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**"First Quarter 2014 Financial Results"  
Conference Call**

Thursday 28<sup>th</sup> May 2014, 16:00 (GR Time)

**Conductors:**

***Mr. Kamil Ziegler, Chairman and Chief Executive Officer  
Michal Houst, Executive BoD Member, Responsible for Finance  
Nikos Polymenakos, Investor Relations Officer  
&  
George Vitorakis, IRO – Business Analyst***

Conference Call Conducted by Chorus Call Hellas



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OPERATOR: Good afternoon ladies and gentlemen, this is the Chorus Call Conference Operator.

Welcome and thank you for joining OPAP's First Quarter 2014 Financial Results conference call.

Please note that a PDF presentation for the Results is now available on OPAP's website [www.opap.gr](http://www.opap.gr) under the section for Investor Relations.

At this time I would like to turn the conference over to Mr. Kamil Ziegler, Chairman and Chief Executive Officer, Mr. Michal Houst, Executive BoD Member, responsible for Finance, Mr. Nikos Polymenakos, Investor Relations Officer and Mr. George Vitorakis, Investor Relations Officer – Business Analyst.

Mr. Ziegler, please go ahead.

ZIEGLER K: Thank you very much, good afternoon to all of you, to everybody and I am very... deep in thank you for taking once more time to participate in OPAP's First Quarter 2014 Financial Results Conference Call. Generally, as we can see from the Results in the First Quarter, there are some trends which could be visible, but on the other side, this is let's call just the First Quarter and there is a lot of things ahead of us in this year.

Firstly, I will start with some short comment of our operating environment. Despite the ongoing recovery on consumer sentiment, hard numbers has not yet turned positive. Greek GDP in the First Quarter exhibited an improvement on the drop rate on year-over-year basis, but still was negative, down 1.1%.

In addition, retail sales excluding fuel declined by 2.1% on year-over-year basis on February, after a drop of 3.7% in January. Amidst this kind of environment, OPAP stood out as a clear outperformer. Revenues increased double-digits by 11.1% while EBITDA increased by strongly 32.4%, reverting back to growth for the first time after thirteen declining quarters.

More importantly, the profitability increase is purely operational related, stemming from both top line improvement, as well as focus on cost efficiencies. At the same time, we managed to maintain a strong cash position of €168 million on the back of solid operating cash flow generation reaching €75.1 million, and as also communicated during our last call; we repaid fully our previous bond loan facility with aim to optimize the structure of our balance sheet.

Now, allow me to start with the top line. Revenues were boosted by the 30.1% increase of STIHIMA that increased significantly for a third consecutive quarter as well as 4% KINO growth the turned into the positive territory for the first time after 18 declining quarters.

Our set of rejuvenation actions on STIHIMA that commenced in Quarter Four, 2013 and persisted in First Quarter 2014 as well, bringing satisfactory results. We continued to the enrichment of the coupon with more events and substantial increase singles and doubles, as well as the events offered for in-play betting. As such and despite a negative trend in soccer matches results evident on the results of the most sports betting operators in First Quarter, OPAP was one of the few bookmakers on a pan-

European level that reported considerable growth in both revenues and also gross win, taking also into account that in the first quarter 2013, payout of 63.6% was amongst the lowest in STIHIMA's trading history.

We believe that the growth will continue also in the second quarter mainly supported by the June's and July's championship in soccer. KINO's recovery on the other hand is mostly related to a slight upturn in consumer spending. So while we expect that this ongoing recovery would help KINO in the medium term note, the new product introduction is expected to weight to some extent to the game's future performance as well.

Allow me... in comparison year-over-year comparison, allow me one comment: these figures, when we compare these periods are impacted by some one-off event, which happened last year, where in the First Quarter 2013, we could see the five days strike by agents and also we could see that the results in the first quarter last year were somehow slightly negatively impacted by the winning structure imposed at that time.

It means this is also the factors which are optically improving the results on year-over-year basis, but still that is.... we could see that there was the significant growth on our top line especially in STIHIMA and also in KINO.

Let me also share with you a comment on two of our legacy games, LOTTO and JOKER. Both of these games experienced a drop in the First Quarter compared to last year which is largely explained to a lack of favorable jackpot rollovers which should reverse at some point although not there in the first... second

quarter as well. We produced relatively a huge number of lucky winners especially in JOKER which is also reflected in the total revenue.

Set aside the revenue improvement, First Quarter was also marked by the ongoing containment of operational expenses. Specifically, despite the 11.1% revenue growth, total cost of service in the First Quarter 2014 decreased by 1.2% on a year-over-year basis, while total known revenue based costs, excluding agents' commissions and commissions linked to monitor games operation, as recorded in the cost of services line reached €46.5 million which is down almost 15% on year-over-year basis.

On top of the total distribution costs reached €25.8 million, down by a material 12% on a year-over-year basis despite occurring costs related to contractual obligations expected to continue through this year as well.

We expect that this kind of cost efficiencies will continue in the coming quarters for the OPAP's standalone business. However, the introduction of the new projects will lead as always expected and communicated, to some additional costs, of course which should be more than set off by the increase in revenues.

Allow me to make some specific reference to our organizational structure. In line with our restructuring strategy, we implemented effective as of the 1<sup>st</sup> of May, the new organizational structure consisting from 9 business units. We expect that this to lead... not just expect we are sure, that this should to lead to higher operational and management

efficiencies and facilitate the decision making related to the new projects implementation.

As part of this restructuring, reorganizing personnel is still a key focus area for us. Administrative expenses were 9.8% higher; on a year-over-year basis due mostly to severance payments for the quarter which overall amounted to €1.7 million. The collective labor agreement of the parent Company expired at March 31<sup>st</sup> and it was not further renewed, which led to the termination of significant number of employees' contracts and which is also allowing to us to be very, very much more flexible relating to the managerial structures and managerial decisions.

As of March 31<sup>st</sup>, total headcount reached 842 employees, compared to 981 employees in the year end 2013. We will continue in further restructuring of our Group which we feel and we want to lead to the further increasing of cost efficiency on our Company.

On the other side, we have to say that we expect that some restructuring process, the set of actions will have some short-term impact coming from the severance payments, which will lead to boost higher competence and as well as cost savings in the medium term point of view.

On the other side, I want to mention that of course, the new projects will require to hire the new people with new skills, new competitiveness and we expect that it will allow us to successfully manage new projects and to increase the revenue from the medium and long-term point of view.

In terms of new games, let me start with the first product launch. Hellenic lotteries commenced operation on 1<sup>st</sup> May, exactly at the time which we planned and we communicated to the market. This was a quite demanding target, especially since it involved a successful negotiation of the operating partnership with our consortium partners as well agreement with agents in a very limited period of time.

The games performance so far is in line, maybe I can say, slightly above our expectations, whereas the appeal to the punters seems very encouraging as well. More than 3.6 million winners have been already declared. We currently, and let's imagine that it's one month after the launch, we currently run a network of 6,500 point of sales.

All of our agencies are now active, while the Company has additionally utilized a significant number of third party POS and street vendors. The network expansion is set to continue through the year.

Jumping to the second product to come; this is our improved PAME STIHIMA product to be also offered in online channel. OPAP plans to have its offering ready by June 2<sup>nd</sup>. It means, next Monday we want to launch this new, newly structured and very modern and competitive product. You understand, that having selected our partner GTECH just three months ago, having our offering ready in such a short period of time is really challenging task to accomplish.

At the same time, we are intensifying our discussions with our agents in order to reach a mutually beneficial agreement as

accomplished on the Hellenic Lottery site as well. We are still convinced that we can meet the target having our platform ready and offering the STIHIMA in time for the World Cup event.

At the same time, we will also reintroduce live betting within our retail network through a whole new concept that we expect will keep players in the agency environment, thus potentially offering cross-selling opportunities as well. Moreover, via this concept, we expect that we will be able to bring new potential customers to our agencies.

On VLT side, our targets remains still the same. Launching from the first, but still critical mass of machines, we want to do during quarter four this year with a full deployment of the 16,500 VLTs expected to conclude within one year. Although, it's just two months since we last communicated, we have made progress in this area, and in the direction to order and to achieve our targets.

Let me inform you that last week we appointed new Chief VLT's Officer, Mr. Giacomo Bozzini and he will be now since the time responsible for leading of all VLTs operations in our Group using his previous huge experience in very competitive and successful Italian market.

We also organized the RFP to the central system providers where we already get back three very comprehensive and very encouraging responses from the renewed companies in the sector and plan to come with a decision in next months.

We also received considerable feedback from the RFI process initiated by us regarding to the machine providers' selection. We are now waiting for the technical specification approval from the Hellenic Gaming Commission in order to proceed with the next step, which is the actual selection of our VLTs lenders.

As stated in the past, one of our preferred options is to go with the revenue sharing agreement reducing investment needs, at the same time maximizing competition in specific KPIs, between the selected parties.

We are also finalizing our pilot store that should be out within the next months and the store we will use for the training of our staff and cooperators, according to the international best practices, but also in order to test in the market and cross-check machines and gaming content performance. We are also very close of the final decision about the brand name for the store concept of OPAP's VLTs.

Some of your questions would probably maybe be related to our contract with INTRALOT. We can confirm that we are currently under negotiations about the conditions of this contract. But at this moment, we don't want to release any other detailed information because with this... firstly, we should come to some conclusion with our esteemed partner, with our supplier.

Also let me mention that during this quarter, we successfully renegotiated some other suppliers' contracts with the important partners for OPAP and we were able to achieve some reduction of already paid expenses.

With this final remark, I am concluding now this opening statement, and we are now ready to take your questions. Thank you very much for your attention, and we are ready to answer your questions.

## Q&A

OPERATOR: The first question comes from Mr. Draziotis Stamatios of Eurobank Equities. Please go ahead, sir.

DRAZIOTIS S: Yes. Hi, there and thanks very much for taking my questions. May I start with the question on STIHIMA, please? The performance in this quarter was actually above mine and I believe the market expectation, I can see gross gaming revenue up 15% effectively returning to, you know, to early 2012 levels. Could you maybe help us understand what, in your view, was the main driver behind this significant improvement, was it... I mean you mentioned a few things, was it the coupon enrichment with the, you know, with additional leagues or more competitive pricing, or you know, more events on offer or event combinations made available?

And related to this actually, I can see that the payout was more than 400 bps higher versus Q1 2013. Maybe, if you could tell us, you know, whether you have an estimate as to how much of this relates to the unfavorable run of football results?

HOUST M: Okay, thank you for the question. Basically, we can just repeat... we believe that what we are doing in STIHIMA is the right way how to improve the game. So I think it's really the combination of all the factors that you have mentioned. And we

see it from the players' behavior, that they basically... they basically evaluated positively and they are playing more, and we attract, you know, to some extent, new customers through let's say, the improved pricing of the products and through the improved offering of the products.

With respect to the, let's say, payout; we must basically just reiterate, the fact, that the payout, in the first quarter 2014 as well in the last quarter 2012, were exceptionally lower, so I would not say that the payout we have the first quarter is negatively affected by some negative set of results of the games.

I would say this is the normal payouts, our targeted payout. To some extent, it's maybe even lower than what we have expected.

DRAZIOTIS S: Okay, thank you. And another question, I have seen in the presentation that you mentioned some sort of guidance, you referred to an expected mid single-digit growth for 2014 for the current, over-the-counter games. I am just wondering because Q1 showed an 11% increase, yes, partly due to the easy comps which you mentioned. I mean, the second quarter will benefit from the World Cup. First of all, could you confirm that this mid single-digit growth includes, already includes World Cup contribution?

And maybe, you know, elaborate on why you expect a slowdown effectively in that growth rate in the remainder of the year?

HOUST M: Yes, we can confirm this, otherwise we would not, let's say, present it in this way. And the logic is, firstly, yes the First Quarter was somehow negatively, let's say, affected last year by the strike and by, let's say maybe even little bit by the taxation which was on the players winnings up to 100. So, with respect to this we really think that the First Quarter should be seen not so positively as it seems doing the numbers. So this was what Mr. Ziegler already mentioned.

With regards to the other reasoning behind this, the reason is that we are launching the new games. We are launching SCRATCHES and these games would definitely have some; some... we are now evaluating cannibalization or a reshuffling effect from the... on the mix of our let's say sales, so this is the reason.

DRAZIOTIS S: I see. And so from what you say, I should probably be assuming that most of the implicit cannibalization, let's say, in the mid-single-digit growth relates to KINO, probably, and not so much STIHIMA, right?

HOUST M: We are, so far let's say three weeks after the launch of the SCRATCHES, we are very, let's say, very cautiously looking on the pattern on the behavior of the players and on the... let's say new players, which we are basically attracting by the new players, it's a little bit too soon to let's say answer this question. But, yes, most probably the biggest cannibalization would be with respect to KINO.

ZIEGLER K: I will just... I will just add these things. Of course, we are looking or we were looking at the preparation of this product to

some experience worldwide, and we could see that if there was some similar situation; situation like here in OPAP, that especially in the beginning the implementation of such new product could have some, let's say, cannibalization effect. And in our case, it could be... it could be very late you know?

On the other side, we also could see that, at the beginning, in our shops, there was based on information from our sales guys, some affect of the SCRATCHES to our current games, but once we started to have the campaign for the SCRATCH, then this... what we could see is that... and this confirms to us that the new customers are coming into the shops.

It means that we are enlarging the whole customer base. And currently, we are doing... because, of course, this is not a very short time to make some hard facts analysis. We are doing some analysis, some assessment what could be the impact.

DRAZIOTIS S: I see, thank you. And the last question would be with regards to the online market. I mean we saw the news that the game of conduct for internet sports betting was published at the State Gazette this week, but we saw that it aims to regulate sports betting offer specifically by OPAP and not internet gambling in general. Do you have any, I'm just wondering, do you have any indication as to what the state intends to do with the online sports betting market i.e. you know, should we expect the similar kind of regulation for other online operators?

And also, do you have any information as to the European Commission's potential stance on the issue?

ZIEGLER K: Yes, to be very honest, that with the online now and with the whole project we are so focused on the solution of our issues that we are mainly and solely concentrated on the implementation of our product. It means that this is our goal, now after publishing of this document that this is let's say open way for us to implement to do and we are now focusing on us, we are not focusing on the rest of the market. Because now the main goal for us is to effectively and successfully manage our homework. It means to launch our product.

DRAZIOTIS S: Thank you very much. Thank you.

OPERATOR: The next question comes from the line of Mr. Lewis Vaughan of Morgan Stanley. Please go ahead, sir.

LEWIS V: Hi, just following on from a few of those, on the slide on guidance, on the next page you've got a whole sort of series of Bloomberg consensus numbers. Are you giving any guidance on profitability, either EBITDA or EPS then? Or is that just in to show what the consensus is?

HOUST M: No, this is solely to basically make your life easier, so we are showing the consensus of Bloomberg, this is not our opinion and this is not... and it should not be understood as any sort of guidance from us.

LEWIS V: Okay. So I guess given the sort of confident outlook statement, you are very comfortable with the current consensus numbers for profit, are you?

HOUST M: We basically could just reiterate what we mentioned last time, we do not want to give some you know, deep forecast or deep guidances, that's why we basically let's say decided to give you this guidance on the revenues. But this is all that we would be giving.

LEWIS V: Okay. And that is for stakes, not for GGR, isn't it, the guidance? You're not going to give guidance for GGR, are you?

HOUST M: No.

LEWIS V: Okay. And then just following on from that question on the online launch, have the new rules been notified to the EU? And if not, is there any risk of delay because there is normally a 90-day notification period, isn't it?

ZIEGLER K: As I understand the regulation, there was no notification to the European Committee because the whole concept is so, that this is used, already valid and already applied regulation; the initial regulation which was notified and approved to the European Committee's respectively in such parts, there is not the used... the initial regulations and this is used the part of the relevant regulatory framework, current regulatory framework which was notified and approved. It means that this is the concept where no notification in our opinion was necessary... was not necessary.

LEWIS V: Okay and then just a couple of quick ones on Hellenic Lotteries. Could you give us any... you said it is sort of slightly ahead of expectations, but can you give us any sort of figures on the sales so far or what the expectations are? And then in the

accounts, it seems to be equity accounted. Will that continue? Or will it now be consolidated? Thanks.

ZIEGLER K: Okay. So, basically we mentioned that the... we agreed the contraction, negotiated the contract with our partners for Hellenic Lotteries. This, let's say, re-negotiation was confirmed by the Board of Hellenic Lotteries that was last week.

With this respect, we have now... we need now to work with our auditors to get their positive feedback that they would allow us to consolidate the Hellenic Lotteries into OPAP's number. We are kind of not expecting problems through this and we expect that starting as of the second quarter we would be consolidating it.

And related to the sales, just allow me to say that the sales are, as I mentioned, slightly better than we thought. It's in line of our expectations, but it was slightly better than our expectations, but to be very... this now is very early to do some estimations or some prognosis because it's like everywhere, every time that there is some wave, that the launch wave then we can... we could see maybe some period of stabilization and then maybe some periods of the lifecycle of the product when it will be stabilized portfolio.

What we can expect and we will do everything... this is with the enlargement of the numbers of POS, which we are concentrated on that, that of course, it should support the higher sales and more successful sales of this... of this product.

LEWIS V: Just a quick follow-up on that, are... the press is reporting €30 million of sales in the first three weeks, does that sound, is that number that came from you guys or...?

HOUST M: Don't trust the report, all of those things definitely did not come from us, we will not give you any numbers.

LEWIS V: Okay, thanks very much.

ZIEGLER K Maybe the press has different information than we have.

OPERATOR: The next question comes from the line of Mr. Kourtesis Iakovos of Piraeus Securities. Please go ahead, sir.

KOURTESIS I: Good afternoon, gentlemen. Congratulations on the results. My question has to do... during the conference call for the full year 2013 results, you referred to a possibility for a full consolidation of Hellenic Lotteries. My question has to do, do you intend to take over the stakes of INTRALOT and the Scientific Games, the 23% they hold... 33% they hold for Hellenic Lotteries?

And second question has to do with the negotiations with the agents for Hellenic Lotteries. As far as I understand, you came to an initial agreement according to which both rights... both parties will negotiate in the future for the agents. Do you intend to drop this fee below 8%, or, all in all, if you could give us the main lines of your commercial policy that you tend to follow for Hellenic Lotteries?

ZIEGLER K: The first questions, if you allow me, no comment because this is the way if we are... we didn't think because I must say that

related to these lotteries that's our full scope and for part of our thesis relate to successfully operate now this product.

Secondly, you know, the second... yes, there is some arrangement with the POEPP which is the agency of our... it's our union of our agents. Saying that, currently there is some level of fees which is 8%, which is guaranteed for one year and then this is up to the Hellenic Lotteries to use the principles of the commercial policy, and of course, to discuss, with POEPP this fee.

And just to say that in the commercial policy always you have to put together some factors. Just as example of all of them, which is the current volume of sales, the performance of the individual channels, the payout, you can say the success of individual issues or the individual scratches and so on. It means that this is relatively very wide accruement

And of course, always, we will have to do decision which will be in favor of... or it should be beneficial for the Hellenic Lotteries, but of course, which will keep the old distribution channels motivated to sell this product.

We have the very, very strong opinion from our sales channels, especially from our agents that this product is considered very successful. This product which is bringing the new customers and this is the product which is also rejuvenating their revenues, and also, we could hear the very nice words or very good words related to the integrated marketing campaigning and also the merchandizing campaigning which is provided by Hellenic Lotteries and supporting the sales.

KOURTESIS I: Okay, one additional question about the online, the launch of online betting. As far as, I understand this refers to online STIHIMA, when this online platform will be able to support the full portfolio of OPAP's games? Will this happen in... towards the end of 2014 or 2015?

And how to... as far as I understand, you planned to offer online betting through your agents too, in an effort to... in an attempt to prevent potential cannibalization of STIHIMA from your agencies. Is this the idea or I'm wrong?

ZIEGLER K: Firstly, that's... we are fully concentrated now for the STIHIMA product. We consider this, what we will offer, is very, very significant improvement of this product, which... and one of the part of this improvement product is, that we will significantly improve the offer of... for the games which our customers will be able to play in stores, in agencies, via some special device where there will be also some streams, video streams to support their... we can say enjoy of the playing the STIHIMA in agencies.

Where, of course, this concept of this game is so that, this in agencies then as we call that as this in store, live betting play or the game, is that they will do the bets through the agent.

We expect or we are convinced that via this concept, we will be able to bring new customers to our agents and that's why, this, we will be able to also create for them some chance, some opportunity for cross sell.

KOURTESIS I: Okay, thank you.

OPERATOR: The next question comes from the line of Mr. Lienert Stephen of Jefferies. Please go ahead, sir.

LIENERT S: Good afternoon. I just have two questions. On the sports betting, is there a way you can split out the uplift that we have seen between new odds that you are offering versus the economy in general?

ZIEGLER K: Excuse me, please. Can you repeat me the question?

LIENERT S: I'm just trying to workout the specific drivers behind the sports betting uplift of over 30%. How much is that the general economy where people now have jobs and happy to bet more or... and/or how much is it related to, you know, new games, new odds that you are offering?

ZIEGLER K: To be very honest that.... what we can see generally in first quarter there was drop in the consumer confidence or the consumer spending. It means, which is the different situation in the first quarter of 2013, it means that generally I cannot or we cannot estimate, if there was some aspect of this factor, macroeconomic factor.

What we could see in the first quarter there was continuation trend of the... on year-over-year basis increasing of the numbers of slips, it means this is increasing. But we can... what we can see from this point of view, if I can somehow generalize, is that this increase was mainly through some improvement of the products, through more attractive offers.

And also if you allow me, we also... at the end of the quarter started the focused, let say communication campaign to promote some chosen matches so that also we expect to have some positive effect into the increase of the revenue.

LIENERT S: Okay, great. And my second question is on the SCRATCH and Win tickets, I didn't quite hear, did you say that there was a... for the first two months since you launched a €30 million uplift in revenue?

HOUST M: No, we haven't said it. It was said by your colleague, that it was in some newspapers. This is not the information coming from us.

LIENERT S: Okay, fine. I didn't quite, I couldn't quite hear that. And in relation to the SCRATCH and Win tickets, how are they going in terms of the split between the 1, 2, 3 and 5. Are you seeing a differential in demand across those? And can you remind me, that the odds are the same for all of those, 1, 2, 3 and 5. So therefore...there is just a higher payout for you, people spend five versus one?

ZIEGLER K: Yes, I can; of course, I can say that, the most popular product is €1 SCRATCH. We are positively surprised from the performance of €5 SCRATCH. And also, I must say, this is my personal opinion that I was not so much or not so big supporter with €3 SCRATCH, and I'm surprised that also this scratch is doing well.

But of course, I must say that's the most successful currently, and this is something what we expected because it's... if you launch this product, it's typically, once the acknowledgement or,

that we can say, acceptance or knowledge about this product is bigger and bigger, then of course, that you can come with higher nominal values. It means that this is what we expected, and the best performer is Lucky Coin which is the €1 SCRATCH.

Of course, that's... you have the different payout, and there is standard rule, so higher nominal value is than higher payout. Because that you should make this scratches with higher nominal value more attractive for the punters or for the customers.

LIENERT S: Yes, okay. Okay. Thank you very much.

ZIEGLER K: Our Pleasure.

OPERATOR: The next question comes from the line of Mr. Birbos Dimitris of IBG. Please go ahead, sir.

BIRBOS D: Yes, hi, I have two questions. The first one refers to the expected benefits from the World Cup; in the previous World Cup, OPAP recorded revenues of close to €300 million with the payout ratio of 77% and with an online competition. What should we expect for this World Cup given that apart from let's say... you have the sports betting offering also on the online environment plus in-play betting, so what should we expect for this year's performance, and also regarding the payout, if it will be higher than payouts in four years ago?

And the second question relates to your contract with INTRALOT; I want just to clarify if the fees paid to INTRALOT in the first quarter was based to the previous contract? And also if

there is any progress with the implementation of the new central system? Thanks.

ZIEGLER K: If you allow me the World Cup, we have, of course, some internal estimation, we have some internal calculation, but if you allow me I will not provide an estimation; just some indirect guidance. If you are not convinced that it should be a very, very interesting opportunity for us, that we will not do during nights and days and weekends, our preparatory work to launch this product before the World Cup.

This is just what I want to say, and please, I don't want to provide indications, an indication now, even that I want to stress we have, of course, some calculations, some indications. But for us, this is a little bit... or this should be a totally new situation because of having new structured product where we don't have up to now any hard facts to be able to evaluate on... based on hard facts this potential projection. So I don't want, I don't want to share with you, if you allow me.

And relating to INTRALOT, yes, in the first quarter these results of the first quarter reflects the old... conditions of the old contract and results in the second quarter maybe could reflect the conditions of the renegotiated contract.

But for me now because I must say that we are very, very far in the renegotiations with our partner and with full respect to our partners, I don't want to provide any other comments related to that.

BIRBOS D: And, thank you. And I have also follow-up question regarding the offline and online sports betting offering. I am wondering just if the odds are different before the beginning of a sport event or it will be the same and then we will have some deviations when there is a progress in this, in the match. This is my question.

ZIEGLER K: I thought that we will answer this question next week; that's when it will be clear because that's when we implement and launch this product, it'll be clear. Just some short comment for the events which will be in, let's say, in both options, the odds will be the same.

BIRBOS D: Thanks. Thank you very much.

OPERATOR: The next question comes from the line of Mr. Hegedus Erik of Wood and Co. Please go ahead, sir.

HEGEDUS E: Yes, good afternoon. I have a couple of follow-up questions. First one, on the VLT front, could you please give us an update on the regulations and notably the technical specifications? What are the echos that you are getting from the gaming commissions? When potentially could you get the final terms?

HOUST M: We are still waiting for this regulation and for the technical specifications and if it is done, let's say through the end of next month, this is not causing any delay in our harmonograms or in our timeframe and so on. If it is later, then of course, we should think which impacts or such effect could have.

HEGEDUS E: Okay. And for the Hellenic Lotteries, you mentioned that you currently have 6,500 point of sales so to say and you plan to increase it, what would be the target by year end or in 2015?

ZIEGLER K: Our targets at the yearend... if you ask is to touch the number of 10,000 point of sales.

HEGEDUS E: Okay. And final question, you mentioned the severance cost in the first quarter and likely for the impact in the remainder of the year. Do you have an estimation what the total envelope will be in 2014 and the underlying cost saving which will come with it?

ZIEGLER K: Of course, we have some estimation and it will depend also on the realization of our plans which we are now preparing to be discussed with our employees. Because up to now that's... we can say that we solved in this area, the mother Company which is OPAP SA, but we have to...now to discuss and define the reasonable and doable ways how to solve this issue in the Company which is called OPAP Services, which is you can say servicing Company for the whole structure.

We have some scenarios and I must say that we expect that if it is the realistic scenario, then in the majority of such potential impact could be offset by some of other cost reduction or cost savings activities which we are also planning to implement.

HEGEDUS E: Okay. That's all from my side. Thank you very much.

OPERATOR: We have a follow-up question from the line of Mr. Draziotis Stamatis of Eurobank Equities. Please go ahead, sir.

DRAZIOTIS S: Yes, hi again, just a follow up on the VLTs, should we be laboring under the assumption that you will lease all the machines or the vast majority of them?

HOUST M: Yes as Mr. Ziegler already mentioned it in his speech, if this is... if this makes financial sense, then we would try to do it like this. It depends on the pricing, then we would be able to achieve with our partners.

DRAZIOTIS S: Sure, thank you and another last question about the negotiation with your agents regarding the commission structure for the current games portfolio, is there an update on that or is this process you know, ongoing and probably to continue in the rest of the year?

ZIEGLER K: Yes, the process is ongoing. We gave some of our proposals to our agents. Then I must say that on the agenda of all negotiations were Hellenic Lotteries, scratches now that the main topic is this launch of new structured PAME STOIHIMA and it means that currently we don't have the final agreement, but we are in very deep negotiations with our partners, with our agents. So, not done yet, we will have to spend some additional time for the further negotiations.

DRAZIOTIS S: Thank you very much, and actually sorry this is another follow-up. Just to clarify what you said about the, you know, about the sports betting pricing offline versus online. You talk about the same odds before the event, but I presume that the pricing will be different for in-play betting, right?

ZIEGLER K: You know that's...what I wanted to say that if we have the same event and with the same structuring of the bet, then the pricing will be the same. It means that for example if it is the pre-match odds and the pre-match odds you are doing through the terminal or you are doing that through the online platform, then the odd will be the same.

Of course, there will be... and this is the miracle; it should be the attractiveness of the product, of course, through the in-shop online betting that there will be much wider... quite much wider offer of the events then through the terminal. And then, of course, there will be odds just for this online, in-shop live betting platform for this in-shop live betting platform.

DRAZIOTIS S: Sure, but other things being equal, I mean because the... I presume that the commission for... the agent fee for online will be different, right, to the one offline, presumably based on gross gaming revenue? So, are you saying that the margin will be actually higher for online, right?

ZIEGLER K: What I want to say is that, if this... what is done through this in-shop live betting platform, and through which is, in fact, done through the agent, then the agent will get this commission like today.

DRAZIOTIS S: I see, I see, okay.

ZIEGLER K: If you do... if you do the bet through your computer or online platform, then of course, there will be no commission for the agent because he is not anyhow linked to this deal.

DRAZIOTIS S: Sure, okay. That's clear. Thank you very much.

ZIEGLER K: Pleasure...

OPERATOR: Gentlemen, there were no more questions registered at this time. You may now proceed with your closing statements.

ZIEGLER K: Okay, thank you very much. Ladies and gentlemen, firstly, let me thank to you for your participation, active participation in this call. Thank you also for your questions. I hope that we were able to at least answer majority of them, and to provide you some information about the business of our Company. Be assured that we are continuing and in our strategic initiatives which we, let's say declared, it means that, we are strongly focused on this all game platforms.

I am very proud to say that, it is the first call, when we could say that, when some of new products announced in the past is already launched and is already done. And I am proud to say that, at least, that as I said that this is performing based on our expectations maybe somehow better.

We are also very, very close to the launch of, on the 2<sup>nd</sup> of June, of this or let's say online platform. And I am also very, very anxious to see, how it will work this in our agencies, this in line or in-shop online betting platform, and to evaluate our assumptions that some new customers could be really attracted via this form. And of course, that we are working very hardly in the VLT project, as I said that we have the new colleague with a huge and a vast experience from this job.

And at the same time, that we are continuing in the, let's say, some restructuring operations related to our activities. We are continuing in some cost savings initiatives where some of them, let's say this, one-off costs, for this quick wins were done, of course, not all of them.

But now, we are focused also on, let's say, there is some structuring or some structured potential wins or cost savings and we will continue in this, our effort. It means that, once again thank you very much for your participation today, and we are wishing you good luck and have a nice afternoon. Thank you very much.