CONSOLIDATED FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2005, AND 2004
(ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS)

The attached financial statements were approved by the Board of Directors at March 8th, 2006 and they are posted on the internet at the company's site www.opap.gr. The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information, but they do not present a comprehensive view of the financial position and results of operations of the Company and Group, in accordance with the International Financial Reporting Standards.

Board of Directors Report

1. General Overview

Year 2005 was a very important period for O.P.A.P. S.A., since the dynamic growth of the company continued, indicated by the significant increase of the basic economic sizes, thing that ascertains the leading role and salience of the company in the particularly competitive and socially sensible market of numerical lottery and sport betting games. It is important to mention, that during its plenary session in Strasbourg, the European Parliament voted with a clear majority to exclude all gambling activities from the scope of the Services Directive

The positive course and our strategic planning were depicted with clarity in our report and our economic results for 2005. Basic economic sizes according to our financial statements for the year ended 2005 are as follows:

1. The turnover of 2005 came up to € 3,695,234,505.83 against € 3,177,208,300.68 in 2004, presenting an increase of 16.30%.
2. Gross profit came up to € 806,263,322.16 against € 716,018,903.37 in 2004, presenting an increase of 12.60%.
3. The operating profits of the company (before depreciation, financial, provisions and taxes) came up to € 714,268,840.75 against € 658,889,651.57 in 2004, presenting an 8.40% increase.
4. Profits before tax presented a reduction of 11.64% and were formed at € 693,417,844.42 against € 784,771,142.27 in 2004.
5. Net profits came up to € 458,319,917.28 against € 505,633,303.52 in 2004, presenting a reduction at a percentage of 9.36%.

The reduction in the profits before taxes and the net profits in relation to 2004 is due to the fact that in 2004, a reversal of the known provision formed (of 148.01 million, after the num. 953/2004 decision of the Athens Court of Appeal), thoroughly canceling the No 2/2003 Arbitrary Decision, depicting the profits before taxes of 2004, increased by the above item. This provision had been formed after the decision of the three-member Arbitrary Court over the appeal of the operator of the "PAME STIHIMA" game. Subsequently, the Operator has appealed against the Athens Court's decision, to the Supreme Court. The hearing became on October 24, 2005. Associated with the application of cassation edited the No 133/2006 decision of Supreme Court, which rejected the former application.

We also have to note that the reduction above was counterbalanced:

1. By the increase of the operating result, in the profits before taxes
2. By the increase of the operating result and the reduction of the tax rate from 35% (2004) in 32% (2005), in the net profits.

Finally, so much the important performance of the company for 2005, as the positive emerging perspectives for the current year of 2006, were depicted at the price of the share that presented an impressive increase.

2. Factors Of Value Creation And Performance Measurement

The Group monitors the performances through the analysis of nine of its basic business segments, which, based on I.A.S. No 14, they are the nine games it conducts, organizes and operates.

Business segments:

(1) The business segment with the highest percentage participation in the sales is KINO, which constituted -for 2005- the 46.41% of O.P.A.P. S.A. turnover while it contributed to the 45.84% of the total gross profit. This segment is also expected in 2006 to constitute the most important part of the Group's results**.**

(2) Second in sales is the business segment of STIHIMA game that participates in 2005 by 38.92% in the total sales and by 30.65% in the gross profits of the company. For 2006, an increase in the sales of STIHIMA game is expected, according to the measures received by the Administration of the company, as well as by the extraordinary happening of the World Football Cup in Germany.

(3) JOKER still constitutes an important activity segment for the Group. This segment in 2005 constituted the 7.26% of the turnover, as well as the 11.81% over the total gross profit, while its participation in the results of 2006 is expected equally important.

(4) The segment of PROPO participates by 2.15% in the turnover of Group in 2005, while it also contributed to the 3.57% of the total gross profit.

(5) The fifth operation segment is the one of SUPER 3 game that constituted the 1.90% in 2005 and participated by 2.51% in the gross profit of the Group.

(6) The sales of the business segment of LOTTO follow, which for 2005 participates by 1.57% in the total sales and by 3.25% in the gross profit of the Group.

(7) PROTO constitutes another important activity segment for the Group This segment in 2005 constituted the 1.21% of the turnover, as well as the 1.76% of the total gross profit.

(8) The following activity segment is the one of the EXTRA 5 game, the turnover of which constituted the 0.54% in 2005 and participated by 0.60% in the gross profit of the Group.

(9) The segment with the smaller portion of the sales is PROPOGOAL, which constituted for 2005 the 0.03% of the turnover of the Group Ομίλου while it also contributed to the 0.02% of the total gross profit.

The Group has the policy to evaluate its results and performance at a monthly basis, tracing- in time and effectively-deviations from the objectives and receiving the relative corrective measures. The Group measures its efficiency by using financial performance ratios, which are internationally used:

- **ROCE (Return on Capital Employed)** – "Return on capital employed": The index divides the profits before tax and operating results with the Group's capital employed, which are the sum of the Net Worth of the total loans and long-term provisions.

- **ROE (Return on Equity)** – "Return on equity": The index divides profits after tax with the company's Net Worth.

- **EVA (Economic Value Added)** – "Economic Value Added": This size is calculated by multiplying the capital employed by the difference (ROCE – Cost of Capital) and constitutes the amount by which the economic value of the company increases. In order for the Group to calculate the cost of capital, it uses the formula of WACC – "Weighted Average Cost of Capital".

The indices above, for 2005, and in comparison to 2004, changed as follows:

	31/12/2005	**31/12/2004**
ROCE	**132%**	**149%**
ROE	**95%**	**107%**
EVA	**658 million €**	**753 million €**

The change, observed at the indices ROCE, ROE and EVA between the two accounting periods, is mainly due to the fact that in 2004, the provision of €148.01 million decided upon was reversed after the decision 953/2004 of the Athens court of Appeal, in relation to the appeal of the operator of the "PAME STIHIMA" game.

Athens 08.03.2006
The Board of Directors

Auditor's Report

For the year ended December, 31st 2005

To the Shareholders of OPAP S.A.

We have audited the accompanying consolidated financial statements of **OPAP S.A.** , as of and for the year ended **December, 31st 2005**. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned consolidated financial statements give a true and fair view of the financial position of the Group, as of **December**, **31st 2005**, and of the results of its operations and its cash flows and changes in shareholders' equity, for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens 08.03.2006

The Chartered Accountants

VASILIS K. KAZAS	SOTIRIS A. KONSTANTINOU
SOEL reg. n° 13281	SOEL reg. n° 13671

Grant Thornton

SOEL reg. n° 127

Chartered Accountants

44, Vas. Konstantinou Str.

116 35 Athens

O.P.A.P. S.A.

Consolidated Income Statements
For the Fiscal Years Ended December 31, 2005 and 2004

(Thousands of Euro except for per share amounts)

	Notes	1/1-31/12/2005	1/1-31/12/2004
Revenues	2	3,695,234	3,177,208
Cost of sales	4	(2,888,971)	(2,461,189)
Gross profit		**806,263**	**716,019**
Other operating income	3	4,795	3,711
Distribution costs	5	(80,867)	(57,286)
Administrative expenses	5	(37,352)	(28,609)
Other operating expenses		(2,287)	(1,928)
Income from released provisions	6	-	148,012
Income /loss from associates	17	(338)	338
Provisions for impairment of assets	7	(7,550)	-
Amortization of goodwill		-	(2,422)
Profit from operations		**682,664**	**777,835**
Net financial results	8	10,754	6,936
Profit before tax		**693,418**	**784,771**
Income Tax	10	(233,936)	(266,154)
Deferred tax	10	(1,183)	(13,076)
Profit after tax		**458,299**	**505,541**
Minority interest		21	92
Net profit for the period		**458,320**	**505,633**
Basic earnings per share	12	**1.44**	**1.59**

Chairman of the Board	Chief Executive Officer	Chief Financial Officer	Chief Accounting Officer
Kostakos Sotirios	Neiadas Basile	Tsaousis Konstantinos	Tsilivis Konstantinos

The attached notes form an integral part of these financial statements

O.P.A.P. S.A.

Consolidated Balance Sheets

As at December 31, 2005 and 2004

(Thousands of Euro)

	Notes	1/1-31/12/2005	1/1-31/12/2004
ASSETS			
Current assets			
Cash and cash equivalents	19	437,001	423,567
Inventories	20	404	482
Trade receivables	21	61,979	36,381
Other assets	22	172,124	227,967
Total current assets		**671,508**	**688,397**
Non-current assets			
Intangible assets	15	227,655	244,704
Property, plant and equipment	14	36,038	40,350
Goodwill	16	13,646	21,196
Investments in associates	17	-	338
Other non-current assets	18	11,484	11,526
Deferred tax assets	25	5,355	6,538
Total non-current assets		**294,178**	**324,652**
TOTAL ASSETS		**965,686**	**1,013,049**
EQUITY & LIABILITIES			
Short-term liabilities			
Borrowings	26	15,118	21,574
Trade and other payables	30	143,155	117,179
Tax liabilities		281,215	340,771
Accrued liabilities	31	3,077	4,858
Total short-term liabilities		**442,565**	**484,382**
Long-term liabilities			
Borrowings	26	10,227	25,345
Employee benefit plans	27	23,491	23,369
Provisions	28	301	-
Other liabilities	29	5,779	5,277
Total long term liabilities		**39,798**	**53,991**
Equity attributable to shareholders of OPAP			
Share capital	23	95,700	95,700
Reserves	24	43,700	43,700
Dividends payable	13	299,860	296,670
Exchange differences		179	41
Retained earnings		43,744	38,404
		483,183	**474,515**
Minority interest		140	161
Total equity		**483,323**	**474,676**
TOTAL EQUITY & LIABILITIES		**965,686**	**1,013,049**

The attached notes form an integral part of these financial statements

O.P.A.P. S.A.

Consolidated Cash Flow Statements

For the Fiscal Years Ended at December 31, 2005, and 2004

(Thousands of Euro)

	1/1-31/12/2005	1/1-31/12/2004
OPERATING ACTIVITIES		
Profit Before tax	693,418	784,771
Adjustments for:		
Depreciation & Amortization	23,416	29,067
Financing results (net)	(10,754)	(6,936)
Employee benefit plans	122	(419)
Provisions for bad debts	2,500	4,734
Other provisions	301	21
Released provisions for contingent liabilities	-	(148,012)
Exchange differences	465	83
Impairment loss of goodwill	7,550	-
Loss (income) from associates	338	(338)
	717,356	**662,971**
Increase (Decrease) in inventories	79	59
Increase (Decrease) in trade & other receivables	37,756	(26,158)
Increase (Decrease) in payables	26,458	11,277
Increase (Decrease) in taxes payables	(3,250)	5,472
	778,399	**653,621**
Interest paid	(1,474)	(2,611)
Taxes Paid	(295,543)	(162,209)
Cash flow from operating activities	**481,382**	**488,801**
INVESTING ACTIVITIES		
Proceeds from sale of plant and equipment	6	118
Guarantees	(36)	(27)
Loans raised to personnel	(290)	(1,155)
Purchase of plant and equipment	(9,138)	(16,393)
Purchase of intangible assets	(368)	(1,343)
Interest received	12,228	9,548
Cash flows from (used) investing activities	**2,402**	**(9,252)**
FINANCING ACTIVITIES		
Repayment of borrowings	(21,574)	(36,762)
Dividends paid	(448,776)	(314,026)
Cash flows used in financing activities	**(470,350)**	**(350,788)**
Net increase (decrease) in cash and cash equivalents	**13,434**	**128,761**
Cash and cash equivalents at the beginning of the year	423,567	294,806
Cash and cash equivalents at the end of year	**437,001**	**423,567**

The attached notes form an integral part of these financial statements

O.P.A.P. S.A.

Consolidated Statements of Changes in Net Equity
For the Fiscal Years Ended at December 31, 2005 and 2004
(Thousands of Euro)

	Share capital	Exchange Differences	Dividends	Other reserves	Retained earnings	Minority interest	Total
Balance as at December 31, 2003	**95,700**	**(12)**	**137,170**	**43,060**	**5,531**	**253**	**281,702**
Net profit for the period	-	-	-	-	505,633	(92)	**505,541**
Exchange Differences	-	53	-	-	-	-	**53**
Reserves	-	-	-	640	(640)	-	**-**
Dividends paid	-	-	(312,620)	-	-	-	**(312,620)**
Dividends proposed	-	-	472,120	-	(472,120)	-	**-**
Balance as at December 31, 2004	**95,700**	**41**	**296,670**	**43,700**	**38,404**	**161**	**474,676**
Balance as at December 31, 2004	**95,700**	**41**	**296,670**	**43,700**	**38,404**	**161**	**474,676**
Net profit for the period	-	-	-	-	458,320	(21)	**458,299**
Exchange Differences	-	138	-	-	-	-	**138**
Dividends paid	-	-	(449,790)	-	-	-	**(449,790)**
Dividends proposed	-	-	452,980	-	(452,980)	-	**-**
Balance as at December 31, 2005	**95,700**	**179**	**299,860**	**43,700**	**43,744**	**140**	**483,323**

The attached notes form an integral part of these financial statements

Reconciliation between Greek G.A.A.P. and I.F.R.S.

α. Adjustments to Equity

	December 31, 2004	December 31, 2003
		(Thousands of Euro)
Shareholders' equity under Greek GAAP (Minority interest included)	**165,174**	**158,612**
Retirement benefits costs	2,675	820
Deferred tax	6,538	19,614
Amortization adjustments	(494)	(300)
Depreciation adjustments	(30)	166
Amortization of Goodwill	6,661	4,239
Provisions for other operating loss	-	(38,617)
Dividends proposed	296,670	137,170
Income tax charge	(2,485)	-
Exchange differences	5	(3)
Revaluation surplus	(38)	-
	309,502	123,089
Shareholders' equity under IAS	**474,676**	**281,701**

β. Adjustments to Profit and Loss

	As at December 31, 2004
	(Thousands of Euro)
Net financial result under Greek G.A.A.P.	**478,734**
Retirement benefits costs	1,855
Deferred tax	(13,076)
Amortization adjustments	(194)
Depreciation adjustments	(196)
Amortization of Goodwill	2,422
Release of provisions for other operating loss	38,617
Exchange differences	(45)
Income tax charge	(2,484)
	26,899
Net financial result under IAS	**505,633**

Retirement Benefits Costs: Under Greek G.A.A.P. provisions for compensation to personnel have been calculated based on the requirements of Greek commercial law and the company's collective bargain agreement, for I.F.R.S. requirements provisions have been calculated based on an actuarial study.

Deferred Income Tax: Under Greek G.A.A.P. accounting for the defer taxes is not permitted. Under I.F.R.S. deferred income tax liabilities and assets should be recorded for tax effect of all temporary differences between the tax and book basis of assets and liabilities.

Capitalization and Amortization Adjustments: Under Greek G.A.A.P. there are certain categories of expenses (e.g. listing expenses) which can be capitalized on the balance sheet and amortized. Under I.F.R.S., these categories of expenses must burden the results of the accounting period, in which they occurred. Thus, these expenses reformed the results of the fiscal years to which they pertain.

Depreciation Adjustments: Under the Greek G.A.A.P., depreciation is calculated based on rates determined by the tax authorities, which may differ from the estimated useful lives of the fixed assets, on which depreciation is based, under I.F.R.S. Specifically, the useful life of equipment of agents was readjusted from five to eight years.

Amortization of Goodwill: Under Greek G.A.A.P, amortization of Goodwill is calculated by using standard rate of 20% (or five years useful life). Under I.F.R.S. amortization is based on the estimation of useful life (Company estimated ten years useful life).

Provisions for Other Operating Loss: Under the Greek G.A.A.P., the provision for the compensation to the operator of Stihima had been accounted for on an accrual basis. Under I.F.R.S. the amount of provision reflects the estimation of management for the total loss that may occur. In the first quarter of 2004 the accumulated amount of provision was totally reversed in both financial statements (the ones prepared based on I.F.R.S. and the others based on Greek G.A.A.P). The difference between the accumulated amount under I.F.R.S. and Greek G.A.A.P. was deducted from the income statement prepared according to G.A.A.P.

Dividends Proposed: Under Greek G.A.A.P. the amount of dividends proposed by the board of directors shall be included in the liabilities of the company. Under I.F.R.S. these amounts shall be included in equity until any further approval by the Annual Shareholders Meeting.

Income Tax Charge: Under Greek G.A.A.P, no income tax charge is calculated in respect of periods while, under I.F.R.S., an income tax charge is calculated. The amount charged to income tax in 2004 pertains to income tax charge of a subsidiary which is under its first financial year (exceeding twelve month period).

Exchange Differences: According to the Greek G.A.A.P the differences arisen from the translation of foreign companies are recognized in the Income Statement while, under I.F.R.S these differences are recognized directly in the equity.

Revaluation surplus: Under the Greek Tax Legislation, companies must revalue their land and building for tax purposes, based on specific rates. Any revaluation is recognized directly in equity. Under I.F.R.S. the application of the cost method for the estimation of the value of land and buildings does not permit such a revaluation.

O.P.A.P. S.A.

A. Information of the Company

Board of directors:	Kostakos Sotirios (Chairman)
	Neiadas Basile (C.E.O.)
	Anisios Ioannis
	Karkasis Christos
	Koulosousas Sotirios
	Kranias Dimitrios
	Liapis Serafim
	Likopoulos Dimitrios
	Nikolaropoulos Sotirios
	Rigopoulos Konstantinos
	Stergiopoulos Evangelos
Legal Form:	Societe Anonyme (Anonymos Etairia)
Country:	Greece
Register Number:	46329/06/B/00/15
Auditors:	Grant Thornton

O.P.A.P. S.A. was established as a private legal entity in 1958. O.P.A.P. S.A. was reorganized as a société anonyme in 1999 and its accounting as such began in 2000.
The Company has the sole concession to operate and manage nine existing numerical lottery and sports betting games as well as two new numerical lottery games, which it has yet to introduce. The Company also holds the sole concession to operate and manage any new sports betting games in Greece as well as a right of first refusal to operate and manage any new lottery games permitted by the Hellenic Republic.
The Company currently operates six numerical lottery games (*Joker, Lotto, Proto, Extra 5, Super 3 and* Kino) and three sports betting games (*Stihima, Propo* and *Propo-goal*). It has also designed two new lottery games (*Bingo,* and *Super 4*). It distributes its games through an extensive on-line network of approximately 5,335 dedicated agents.

B. The Company's Reorganization

Until 1999, O.P.A.P. S.A. operated as a non-profit organization. The Company had the exclusive right to operate numerical lottery and sports betting games. For the games operated, O.P.A.P. S.A. paid the Hellenic Republic the total revenues from numerical lottery and sports betting games minus a specific percentage retained to cover its operational expenses and implement its development plans.

At the time O.P.A.P. S.A. was reorganized into a société anonyme, a valuation committee was appointed, under relevant Greek law, to revalue the organization's assets and liabilities on the basis of their value. This committee consisted of a chartered accountant, a chartered surveyor and an employee of the Ministry of Commerce, which do not constitute a "professional valuer" within the meaning of

International Accounting Standards. A professional valuer may have made a different determination as to market value. The difference between the fair market value and the historical value resulted in the initial share capital of € 29,347,000 with the sole shareholder being the Hellenic Republic.

The Company purchased from the Hellenic Republic the 20-year exclusive right to operate certain numerical lottery and sports betting games for € 322,817,000. Since the date of that agreement, the Company no longer pays the Hellenic Republic a percentage of its revenue, and its relationship with the Hellenic Republic has been that of a Company with its shareholder in accordance with Greek corporate law.

As a non-profit organization, the Company was not subject to income taxation. Since its reorganization into a société anonyme, it has been subject to income tax, as it applies to most Greek corporations in general. During 2000, however, its profit subject to tax was determined after deducting- from profits before tax- the non-taxable amounts that included the percentage of the Company's returns paid to the Hellenic Republic.

C. Main Developments

On June 25th, 2005, the Company gets on a partial revision of the contract with the operator of «Stihima» regarding the operation of Stihima. The revision has retroactive validity from January 30th, 2005. The main changes of the contract relate to:

a) the increase of the return percentage to the winners that the Contractor company guarantees, more than the 60% and up to 6%, due to the gradual introduction of games between Greek teams, introduction of live betting form bets and introduction of non-sports events. The percentage of profits of the winners for the period from 30/01/2005 to 31/12/2005 arose to 63.06% of the income from the game. Because the introduction of Greek organizations or happenings in the betting games was not materialized, then the additional percentage of 3.06% will overload O.P.A.P. and the Contractor in proportion 90% to 10% respectively, according to the contract on 25/06/2005. The Contractor pays every amount over the percentage of 66%, after the expiration of the contract,

b) the date of the clearance that will come by the completion of the contract concerning the period between January 30th, 2005 and January 29th, 2007.

D. Basis of preparation

The financial statements for the year ended as at December 31, 2005 have been prepared in accordance with International Financial Reporting Standards, using the historical cost convention, except as disclosed in the accounting policies below.

E. Changes in Accounting Policies

The same accounting policies and methods of computation that had been used in the annual financial statements for the year ended as at December 31, 2004 are followed for the year ended as at December 2005, except for the accounting policies discussed below.

In 2003 and 2004, IASB issued a series of new IFRS and revised International Accounting Standards (IAS), which in conjunction with unrevised IAS's- issued by the International Accounting Standards Committee, predecessor to the IASB- are referred to as "the IFRS Stable Platform 2005". The Group applies the IFRS Stable Platform 2005 from January1st, 2005.

(i) Adoption of IAS 1 (rev. 2003)

The application of IAS 1 (rev. 2003) led to a financial statement's reconstruction. Minority interests are now presented as a separate line item within equity. Profit and loss attributable to minority interests and that attributable to owners of the parent company is now presented as an allocation of the net result of the period.

ii. Adoption of IFRS 3 (rev. 2004)

Following the transition to IFRS 3 (2004) on January 1st 2005, the amortization of goodwill has ceased. In accordance with the specific transitional provisions of IFRS 3 (rev.2004), the accumulated amortization at December 31st, 2004 was eliminated against the original gross amount of goodwill. Goodwill is now subject only to periodic testing for impairment.

F. Principal Accounting Policies

The significant accounting policies adopted for the preparation of the financial statements and the determination of the twelve-month period results and financial position are set out below:

Basis of consolidation
The accompanying consolidated financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are companies in which OPAP 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 have been consolidated. 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. All inter-company transactions have been eliminated. Where necessary accounting policies for subsidiaries are revised to ensure consistency with those adopted by the Company. The balance sheet of subsidiaries denominated in foreign currencies are translated in euro using the balance sheet date exchange rates, average exchange rates are used for the translation of the income statement and cash flow statement. Translation gains or losses arising are reported as a separate component of shareholders equity.

Investments in associates
The company's investments in its associates are accounted for under the equity method of accounting. These are entities in which the Company has significant influence and which are neither a subsidiary nor a joint venture of the Company. The investments in associates are carried on the balance sheet at cost less goodwill, plus post acquisition changes in the Company's share of net assets of the associate, less any impairment value. The statement of income reflects the Company's shares of the results of operations of the associates.

Revenues
Revenues from the games are recognized upon the completion of games, typically immediately before the announcement of the games' results of, which occurs twice per week. Revenues from sports betting games that last longer than three or four days are recognized on a cash basis twice per week.

Other categories of revenues are recognized under the following methods:

a) other revenues are recognized when the event has occurred; and

b) interest on short-term investments (typically 26 or less days) is recognized on a cash basis, and at the balance sheet date on an accrual basis.

Borrowings
Loans are recorded as liabilities at the date funds are received. Loan issuance expenses are included in the results of operations. At a subsequent balance sheet dates, loans are shown at their unpaid principal amount. Interest expenses are recognized when paid and at the balance sheet date, to the extent that these expenses are accrued and unpaid. Loans are classified as long-term if they mature in more than one year and short-term if they mature in one year or less.

Retirement benefits Costs
Pursuant to the collective bargaining agreement between the Company and its employees, the Company is obliged to pay its employees retirement benefits following the completion of the requisite service period. The cost of these benefits, determined periodically on an actuarial basis, is recognized as an expense in the year that the service was rendered. A portion of this benefit may be paid to an employee prior to his/her retirement.
Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortized over the expected average remaining working lives of the participating employees.

Property, Plant and Equipment
The cost of tangible assets acquired after January 1st, 2000 is stated at cost.

The value of tangible assets as at December 31st, 1999 was estimated by a valuation committee, appointed in accordance with relevant Greek corporate law. The revalued amounts were recognized in the balance sheet as of that date. The revaluation surplus was entered in the revaluation differences and was subsequently used for the formation of the Company's initial share capital.

Depreciation is calculated using the straight-line method, based on the cost or the revalued amount as follows:

Land	nil
Buildings	20 years
Plant & Machinery	5-8 years
Vehicles	6.5 years
Equipment	5 years

Intangible Assets and Goodwill
The 20-year concession granted by the Hellenic Republic to the Company to operate numerical lottery and sports betting games has been stated at cost, which was determined by independent actuaries.

The cost of software acquired before December 31st,1999 has been stated at its revalued amount. Software acquired after January 1st, 2000 is stated at cost.

The value of the software was estimated as at December 31st, 1999 by the valuation committee referred to in the paragraph above. The revalued amounts were recognized in the balance sheet as of that date. The revaluation surplus was entered in the revaluation differences and was subsequently used for the formation of the Company's initial share capital.
The group has no intangible assets with indefinite useful lives. Amortization is calculated using the straight-line method based on cost or the revalued amount as follows:

Concession	20 years
Software	3 years

Goodwill is recorded as an intangible asset and is the surplus of the cost of acquisition over the fair value of identifiable assets of a subsidiary, associate at the date of acquisition. Any goodwill of the acquired company is recorded as asset of the subsidiary company using the exchange rate of the balance sheet date. Up to December 31st, 2004 it was amortized to income through "Amortization of goodwill" using the straight-line method over a period of ten years and Goodwill arising from the acquisition of associate and subsidiary entities is presented separately in the balance sheet.
Following the transition to IFRS 3 (rev.2004) January1st, 2005 the amortization of goodwill has ceased. Goodwill is now subject only to periodic testing for impairment. (See also note E-ii).

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 minus 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.

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

Exchange differences
At the balance sheet date, foreign currency monetary items are calculated using the relevant currency exchange rate.

Non-monetary items are stated at historical cost, using the exchange rate at the date of the relevant transaction.
Foreign currency transactions are recorded at the currency exchange rate prevailing on the date of the transaction.

Income Tax Expense
Income tax expense is calculated based on the taxable profits of the year, according to the applicable tax rates.
For all deductible temporary differences that arise from the difference between the taxable base used for the calculation of the taxable income and the amount stated in financial statements, a deferred tax liability or deferred tax asset is recognized. The principal temporary differences arising are due to the provisions for employee retirement benefit plans and provision for other operating loss (provision reversal).
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.
Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.
The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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.
<u>Guarantee Deposits</u>
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.
<u>Prepayments for Retirement Benefits</u>
These amounts are paid to employees in accordance with the parent Company's collective bargaining agreement. Since December 31, 2000 these amounts are paid to employees who have completed 17.5 years of service (prior to December 31, 2000 the requirement was 25 years of service). The amount given is the total retirement compensation for the service rendered to that date (until December 31, 2000 the amount given was 50% of the total retirement compensation for the service rendered). Prepaid amounts are deducted from the lump-sum retirement benefit payable to the employee upon termination. Interest on prepaid amounts accrued at the rate of 2%.
<u>Housing Loans to Personnel</u>
In accordance with the parent Company's collective bargaining agreement, eligible full-time employees are entitled to housing loans. These loans have a term of 25 years with an initial two-year grace period on repayments of principal and interest. Interest accrued at the rate of 2%.
There are three types of housing loans:

Acquisition	Ως €32,281.73
Construction	Ως €16,140.86
Repair	Ως €8,070.43

Cash and Cash Equivalents
Cash and cash equivalents include cash in hand, cash in open bank accounts and short-term deposits.

Share Capital
Expenses realized for the issue of shares are presented- after the removal of the relative income tax- as a reduction of the product of the issue. Expenses related to the share issue for the acquisition of firms are included in the book value of the acquisited company.

Dividend

Dividend distribution to the shareholders of the parent company is recognized as a liability in the consolidated financial statements at the date at which the distribution is approved from the Shareholders' General Assembly.

Provisions
Provisions are recognized and accounted for when the Company determines that a present obligation (legal or constructive) has arisen as a result of past event, and the Company is about to spend money or other resources in order to satisfy the obligation and a reliable estimation can be made on the amount of that obligation.
Provisions are reconsidered at each balance sheet date so as to reflect the current estimate of the obligation.
The provision applies only to the expenditures, in respect of which, it was originally formed.
Impairment loss provision for Doubtful Receivables
The Company establishes impairment loss provisions for receivables equal to the amount of receivables from agents that management of the Company estimates as doubtful. To determine the provisions necessary at a balance sheet date, guarantees paid by agents are taken into consideration in accordance with regulations governing the Company's relationship with its agents. These guarantees are used to offset bad debts from agents.
Management estimates that its provisions for credit risk are adequate due to its credit risk controls, the large volume and disparate nature of its receivables and the real-time credit control of the Company's agents through its on-line network.

Segment reporting
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 from each game separately.

Use of estimates
The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Significant estimates include the estimated useful lives of tangible and intangible assets and provisions for any potential losses. Actual results could differ from those estimated.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current presentation.

G. Financial risk factors

We state the risks to which the group is exposed.

Price risk

The revenues from games have fixed prices and no changes are expected.

Exchange risk

The Group operates abroad. Nevertheless it faces no substantial exchange risk, because cash and cash equivalents from foreign operations (particularly, in Cyprus), are sufficient to cover its operational needs, and therefore, no currency exchange transaction is required.

Credit risk

The Group has no important accumulations of credit risk. The sales occur via an extended network of agents. The average time of accumulating receivables is approximately three days. Also, the company applies particular policies of credit risk management, the most important of which, is the establishment of the debit balance per agent, which should not be exceeded.

Liquidity Risk

The method of profit distribution to the winners of the betting games, secures the sufficiency of cash and cash equivalents, preserving the liquidity risk at low levels:

The contract of the company with the operator of the "PAME STIHIMA" game includes a risk management engagement. In case the payout to the winners is higher than the profit distribution objective, the operator pays the difference to the company. The maximum profit distribution percentage is 65.40%.

KINO, a predefined return game, statistically distributes the 70% of the net receivables to the winners. It is however possible at the game lotteries, that the distributable profits exceed or are less than the amount above. During the whole duration of the specific game however, (cumulatively but also in the periods of three-day account renderings), the returns range around the average objective.

Lottery tickets of pre-specified return- SUPER 3 and EXTRA 5- possess a small percentage of the total sales of the Group, and as for this, they do not affect its liquidity significantly enough.

Other games and particularly PROPO, PROPOGOAL, LOTTO, JOKER and PROTO, have a particular profit distribution percentage that should be exceeded.

Cash flows risk and fair value change risk due to interest changes

The Group's borrowings are low and results could not substantially be affected by the interest rate fluctuations. At the expiration of the accounting period, the total borrowings constituted floating interest rate loans.

H. Notes to the consolidated financial statements

1. Investments in subsidiaries

The Company's subsidiaries that were fully consolidated in the financial statements are as follows:

Consolidated Subsidiary	Ownership Interest	Country of Incorporation	Principal Activity
OPAP (CYPRUS) LTD	100%	Cyprus	Numerical lottery games
OPAP GLORY LTD	90%	Cyprus	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Holding Company
OPAP SERVICES S.A.	100%	Greece	Sports events- Promotion

The effective date of first consolidation for both «OPAP (CYPRUS) LTD» and «OPAP GLORY LTD» companies was October 1st, 2003 for «OPAP INTERNATIONAL LTD» was February 24st 2004 and for «OPAP SERVICES S.A.» was September 15th2004. All subsidiaries have same reporting date to parent company.

2. Segment Information

2.1. Business Segments

Business Segment for the year ended at December 31st, 2005

	PROPO	LOTTO	PROTO	STIHIMA	PROPO GOAL	JOKER	EXTRA 5	SUPER 3	KINO	TOTAL
(Amounts in thousands of Euro)										
Revenues	79,308	58,195	44,663	1,438,344	1,292	268,368	20,032	70,036	1,714,996	**3,695,234**
Gross profit	28,769	26,192	14,179	247,100	190	95,207	4,819	20,252	369,555	**806,263**
Other information :										
Tangible and intangible assets	5,660	4,153	3,187	102,640	92	19,151	1,429	4,998	122,383	**263,693**
Current assets	14,412	10,575	8,116	261,380	235	48,769	3,640	12,727	311,654	**671,508**
Other assets	20,072	14,728	11,303	364,020	327	67,920	5,069	17,725	434,037	**935,201**
Unallocated assets										**30,485**
TOTAL ASSETS										**965,686**
Segment liabilities	3,806	2,793	2,144	69,035	62	12,881	961	3,361	82,313	**177,356**
Unallocated liabilities										**305,007**
TOTAL LIABILITIES										**482,363**
Additions of tangible and intangible assets	50	37	28	905	1	169	13	44	1,079	**2,326**
Depreciation and amortization	502	369	283	9,114	8	1,701	127	444	10,868	**23,416**

Business Segment for the year ended at December 31st, 2004

	PROPO	LOTTO	PROTO	STIHIMA	PROPO GOAL	JOKER	EXTRA 5	SUPER 3	KINO	TOTAL
				(Amounts in thousands of Euro)						
Revenues	79,401	61,339	50,035	1,612,894	1,708	270,665	34,114	122,939	944,113	**3,177,208**
Gross profit	29,193	27,239	15,366	313,379	575	93,615	9,775	35,447	191,430	**716,019**
Other information :										
Tangible and intangible assets	7,124	5,503	4,489	144,706	153	24,284	3,061	11,030	84,704	**285,054**
Current assets	17,204	13,290	10,841	349,461	370	58,644	7,392	26,637	204,558	**688,397**
Other assets	24,328	18,793	15,330	494,167	523	82,928	10,453	37,667	289,262	**973,451**
Unallocated assets										**39,598**
TOTAL ASSETS										**1,013,049**
Segment liabilities	4,354	3,364	2,744	88,448	93	14,843	1,871	6,742	51,774	**174,233**
Unallocated liabilities										**364,140**
TOTAL LIABILITIES										**538,373**
Additions of tangible and intangible assets	443	342	279	9,004	10	1,511	190	686	5,271	**17,736**
Depreciation and amortization	726	561	458	14,755	16	2,476	312	1,125	8,638	**29,067**

There are no sales transactions between business segments. Segment assets consist of property, plant and equipment, intangible assets, inventories, trade and other receivables, cash and cash equivalents. Unallocated assets principally consist of deferred tax long term investments and goodwill. Segment liabilities comprise operating liabilities and exclude items such as taxation, employee benefit plans and provisions.
A portion of cost of sales was allocated to business segments according to the revenues of each business segment.

2.2. Geographical segments

The company is being activated in Greece and Cyprus while, its head office is Greece.

Twelve month period ended December 31st ,2005	Greece	Cyprus	Total
	(Amounts in thousands of Euro)		
Revenues	3,592,943	102,291	3,695,234
Gross Profit	788,926	17,337	806,263

Twelve month period ended December 31st ,2004	Greece	Cyprus	Total
	(Amounts in thousands of Euro)		
Revenues	3,067,915	109,293	3,177,208
Gross Profit	698,472	17,547	716,019

Revenues are based on the country where the client is located. There are no sales among geographical segments.

3. Other operating income

The analysis of other operating income realized in the fiscal year of 2005 is as follows:

Twelve month period ended December 31st ,	**2005**	**2004**
	(Amounts in thousands of Euro)	
Rents	868	628
Exchange differences	802	406
Other revenues	3.125	2.677
Total revenues	**4,795**	**3,711**

4. Cost of Sales

The analysis of cost of sales classified by nature of expense is as follows:

Twelve month period ended December 31st ,	**2005**	**2004**
	(Amounts in thousands of Euro)	
Prize payouts to the lottery and betting winners	2,356,803	1,934,734
Lottery agents' commissions	298,640	266,050
Betting Commissions	147,311	163,816
Depreciation	3,983	7,487
Amortization	17,351	17,394
Repairs and maintenance expenditures	9,426	7,636
Third party outsourcing	10,582	12,324
Subsidies to Greek Professional Football Teams Association	6,634	6,299
Staff cost	13,058	13,968
Other expenses	21,631	25,322
Provisions for bad debts	2,500	5,233
Retirement benefit costs	1,052	926
Total cost of sales	**2,888,971**	**2,461,189**

Prize payouts to lottery and betting winners as the main account of the cost of sales, represent the profit of the games' winners of the Company according to the rules of each game. The payout percentage of sales on 31/12/2005 was: a) for Stihima 62.71% and b) for KINO 69.21%.
Lottery Agents' commissions are commissions accrued to the Company's dedicated sales agents. They are accounted at a fixed rate of 8% on revenues which are generated from *Stihima* and *Super 3,* 7% on the revenues of *Kino* and 12% for the other games. The rate for the fixed odds organized in Cyprus is 10%.
Betting commissions are paid to the operator of *Stihima* for the services that this entity provides in relation to the operation of *Stihima*, which was introduced in 2000.

Distributions to the Greek Professional Football Association are related to the *Propo* and *Propo-goal* games.

5. Administration & Distribution expenses

The administration and distribution expenses of the group are as follows:

Twelve month period ended December 31st,	**2005**	**2004**
	(Amounts in thousands of Euro)	
Staff cost	17,198	13,017
Professional Fees and Expenses	6,925	5,681
Third party outsourcing	3,813	3,447
Taxes & Duties	77	113
Other Expenses	6,017	4,011
Depreciation and amortization	2,188	1,632
Retirement benefit costs	1,134	708
Total Administration Expenses	**37,352**	**28,609**

Twelve month period ended December 31st,	**2005**	**2004**
	(Amounts in thousands of Euro)	
Advertisement	28,287	24,691
Donations	10,942	4,574
Exhibition and Demonstration Expenses	432	277
Grants	32,560	20,759
Total	**72,221**	**50,301**
Staff cost	2,587	1,644
Professional expenses	1,913	1,309
Not deductible V.A.T.	2,965	1,354
Other distribution expenses	1,181	2,678
Total	**8,646**	**6,985**
Total distribution expenses	**80,867**	**57,286**

6. Income from released provisions

During the twelve-month period ended December 31, 2004, the parent company, based on Decision 953/2004 of the Athens Court, recognized the reversal of the accumulated provision of € 148,012,000 that had been recognized by the Company through December 31, 2003, based on the 2/21.3.2003 decision of the Arbitration Court, pursuant to which the company would have been obligated to pay to the Operator of *Stihima* an amount of € 36,900,000 for every year that it didn't include horserace and greyhound race betting as additional *Stihima* betting events.

7. Impairment of assets

The group, in the current year recognized an impairment loss of goodwill of € 7,550,000 from the investment in the associated company GLORY TECHNOLOGY LTD. The recoverable amount is based on the valuation from an independent firm and constitutes the investment value in use. The cash flows discount was calculated by the weighted average cost of capital that came up to 10.88%.
The important losses of the current accounting period consist of the basic reason that lead to the identification of impairment losses.
For the specification of the future cash flows, we used the assertion that the already existing status of betting games taxation in the Cypriot market is expected to change. At the present state a tax of 25% is calculated over the value of the ticket, while with the revised status, a tax of 15% over the tickets already won is imposed. Under the new status, we estimate a 25% acceleration of the legal market for 2006, 55% for 2007, 40% for 2008, 10% for 2009, and 5% for 2010.
The assertion for the change of the tax status in the Cypriot market is based on the law plan promoted in the Cypriot Parliament on February 9th 2006 under the title "Law about betting".
The reconciliation of the impairment amount is as follows:

	Book Value Glory technology	Goodwill	Total
	(Amounts in thousands of Euro)		
Allocation of acquisition cost	7	9,993	**10,000**
Amortization of Goodwill	-	(1,249)	**(1,249)**
Recognition of losses	(7)	-	**(7)**
Book value as at December 31st 2005	-	8,744	**8,744**
Company value (20%)	-	-	**1,194**
Impairment loss			**7,550**

The management of the Group will examine the evaluation assertions of the model on an annual basis.

8. Net Financial Income

Twelve month period ended December 31st ,	2005	2004
	(Amounts in thousands of Euro)	
Interest expense for Bank borrowings	(1,474)	(2,612)
Interest income		
Bank deposits	11,904	9,181
Personnel loans	124	203
Other interest income	200	164
Total interest income	12,228	9,548
Net financial income	**10,754**	**6,936**

The weighted average interest rate on the borrowings was 3.44% in 2005, and 3.51% in 2004. The average interest rate earned on short-term bank deposits was 2.10% in 2005 and 2.02% in 2004.

9. Staff Costs

The analysis of total staff costs is as follows:

Twelve month period ended December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Employee remuneration	26,172	21,778
Social security costs	4,799	3,833
Retirement benefit costs	2,358	1,731
Other remuneration	1,872	3,018
Total staff costs	**35,201**	**30,360**

The average number of full-time employees was 337 in 2005 and 302 in 2004. The average number of part-time personnel was 440 in 2005 and 387 in 2004.

10. Tax Expenses

Twelve month period ended December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Income tax expense		
From domestic activities	(233,596)	(265,721)
From foreign activities	(340)	(433)
	(233,936)	(266,154)
Deferred taxes	(1,183)	(13,076)
Total tax expense	**(235,119)**	**(279,230)**

The income tax payable was calculated with a rate of 32% (35% in 2004). The company's tax on profits before tax is different than the theoretical amount arising based on the company's effective tax rate.

The reconciliation of income tax is as follows:

Twelve month period ended December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Profits before tax	693,418	784,771
Profits according to the tax coefficient of 32% (35% in 2004)	(221,894)	(274,670)
Tax effect from expenses that are not tax deductible	(7,145)	(5,271)
Tax effect from the use of different tax coefficients fir the profit in subsidiaries of other countries	341	711
Current income tax	(228,698)	(279,230)
Prior period tax audit adjustments	(6,421)	-
Income tax expense	**(235,119)**	**(279,230)**

Non-deductible expenses mainly relate to the expense from impairment loss depreciation expenses and doubtful agents' reduction expenses.
An amount of € 6,421,000 is included in the tax expense of the current accounting year. The amount relates to the additional taxes arising after the completion of the tax audit for the accounting years 2003 and 2004, from the tax authorities.

11. Exchange differences

Conversion Exchange differences together with the exchange differences from foreign currency balances on the date of the balance sheet preparation are the following:

Twelve month period ended December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Conversions exchange Differences recognized directly in equity	179	41
Negative exchange differences	(133)	(101)
Positive exchange differences	802	406
Total exchange differences	**848**	**346**

The company has no risk management policy from foreign currency because the cash and cash equivalents from the operations in Cyprus are sufficient to cover its operating needs, and therefore, the activities in Cyprus do not require exchange conversion transactions that would expose the company to a significant foreign currency risk. The differences from conversion arise from the foreign countries conversion while they are directly deducted from the equity.

12. Earnings per Share

Basic earnings per share is calculated as follows:

For the year ended 31st of December,	2005	2004
Net profit attributable to shareholders (in thousands of €)	458,320	505,633
Weighted average number of ordinary shares in issue	319,000,000	319,000,000
Basic earnings per share	**1.44**	**1.59**

The Group has no dilutive potential categories.

13. Dividends

The management aims to propose to the Shareholders' Annual Assembly of 2006 the distribution of a dividend equal to € 1.42 per share for 2005, against € 1.48 per share for 2004.
We also note that the Board of Directors of the company- by decision No. 43/21-11-2005- approved the interim dividend distribution for 2005, € 0.48 per share, (0.55 in 2004) to the shareholders. Total amount distributed as interim dividend, €153,120,000.00 (175,450,000.00 in 2004).

14. Property, Plant and Equipment

Plant and machinery mainly include equipment for lottery agents. All property, plant and equipment are currently unencumbered.

	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Total
		(Amounts in Thousands of Euro)		
Year ended December 31st, 2004				
Opening net book amount	**8,132**	**12,941**	**4,143**	**25,216**
Additions	12,429	9,860	1,775	**24,064**
Disposals cost	-	-	-	**0**
Depreciation charge	(1,064)	(6,694)	(1,172)	**(8,930)**
At December 31, 2004				
Cost or Valuation	20,968	41,094	15,020	**77,082**
Accumulated depreciation	(1,471)	(24,987)	(10,274)	**(36,732)**
Net Book Amount	**19,497**	**16,107**	**4,746**	**40,350**
Year ended December 31st, 2005				
Opening net book amount	**19,497**	**16,107**	**4,746**	**40,350**
Additions	284	125	1,290	**1,699**
Disposal cost	-	(2)	(18)	**(20)**
Disposal depreciation	-	-	11	**11**
Depreciation charge	(1,138)	(2,836)	(2,028)	**(6,002)**
At December 31, 2005				
Cost or Valuation	21,252	41,217	16,292	**78,761**
Accumulated depreciation	(2,609)	(27,823)	(12,291)	**(42,723)**
Net Book Amount	**18,643**	**13,394**	**4,001**	**36,038**

15. Intangible assets

	Software	Rights	Total
	(Amounts in Thousands of Euro)		
Year ended December 31st, 2004			
Opening net book amount	**2,821**	**258,253**	**261,074**
Additions	1,344	-	**1,344**
Amortization charge	(1,573)	(16,141)	**(17,714)**
At December 31, 2004			
Cost or Valuation	9,255	322,817	**332,072**
Accumulated amortization	(6,663)	(80,705)	**(87,368)**
Net Book Amount	**2,592**	**242,112**	**244,704**
Year ended December 31st, 2005			
Opening net book amount	**2,592**	**242,112**	**244,704**
Additions	627	-	**627**
Disposal cost	(253)	-	**(253)**
Amortization disposal	253	-	**253**
Amortization charge	(1,535)	(16,141)	**(17,676)**
At December 31, 2005			
Cost or Valuation	9,629	322,817	**332,446**
Accumulated amortization	(7,945)	(96,846)	**(104,791)**
Net Book Amount	**1,684**	**225,971**	**227,655**

Intangible assets are currently unencumbered. Amortization of the 20-year concession is totally included in cost of sales, whereas amortization of software is allocated among cost of sales, administrative expenses and distribution costs. The remaining useful life of concession is fourteen (14) years.

16. Goodwill

The analysis of goodwill arisen from the acquisition of Opap Glory Ltd (subsidiary) and Glory Technology Ltd (associate) is as follows:

	Opap Glory Ltd	Glory Technology Ltd	Total
	(Amounts in thousands of Euro)		
Goodwill at the acquisition date	14,231	9,993	24,224
Accumulated Depreciation	(1,779)	(1,249)	(3,028)
Impairment	-	(7,550)	(7,550)
Net book amount	**12,452**	**1,194**	**13,646**

Following the transition to IFRS 3 (2004) on January 1st 2005, the amortization of goodwill has ceased. Goodwill is now subject only to periodic testing for impairment. The management of the Group dedicated to an independent firm the valuation of subsidiaries in Cyprus OPAP Glory Ltd and Glory Technology Ltd on 31/12/2005. In the current year an amount € 7,550,000 was recognised as impairment loss of goodwill from Glory Technology Ltd (See also note 7).

17. Investments in associated Companies

In October 2003 the company acquired 20% of Glory Technology Ltd a Cypriot company, for €10 millions.
After the allocation of purchase price to the identifiable assets and liabilities the residual amount of €9,993,000 was attributed to Goodwill which will be amortized over ten years.
The reconciliation of the balance is as follows:

(Amounts in Thousands of Euro)	
Cost of investment	10,000
Less Goodwill	(9,993)
Plus share of post acquisition earnings	331
Less share to proportionate damage 2005	(338)
Net Book Amount	**0**

The amount of losses in excess of the carrying amount of the investment (unrecognized losses) is €189,000. According to unaudited financial statement total assets amounts to € 1,623,100 total liabilities amounts to € 685,400 equity amounts to € (937,700)revenues amounts to € 666,200 and total losses amount to €(2,633,100). The Group's interest in the associate Glory Technology Ltd is as follows:

Associated	Share	Head Office	Main Activity
Glory Technology Ltd	20%	Cyprus	Software

18. Other Non-current Assets

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Guarantee deposits	868	831
Prepayments of retirement benefits	6,078	6,099
Prepayments to assets suppliers	1,649	1,502
Housing loans to personnel	2,889	3,094
Total other non-current assets	**11,484**	**11,526**

The current portion of "Other Non-current Assets" is included in other current assets and deferred expenses.

19. Cash and Cash Equivalents

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Cash in hand	321	388
Cash at bank	383,579	404,124
Short term Deposits	53,101	19,055
Total cash and cash equivalents	**437,001**	**423,567**

The average interest rate earned on bank deposits was 2.10% in 2005 and 2.02% in 2004. The average duration of short-term bank deposits was 26 calendar days in 2005 and 28 in 2004.

20. Inventories

The analysis of inventories is as follows:

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Raw materials	84	102
Consumable materials	320	380
Total inventories	**404**	**482**

Inventories consist mainly of paper and printing material used for the printing of lottery tickets.

21. Trade Receivables

The analysis of trade receivables is as follows:

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Receivables from lottery agencies	52,663	29,461
Bad and doubtful debts	16,769	14,735
Less provisions for bad and doubtful debts	(13,379)	(10,879)
Prepayments to suppliers	3,122	1,410
Other receivables	2,804	1,654
Total trade receivables	**61,979**	**36,381**

Management considers that the Company's main credit risk arises from of bad and doubtful debts of agents. As at December 31, 2005 this debt amounted to €

16,769,000 (€ 14,735,000 in 2004). To cover this risk the Company established a provision of € 13,379,000 (€ 10,879,000 in 2004). A collective warranty deposit fund that jointly secures the agents' obligations to the Company, amounting to € 4,998,500 at December 31, 2005, is also available to cover bad debts (€ 5,003,000 in 2004) (See note 29). Management considers these provisions to be adequate.

22. Other Current Assets and Deferred expenses

The analysis of Other Current Assets is as follows:

As at December 31st ,	**2005**	**2004**
	(Amounts in Thousands of Euro)	
Amounts due from the operator of *Stihima*	-	52,160
Deferred expenses	-	13,815
Loans to personnel	125	129
Prepayments of retirement compensation	1,060	540
Other	2,237	759
Prepaid expenses – revenue receivable	19,289	16,510
Deferred income tax expense	149,413	144,054
Total Other Current Assets	**172,124**	**227,967**

Amounts due from the operator of Stihima along with deferred expenses for the year ended December 31st, 2004 were calculated in accordance with the terms of the contract with its operator. According to the terms of the contract, if the actual payments to the winners exceed the target payout, then the operator should pay back to the company the difference.
The final amount is settled annually at the end of January. The operator paid up the settled amount of € 52,160,000 at May 6th2005. The amount of deferred expenses was charged in the income statement of 2005.

Housing loans to personnel are secured with mortgages on the property purchased.

Prepaid expenses mainly consist of prepayments made to the Greek Football Association, and football clubs for advertising and sponsoring services according to the terms of separate contracts signed with each of those associations.
Deferred income tax expense refers to an advance payment of the parent company for the next year's profit. According to Greek tax law, companies are obliged to calculate an additional amount of 55% of the current year's income tax charge. With the new tax regulation, this proportion has increased to 65% and has been used in tax return statement and financial statements for the year 2005. On the balance sheet date an equal liability to the deferred income tax is recognized. The amount of deferred income tax is offset with the next year's income tax.

23. 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 € 33,778,000. Of that amount, € 29,347,000 was capitalized through the issuance of one million shares. The rest amount was entered to the revaluation reserve account within shareholders' equity.

At December 15, 2000, the common shares of the Company were split to increase the number of shares outstanding to 100 million. Consequently, the Company's share capital was increased by € 64,270,000 to €93,617,000 through the issuance of 219,000,000 new shares. The € 64,270,000 increase consisted of (a) retained earnings, (b) an amount released from the revaluation reserve account, and (c) a portion of the concession (€ 29,347,000).
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 million at December 31, 2004 with a par value of €0.30 per share (€ 0.30 in 2004). All issued shares are fully paid.
There were no movements in the share capital of the company during the twelve-month period ended December 31, 2005.

24. Reserves

The analysis of reserves is as follows:

	Other reserves	Statutory reserves	Untaxed reserves	Total
		(Amounts in Thousands of Euro)		
At December 31, 2005	3,455	31,900	8,345	**43,700**

The nature and purpose of each reserve account within shareholders' equity is as follows:
Other reserves reflect amounts deducted from the previous years' earnings. After taxation they 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 profits of 2003 this reserve has reached the statutory amount and further addition is not obligatory.

Untaxed reserves are drawn from untaxed earnings. Any portion of this reserve distributed to shareholders becomes subject to income tax. The intention of the Company is not to distribute these reserves.

25. Deferred Taxes

Deferred tax assets and liabilities are offset when there is the legal right to offset current tax assets with current tax liabilities and these assets and liabilities concern the same tax authorities.
The account operation of deferred tax assets and liabilities is the following:

	Deferred amounts (income statement)	Deferred tax assets
	(Amounts in Thousands of Euro)	
Deferred taxes as at December 31st 2004	-	**6,538**
Deferred depreciation cost	(60)	(60)
Deferred staff retirement benefits' cost	(573)	(573)
Contingent liabilities provision cost	150	150
Other deferred taxes	(700)	(700)
	(1,183)	**(1,183)**
Deferred taxes as at December 31st 2005		**5,355**

The tax rate for the calculation of the deferred taxes it is the estimated tax rate in effect for the Group in the following accounting years.
The retirement benefit cost is removed for the derivation of the accounting profit. However, for the specification of the taxable profits, this cost is removed, when the benefits are paid by the company. This difference, results to the recording of deferred tax assets, as an economic benefit arises for the company from the removal of the benefits from the taxable profits.
The amount of the other deferred taxes is referred to an estimation for additional taxes that might arise after the tax finalization of the year 2005.

26. Borrowings

The company's outstanding loans have the following maturities:

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Less than one year	15,118	21,574
One to five years	10,227	25,345
More than five years	-	-
Total borrowings	**25,345**	**46,919**

The weighted average effective interest rates were, 3.44% at December 31, 2005, and 3.51% at December 31, 2004. The loans have a floating rate, consisting of a spread over six- or three-month EURIBOR ranging from 0.45% to 0.85%, depending on the loan.

The terms for the repayment of the loans are the following:

Loan	Number of instalments	Instalments	First instalment
(Amounts in Thousands of Euro)			
Loan of € 29,347	11	Semi-annual	January 1, 2003
Loan of € 44,021	9	Semi-annual	June 30, 2003

27. Employee benefit plans

The company offers two specific pension plans. The subsidiaries do not offer relevant pension plans. Each plan's analysis is the following:

Retirement compensation

By the termination of an employee's service, a lump sum is paid, that is equal to the 1/14 of the total salary of the employee at the last year of service in the company, for each year of prior-service, plus the analogy of overtime and benefit payable, based on the accumulated years of service. The liabilities for these benefit plans are not financed unless the company prepays retirement benefits to the employee (See also paragraph Accounting policies). The company periodically hires external advisors, aiming to define the liabilities arising from the program.

For services until the December 31st 2005 and 2004, the present value of the retirement benefits, based on the mandatory benefits, according to the plan terms and the predicted salary levels is €21,407,000 and €20,910,850 correspondingly.

The amount of €1,952,610 is the current cost of the period, proportionally allocated to the cost of sales, administrative and distribution expenses, while the cost for 2004 was € 1,415,653.

Benefits based on the pension contract

The pension plan of the company adjusted in February 2003, commencing from the January 1st 2003, increased significantly the benefits of the employees. An actuarial realized a study for the calculation of the benefits. In addition, the company decided to recognize this program as a definite *contribution* and not benefit, as it had occurred in the past because of the restricted amount of the liability.

The analysis of the plans in the Balance Sheet on the December 31st 2005 is the following:

	Retirement plan	Pension plan	Total
(Amounts in Thousands of Euro)			
December, 31st 2003	**21,080**	**2,708**	**23,788**
Payments		(565)	(565)
Utilization	(1,585)	-	(1,585)
Total cost in the Income Statement	1,416	315	1,731
December, 31st 2004	**20,911**	**2,458**	**23,369**
Payments	**(1,457)**	**(779)**	**(2,236)**

Service cost	1,077	292	1,369
Interest cost	750	196	946
Amortization of unrecognized Net Gain/loss	126	-	126
Expected return on assets	-	(83)	(83)
Total cost recognized in the Income Statement	**1,953**	**405**	**2,358**
December 31st 2005	**21,407**	**2,084**	**23,491**

The main actuarial assumptions that took place as at 31 December 2005 and 2004 are:

	2005	2004
Discount rate	4.50%	4.50 %
Expected salary increase percentage	4.50%	2.50 %
Average service in the Company	12.22	11.12
Inflation rate	2.50%	2.50%

28. Provisions

Date	Provisions for doubtful debts	Other provisions	Total
(Amounts in Thousands of Euro)			
Balance as at December, 31st 2003	6,145	148,012	154,157
Additional provisions	5,233	-	5,233
Used in the accounting year	(499)	-	(499)
Reversed provisions	-	(148,012)	(148,012)
Balance as at December, 31st 2004	**10,879**	**0**	**10,879**
Additional provisions	2,500	301	2,801
Used in the accounting year	-	-	-
Balance as at December, 31st 2005	**13,379**	**301**	**13,680**

The amount of €148,012,000 appearing in the item "Other Provisions" at 31 December 2003 is for covering the total losses that may arise from the arbitrary decision against O.P.A.P S.A from the operator of "STIHIMA" in relation to the introduction of the "Horseracing STIHIMA" as the additional game. After the decision of the Supreme Court of Justice, this amount was totally reversed (see also note 6).
The amount of € 301,000 is referred to a provision to cover loss from lawsuits from part time employees according to the legal office.

29. Other Liabilities – Non-current

The analysis of other non-current liabilities is as follows:

As at December 31st ,	2005	2004
	(Amounts in Thousands of Euro)	
Guarantee deposits from lottery agents	3,580	3,542
Interest of guarantee-Penalties against agents	2,199	1,735
Total Other Liabilities	**5,779**	**5,277**

Guarantee deposits from lottery agents represent amounts placed on deposit to jointly secure obligations of the agents.
The guarantee deposits are repaid to agents only when they cease to act as agents.

30. Trade and other payables

The analysis of Trade and other payables is as follows:

As at December 31st ,	2005	2004
	(Thousands of Euro)	
Suppliers	37,269	42,648
Prize payouts to the lottery and betting winners	93,243	63,404
Dividends payable	2,163	1,149
Other payables	10,480	9,978
Total trade and other payables - current	**143,155**	**117,179**

31. Accrued Liabilities

The analysis of accrued liabilities is as follows:

As at December 31st ,	2005	2004
	(Thousands of Euro)	
Other accrued liabilities	3,077	4,858
Total accrued liabilities	**3,077**	**4,858**

The amount is referred to accrued expenses and sponsoring payables in year 2006.

I. Other Disclosures

1. Contingencies

Contingent liabilities:

There are no material claims by third parties against the company with the exception of those set forth in a letter by the legal office, which pertain to the following:
α) lawsuits filed by third parties requested an amount of € 29,493,763, the outcome of which is expected to be in favour of the Company according to legal office.
b) lawsuits from staff toward dispute of productivity bonus request an amount of € 3,057,353. According to legal office, the possibility of favorable of the above lawsuits is lower,
γ) lawsuits from part time employees toward dispute of benefits request an amount of € 1,004,584. The legal office estimates that 30% of the requested amount is highly probable to be paid. The company recognised a provision amounted € 301,000 against the current period results (other operating expenses),
d) lawsuits filed by agents requesting an amount of € 633,000. According to legal office, the possibility of favorable of the above lawsuits is limited.
e) lawsuit for moral damages amounting to € 3,675,163. According to legal office, the possibility of favorable of the above lawsuits is limited,
f) lawsuit by a Stihima player requesting compensation amounting to € 3,668,378. According to the legal advisor the case has limited possibilities to be unfavourable for the company. In the extreme situation where the outcome is negative the compensation must be paid by the operator of Stihima and
g) lawsuit by lessor requesting (Colonou 2 street) compensation amounting to € 648,544 for damages. An extrajudicial accommodation was achieved over the disagreement, according to which, O.P.A.P. S.A. gave to the Operator an amount of € 400.000 plus legal charge, for the total settlement of the Operator's claim. The contractor resigned to the legal document.

O.P.A.P. S.A. has signed a contract with the Operator of Stihima, in relation to the operation of certain parts of *Stihima*. The contract signed by O.P.A.P. S.A. and the Operator specifies that the betting coupon will include a variety of betting events including absolute-fixed odds and variable-fixed odds betting games.
The Operator requested compensation from the Company for damages due to the Company's failure to introduce horse and greyhound race betting games.
The Company and the Operator sought to resolve the dispute through arbitration.
A three-member Arbitration Court issued a decision granting the Operator, in relation to the operation of certain parts of Stihima, the amount of € 36.900.000 for every year that the commencement of the horse and greyhound racing betting was delayed after March 29, 2001, until horse and greyhound race betting began to operate or until the relevant contract expires (January 28, 2007).
Regarding the above decision, O.P.A.P. S.A. requested from the Athens Court of Appeal the rescission of the decision. The Appeal was heard by the Court on October 7th, 2003 which thereafter issued a decision favorable to the company.
The Operator has appealed against the Athens Court's decision to the Supreme Court. The hearing commenced on October 24, 2005. Associated with the application of cassation, No 133/2006 verdict of Supreme Court came out, which rejected the application.

2. Commitments

Contracts for operating Stihima:
The Parent Company has entered into arrangement with operator of Stihima, granting it the exclusive right to operate certain elements of Stihima for 7 years, commencing from 1999. Under the terms of this agreement, the contractor selects the betting events, sets the odds, prints the tickets, carries out advertisement, monitors the operation of Stihima and is responsible for the risk management of Stihima. All future fixed odds and non-fixed odds betting games are also expected to be operated by the same contractor, under the agreement, including athletics, horseracing (non-domestic) and greyhound racing. Not withstanding these agreements, the Company retains the exclusive management of the games and participates actively in many tasks related to their operation. In addition, the contractor trains the Company's staff in all matters relating to the operation of Stihima, as required under the terms of the agreement.

The Parent Company also has the following other main commitments:

a) Obligation for the supply of printing paper and coupons.
O.P.A.P. S.A. has signed contracts for the purchase of paper for printing coupons for games and a contract for the purchase of paper coupons for specific games.

b) Maintenance – Operation of information technology department.
The central data processing system is maintained by operator company pursuant to an agreement dated on February 1997. Under the agreement, the operator is required to provide and maintain hardware, central system software, the LOTOS (Lottery Operating System) lottery software platform which was developed by the Operator, agency terminals, and to develop operational procedures relating to the data processing system. The term of the agreement varies with the service provided. For maintenance services in respect of hardware and central software systems, the term extends to 2007.

c) Development and Maintenance of software for games of EXTRA 5 and SUPER 3
The Operator is required to provide and maintain the software for the operation of the numeric games EXTRA 5 and SUPER 3. The term of the agreement varies with the service provided and the contract extends for 10 years starting at May 25th, 2002.

d) Development and Maintenance of ERP software
The Operator is required to provide and maintain ERP related to management and financial services. The maintenance is extended to a period of five years starting at May 25, 2002, and the cost varies with the service provided.

e) Contracts for operating Stihima in Cyprus:
On April 2nd 2003 Glory Leisure Ltd (OPAP's subsidiary since October 1st, 2003) signed an agreement with Glory Technology Limited regarding the use rights of UGS (Universal Game System INTERGRATED TURN-KEY SOLUTION) system of Glory Technology Ltd which automate the on line betting operation. The duration of the agreement is seven years with the right of three years renewal. The annual charge for the use of the system is calculated 5% of the total annual turnover(plus value – added tax). An annual fee for the service of maintenance that Glory Technology Ltd

will provide was also agreed .The maintenance fee is 14 % (plus value –added tax) of the annual use charge .

f) As at December 31, 2005 the Company is a party to an operating leasing agreement relating to transporting vehicles. Future minimum payments under this agreement are as follows:

As at December 31st ,	2005	2004
	(Thousands of Euro)	
Less than one year	746	481
One to five years	1,000	1,259
More than five years	-	-

g) As at December 31, 2005 the Company is a party to an operating lease agreement, relating to administration building. Future minimum payments under this agreement are as follows:

As at December 31st ,	2005	2004
	(Thousands of Euro)	
Less than one year	3,779	3,754
One to five years	7,283	10,690
More than five years	-	-

3. Related party disclosures

The wholly owned subsidiary company O.P.A.P. CYPRYS Ltd based on the revised interstate agreement effective from January 1st,2003, pays 10% of its revenues to the parent company. This fee amounted € 9,250,456 for the current period. The parent Company has also sold paper to its subsidiary which amounted to € 170,168. The transaction was conducted at standard market terms and conditions. The outstanding balances as at December 31st 2005 was € 2,354,488.
The parent Company paid € 18,792,818 to its wholly owned subsidiary O.P.A.P. SERVICES. This amount concerns the following: a) Amount of 1% of its total revenues from the game Kino, with the purpose of improving (equipment, design etc) agent's outlets, b) Amount of 5% of the above amount as management fee, c) Expenses concerning the operation of subsidiary for one year. The relevant fees are a result of the contract signed between these two companies and the expenses in accordance with decision 2/13.1.2005. d) Amount of €107,100 for granting. The outstanding balances as at December 31st 2005 was € 9,522,166.
All the above amounts have been eliminated on the consolidated financial statements.
The compensation of the members of the Board of directors was 1,717,300.00 for 2005 (1,052,900.00 n 2004). Compensation of directors was 3,371,500.00 for 2005 (2,734,400.00 in 2004)

4. Subsequent events

There have not been any material events subsequent for the period ended December 31st, 2005.