,859	1,125,283	1,166,661	1,126,041
Plus: Subordinated debt	1	165,447	0	165,447
Minus : Cash flow hedging	0	0	0	0
Minus : Cash and cash equivalents	-291,499	-242,036	-195,055	-192,617
Minus: Restricted deposits	-5,920	-25	-3,400	0
Capital	937,442	1,048,669	968,206	1,098,871
Total Equity	1,234,859	1,125,283	1,166,661	1,126,041
Plus : Loans	1	165,447	0	165,447
Total Capital Employed	1,234,860	1,290,730	1,166,661	1,291,488
Capital / Capital Employed	0.76	0.81	0.83	0.85

A change by one basis point in interest rates on 31.12.2014, would have no effect on the results and the effect on equity would be very small.

The Group's objectives in managing capital is to ensure the ability of smooth operation of the Group in the future in order to provide satisfactory returns to shareholders and other stakeholders and maintain an ideal allocation of capital reducing in this way the cost of capital.

All financial instruments assets and liabilities below are not negotiable and are measured at cost or unamortized cost. The current value for each of these is not considered significantly different from their carrying value as shown below and at the Statement of Financial Position, so no analysis is given.

3. Credit risk

The Group's exposure to credit risk, comes from bad debts from agents as well as from the debts of agents on which arrangements have been made. The cumulative figure for the Group for bad debts up to 31.12.2014 amounts to € 34,800 and respective provision 100% is already included in the Financial Statements. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group has placed limits on the maximum amounts placed in any financial institution. The Group is also exposed to credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships. The Group manages credit risk exposure to its agents through various practices. First, each agent is required to provide the Group with a warranty deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, the Board of Directors has imposed a maximum amount that an agent may owe during each settlement period. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from receiving wagers.

Assets subject to credit risk as at the date of the Statement of Financial Position are analysed as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Financial Assets Categories				
Restricted deposits	5,920	25	3,400	0
Cash and cash equivalents	291,499	242,036	195,055	192,617
Trade and other receivables	<u>109,508</u>	<u>55,486</u>	<u>88,070</u>	<u>55,760</u>
Total	406,926	297,547	286,525	248,377

	GROUP		COMPANY	
Year that ended on 31 December	2014	2013	2014	2013
Within 3 months	405,315	294,377	284,964	245,306
From 3 months to 6 months	402	762	351	663
From 6 months to 1 year	682	1023	682	1023
Over 1 year	<u>527</u>	<u>1,385</u>	<u>527</u>	<u>1,385</u>
Total	406,926	297,547	286,525	248,377

All the above Financial Assets are not yet due or impaired except bad debts that are due and impaired receivables as well as by agents who are not due but are impaired. Both these categories are included in Trade Receivables (see Note 11.4) for which full provisions is made.

4. Liquidity risk

The Group manages liquidity risk by managing games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics. As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1.0 million while maximum winnings/column are also defined for Stihima.

The maturity of the financial liabilities as at 31.12.2014 and 31.12.2013 for the Group and Company is analyzed as follows:

GROUP	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2014	Within 6 months	6 till 12 months	1 till 5 years	
Leasing	0	0	0	0
Other long term liabilities	0	0	6,343	6,343
Borrowings	1	0	0	1
Trade payables	142,074	28,279	0	170,353
Other short term liabilities	<u>104,149</u>	<u>4,176</u>	<u>0</u>	<u>108,325</u>
Total	246,223	32,455	6,343	285,021

GROUP	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2013	Within 6 months	6 till 12 months	1 till 5 years	
Leasing	192	201	42	435
Other long term liabilities	0	0	8,571	8,571
Borrowings	165,447	0	0	169,950
Trade payables	61,266	8,589	0	69,855
Other short term liabilities	<u>37,419</u>	<u>6,038</u>	<u>0</u>	<u>43,457</u>
Total	264,324	14,828	8,613	292,268

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2014	Within 6 months	6 till 12 months	1 till 5 years	
Leasing	0	0	0	0
Other long term liabilities	0	0	5,875	5,875
Borrowings	0	0	0	0
Trade payables	102,925	17,806	0	120,731
Other short term liabilities	<u>95,963</u>	<u>4,154</u>	<u>0</u>	<u>100,116</u>
Total	198,888	21,960	5,875	226,722

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2013	Within 6 months	6 till 12 months	1 till 5 years	
Leasing	0	0	0	0
Other long term liabilities	0	0	8,386	8,386
Borrowings	165,447	0	0	169,950
Trade payables	62,272	8,589	0	70,861
Other short term liabilities	<u>31,990</u>	<u>6,038</u>	<u>0</u>	<u>38,028</u>
Total	259,709	14,627	8,386	287,225

5. Cash flows risk and fair value change risk due to interest rate changes

The Group is exposed to interest rate risk principally in relation to outstanding debt and financial assets. The only existing debt facilities as of 31.12.2014 were the Company's Bond Loan and the HELLENIC LOTTERIES Bond Loan. The Company generally does not undertake any specific actions to hedge exposure to interest rate risk and at 31.12.2014 it was not a party to any such transactions.

6. Risk from STIHIMA operations

The STIHIMA game, is a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. As such, the Group's sports-betting team has implemented a comprehensive risk management methodology at different stages of the sport-betting cycle. Different limits have been set per sport, league and game, and treat each event differently. The Group uses most of the feeds available in the betting industry and cooperates with a number of the most well-known odds compilers to create the initial odds of any available event. After the compilers publish their initial odds, odds are changed by taking into account the overall market (through various feeds in the betting industry) and by own books. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Liability of each game is monitored through the entire book. In case the limits have been exceeded, a visual warning is given to the team. Furthermore, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities. Finally, all agents and online customers are categorized by setting and monitoring individual personal limits.

7. Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network.

8. Additional tax charges

In the previous years the Greek State imposed special tax contributions which materially affected the Group's and the Company's income statement. Given the current fiscal position of the Greek State, additional fiscal measures may be taken, which could have a material adverse effect on the Group's and the Company's financial condition.

Furthermore, the tax measures implemented as per L. 4093/2012 from 01.01.2013 by way of implementing a 30% tax on net revenue before tax, adversely affected both cash flows and the financial position of both the Group and the Company.

11.40. Subsequent events

On 01.01.2015 stopped the distribution of the betting offering library of games GO LUCKY due to its low performance.


Regarding additional taxes and surcharges imposed by tax authorities, on 2010 tax audit grounds, the remaining amount was paid in full on 29.01.2015.

On 16.03.2015, OPAP INVESTMENT LTD proceeded to a share capital increase of € 8,300 in order to undertake the share capital increase of HORSE RACES S.A. amount € 8,500 in which it participates by 100%.

This page intentionally left blank

Chairman of the BoD & CEO	A Member of the BoD	Accounting & Consolidation Director
Kamil Ziegler	Michal Houst	Petros Xarchakos

IV. Summary Financial Information for the fiscal year 2014

<div>OPAP S.A. GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. Register Number: 46329/06/B/00/15 General Electronic Commercial Registry-G.E.M. Number: 3823201000 Kifissou Ave 62, Peristeri 121 32 SUMMARY FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1st TO DECEMBER 31st 2014 (Published according to L. 2190/20, article 135 for companies preparing annual financial statements, consolidated or not, in accordance with the I.F.R.S.) The following information deriving from the financial report aims at a general presentation of OPAP S.A. and OPAP Group financial status and results. Therefore, it is recommended to the reader, prior to proceeding to any kind of investment decision or transaction, to visit OPAP S.A.'s site, where the financial statements and the legal auditors' review report (the latter whenever required) are posted.</div>									
Responsible Supervisory Authority: Website: Board of Directors:					Approval date of the financial report: Chartered Accountant: Review report:				
Ministry of Finance, Infrastructure, Shipping and Tourism www.opap.gr Kamil Ziegler, Spyros Fokas, Pavel Horak, Michail Houst, Christos Kopolouzos, Georgios Melissandis, Marco Sala, Pavel Saroch, Konstantin Yanakou, Rudolf Jurck, Dimitrakis Potamitis, Igor Rusek.					30 March 2015 Chrysoula Douka (Registry No SOEL 37551) Michael Kokkonos (Registry No SOEL 12701) KPMG Certified Auditors S.A. (AM SOEA 114) Unqualified				
FINANCIAL POSITION STATEMENT INFORMATION (Amounts in thousands of euro)					CASH FLOW STATEMENT INFORMATION (Amounts in thousands of euro)				
GROUP		COMPANY			GROUP		COMPANY		
31.12.2014	31.12.2013	31.12.2014	31.12.2013		1.1-31.12.2014	1.1-31.12.2013	1.1-31.12.2014	1.1-31.12.2013	
ASSETS					Operating activities				
Tangible assets (for own use)	44,205	49,314	27,089	30,569	Profit before tax	305,579	187,756	297,277	190,702
Investment property	1,540	1,139	1,540	1,139	Plus / (minus) adjustments for:				
Intangible assets	1,267,236	1,103,211	1,087,569	1,103,206	Depreciation and amortization	50,321	44,111	39,180	41,605
Other non-current assets	28,483	146,839	213,745	211,735	Net financing result	(1,587)	(13,402)	(7,915)	(18,466)
Inventories	2,976	880	-	-	Provisions for bad debts	(684)	-	372	-
Trade receivables	92,250	34,894	72,523	38,314	Other provisions	1,314	10,685	1,106	10,685
Other current assets	314,149	261,268	213,475	208,678	Foreign exchange differences	(7)	70	(7)	70
TOTAL ASSETS	1,750,838	1,597,545	1,615,940	1,593,637	Depreciation of investment	-	-	-	-
LIABILITIES & EQUITY					Share of results in associated companies	(330)	235	-	-
Share capital	95,700	95,700	95,700	95,700	Employee benefit plans	868	7,207	795	7,092
Other items of shareholders' equity	1,071,999	1,029,583	1,070,961	1,030,341	(Reversal) of impairment loss				
Total shareholders' equity (a)	1,167,699	1,125,283	1,166,661	1,126,041	on remeasurement of associates	(7,462)	-	-	-
Minority interest (b)	87,160	-	-	-	Impairment of assets		19,737	-	19,737
Total equity (c)=(a)+(b)	1,254,859	1,125,283	1,166,661	1,126,041	Results from investing activities	41	404	41	211
Non-current loan liabilities	-	-	-	-	(income, expense, profit and loss)				
Provisions / Other non-current liabilities	59,071	71,842	62,452	73,584	Plus / (minus) adjustments for changes				
Current loan liabilities	1	165,447	-	165,447	in working capital or connected				
Other current liabilities	456,596	386,927	386,927	228,593	on operating activities:				
Total liabilities (d)	515,979	472,262	449,278	467,598	(Increase) / decrease in inventories	(724)	(156)	-	-
TOTAL LIABILITIES & EQUITY (c)+(d)	1,750,838	1,597,545	1,615,940	1,593,637	(Increase) / decrease in trade and other receivables	(41,417)	776	(30,782)	10,846
COMPREHENSIVE INCOME STATEMENT INFORMATION (Amounts in thousands of euro except earnings per share)					Increase / (decrease) in payables (excluding banks)	73,012	(25,469)	27,722	(25,717)
GROUP		COMPANY			Increase / (decrease) in taxes due	(24,887)	104,604	9,394	101,061
1.1-31.12.2014	1.1-31.12.2013	1.1-31.12.2014	1.1-31.12.2013		Minus:				
4,259,072	3,711,059	3,759,713	3,504,294		Interest expenses	(1,725)	(242)	(1,618)	(59)
Gross profit	423,920	346,350	383,257	324,412	Income tax paid	(68,783)	(62,442)	(68,125)	(59,950)
Profit before tax, interest and investing results	296,198	177,601	289,383	172,515	Cash flow from operating activities (a)	283,529	273,874	267,440	278,107
Profit before tax	195,579	187,756	297,277	190,702	Investing activities:				
Net profit after tax (A)	199,224	141,115	193,262	142,665	Outflow from tangible and intangible assets	(15,820)	(109,367)	(15,081)	(104,576)
-Parent company shareholders	194,998	141,115	193,262	142,665	Proceeds from sales of tangible and intangible assets	6	-	6	-
-Minority interest	4,226	-	-	-	Establishment of Subsidiary Company	-	-	-	-
Other income after tax (B)	548	3,532	490	3,504	Establishment of Associate Company	-	(128,640)	-	-
Total income after tax (A)+(B)	199,772	144,647	193,752	146,169	Increase in share capital of Subsidiary	(7,350)	-	(8,750)	(130,300)
-Parent company shareholders	195,548	144,647	193,752	146,169	Inflow / (outflow) from restricted cash	(5,120)	95,669	(3,400)	95,710
-Minority interest	4,224	-	-	-	Interest collected	3,297	12,157	2,016	10,388
Earnings per share - basic (in €)	0.6245	0.4424	0.6058	0.4472	Dividends from Subsidiaries	-	-	6,769	6,347
Dividend proposed per share (in €)	0.4517	0.2500	0.4517	0.0000	Increase of cash due to change of Hellenic Lotteries S.A.	52,919	-	-	-
Profit before tax, interest, depreciation, amortization and investing results	346,519	221,712	328,563	214,120	and Payzone S.A. consolidation method	-	-	-	-
CHANGES IN EQUITY STATEMENT INFORMATION (Amounts in thousands of euro)					Cash flow from investing activities (b)	27,832	(130,181)	(18,441)	(122,431)
GROUP		COMPANY			Cash flow used in financing activities (c)				
31.12.2014	31.12.2013	31.12.2014	31.12.2013		Proceeds from loan	85,001	-	70,000	-
Balance as of January 1st, 2014 and 2013	1,125,283	1,162,466	1,126,041	1,161,702	Loan installment payments	(266,751)	(87,000)	(236,750)	(87,000)
Total income after tax	199,771	144,647	193,752	146,169	Financial lease interest paid	-	(52)	-	-
Minority interest	62,537	-	-	-	Repayment of financial lease funds	(437)	(362)	-	-
Reserves	(9,039)	-	(9,039)	-	Dividends paid	(79,811)	(181,825)	(79,811)	(181,825)
Dividends distributed	(144,092)	(181,830)	(144,092)	(181,830)	Cash flow used in financing activities (c)	(261,999)	(269,239)	(246,961)	(268,825)
Balance as of December 31st, 2013 and 2012	1,234,860	1,125,283	1,166,661	1,126,041	Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	49,463	(125,546)	2,438	(113,149)
ADDITIONAL INFORMATION					Cash and cash equivalents	242,036	367,582	192,617	305,766
1a. Fiscal years not inspected by tax authorities for the company and group are mentioned in note 11.38 of the financial report. 1b. For unanticipated fiscal years, a cumulative provision has been made concerning tax differences amounting to € 1,841 th. for the group. 2. The group's assets are currently unencumbered. 3a. According to the company's Legal Counsel there are lawsuits from third parties concerning claims against the company amounting to € 48,133 th. and € 49,341 for the group for which a provision has been recognized, while the total sum of these claims reaches € 57,562 th. for the company and € 58,130 th. for the group. 3b. Total cumulative provision per category is analyzed as follows: i) for legal issues € 48,133 th. for the company and € 49,341 th. for the group. ii) for unanticipated fiscal years by tax authorities € 1,841 th. for the group and iii) for employee benefit plans € 745 th. for the company and € 847 th. for the group. 3c. Furthermore, according to the Legal Counsel, third party lawsuits have been filed, of a total claim of € 6,874 th. for the company and € 12,743 th. for the group, for which the outcome is estimated as positive and consequently, no provisions were required. 4. The number of permanent employees on 31.12.2014 and 31.12.2013 for the company was 604 and 181 respectively (128 and 913 respectively for the group). Average number of part-time employees (working on a daily basis) for the period ended on 31.12.2014 and 31.12.2013 was 1 and 4 respectively for the company (1 and 4 respectively for the group). 5. The group's and company's total inflow, outflow, receivables and payables to related companies and related parties, according to IAS 24, are as follows:					8. There have not been any errors or changes in the accounting policies or in the accounting estimates applied in the financial report. 9. The accounting principles and the calculations according to which the financial report was prepared are in accordance with those used in the annual financial report for the fiscal year 2013. 10. The fixed assets purchases concerning the period 1.1-31.12.2014 reached € 15,081 th. (€ 15,820 th. for the Group). 11. There has not been any cease of operations in any of the group's segments or companies. 12. Amounts are presented in thousands of euro as in the financial report. 13. Any chance differences in sums are due to approximations. 14. The Fourteenth (14th) Annual Ordinary General Meeting of the shareholders of Greek Organization of Football Prognostics S.A. (OPAP S.A.) took place on Thursday, May 22nd, 2014 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.25 Euro per share for the fiscal year 2013 (€ 79,750 th.). Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 29.5.2014 (record-date). The Ex-dividend date for the fiscal year 2013 was Tuesday, 27.5.2014. The payment of the dividend commenced on Wednesday, 4.6.2014 and was processed through the National Bank of Greece. 15. The 9th Extraordinary General Assembly of its Shareholders, on 18.12.2014 decided upon the distribution of the Company's tax exempt reserves of a net amount of € 9,039,347.64 i.e. € 0.0283 per share, in accordance with the provisions of article 72 of Law 4172/2013, as in force. Moreover, the General Meeting was informed on the Board of Directors' decision to distribute a gross amount of € 84,339,652.38 i.e. € 0.2017 per share (before tax), as interim dividend for the fiscal year 2014. OPAP's registered Shareholders on Tuesday, 13.01.2015 (record-date) were eligible to receive the payment. The cutoff date was Monday, 12.01.2015. The payment to entitled Shareholders commenced on Monday, 19.01.2015 and was processed through the National Bank of Greece. 16. The financial report of 2014 was approved by OPAP S.A.'s BoD, on 30.03.2015 which will propose the approval of a € 0.4517 per share (before tax) dividend distribution (total sum of € 144,092,300.00), at the Annual General Shareholder Meeting (see note G of the BoD's Annual Report).				
(Amounts in thousands of euro)					Peristeri, 30 March 2015				
GROUP		COMPANY			Chairman of the Board and CEO				
Inflow	1,358	31,288			A Member of the BoD				
Outflow	16,134	35,915			Accounting and Consolidation Director				
Receivables	0	40,158			Kamil Ziegler				
Payables	2,712	18,064			Passport No. 36356187				
Transactions and salaries of executive and administration members	6,289	4,056			Michail Houst				
Receivables from executive and administration members	0	0			Passport No. 39893691				
Liabilities from executive and administration members	190	166			Petros Xarchakos				
From the above transactions, the transactions and balances with the subsidiaries have been removed from the consolidated financial statements. 6. The company's share capital amounts to 95,700,000.00 euro, divided into 319,000,000 shares with voting rights, par value of 0.30 euros each. 7a. The group's structure is described in note 8 of the financial report and more specifically the following: ownership interest, country of incorporation, method of consolidation and principal activity. 7b. A change in the method of consolidation of the company Hellenic Lotteries S.A. is described in par. 6.3 of the financial report. 7c. The acquisition and method of consolidation of the company Payzone S.A. is described in par. 8 of the financial report.					ID. No AK 161998				

V. Information on article 10 of L. 3401/2005

The company in line with current legislation published and made available to the investment public, during the fiscal year 2013 on its website at the Investors Update / Announcements Archive section (<http://www.opap.gr/en/web/corporate.opap.gr/44>) and on the Athens Exchange website (www.helex.gr), the information incorporated in the table below in the form of reference:

	SUBJECT	DATE OF PUBLICATION
1	Announcement of substantial holdings L. 3556/2007	14/1/2014
2	Announcement of Regulated Information L. 3556/2007- General Director's Resignation	24/1/2014
3	OPAP S.A. ANNOUNCES THE APPOINTMENT OF GTECH S.p.A. THE COMPANY'S ONLINE BETTING PROVIDER	4/3/2014
4	2014 FINANCIAL CALENDAR	27/3/2014
5	OPAP Fiscal Year 2013 Financial Results Press Release	31/3/2014
6	Annual Analysts' Briefing on the FY13 Financial Results	1/4/2014
7	Head of Shareholders Service Department Resignation	3/4/2014
8	Announcement of draft amendment of the Articles of Association of OPAP S.A.	29/4/2014
9	INVITATION TO THE ANNUAL GENERAL MEETING	29/4/2014
10	New Organizational Structure	5/5/2014
11	14th Annual General Meeting Voting Results	22/5/2014
12	Payment of the Dividend for Fiscal Year 2013	22/5/2014
13	General Meeting's Decisions Announcement	22/5/2014
14	OPAP Interim Consolidated Financial Results for the three month period ended 31st March, 2014	27/5/2014
15	Announcement of Regulated Information L. 3556/2007	28/5/2014
16	Announcement of Other Important Notifications - New IT Contract	3/6/2014
17	Announcement of Regulated Information L. 3556/2007 /Staff Departures and New Appointments	30/6/2014
18	PRESS RELEASE - APPOINTMENT OF GTECH S.p.A. AS THE COMPANY'S CIS - VLTs PROVIDER	15/7/2014
19	Announcement of Substantial Holdings L. 3556/2007	29/7/2014
20	Tax audit conclusion for fiscal year 2010	25/8/2014
21	Appointment of General Manager- Corporate Communication and Public Relations	26/8/2014
22	NEWS RELEASE H1 2014 FINANCIAL RESULTS	27/8/2014
23	Announcement of Regulated Information of L.3556/2007	28/8/2014
24	Announcement of Regulated Information of L.3556/2007	29/8/2014
25	OPAP-Provisional Successful Bidder for the Mutual Horse-betting License	24/9/2014
26	Announcement of Regulated Information of L. 3556/2007	29/9/2014
27	Announcement regarding plenary of Hellenic Council of State decision in relation to OPAP's exclusive right to conduct games of chance	3/10/2014
28	RELEASE OF REGULATED INFORMATION	17/10/2014
29	RELEASE OF REGULATED INFORMATION	24/10/2014
30	Announcement regarding write-off of the unclaimed dividend for the fiscal year 2008	19/11/2014
31	Payzone Hellas - Completion of acquisition	20/11/2014
32	INVITATION FOR THE NINTH (9th) EXTRAORDINARY GENERAL MEETING	25/11/2014
33	NEWS RELEASE 9M 2014 FINANCIAL RESULTS	25/11/2014
34	UPDATE OF 2014 FINANCIAL CALENDAR	28/11/2014
35	RELEASE OF REGULATED INFORMATION PURSUANT TO L.3556/2007	12/12/2014
36	RESOLUTIONS OF THE 9th EXTRAORDINARY GENERAL MEETING OF OPAP S.A. OF 18.12.2014	18/12/2014

37	PAYMENT OF INTERIM DIVIDEND FOR THE FISCAL YEAR 2014 AND DISTRIBUTION OF TAX EXEMPT RESERVES	18/12/2014
38	9th Extraordinary General Meeting Voting Results	18/12/2014

VI. Website where the financial report is posted

The annual financial statements, the independent Auditor’s Report and Board of Directors’ Report of company consolidated financial statements for the year that ended on 31.12.2014 are posted on the Company’s website www.opap.gr.



ir@opap.gr
www.opap.gr

