

OPAP S.A. Interim Consolidated Financial Results For the Three Months ended March 31st, 2008

- **Revenue up 19.8% to €1,379.6m (Q1 2007: €1,151.3m)**
- **Adjusted EBITDA up 35.2% to €299.5m (Q1 2007: €221.6m)**
- **Adjusted Net Profit up 32.2% to €208.5m (Q1 2007: €157.7m)**
- **Basic EPS up 44.4% to €0.65 (Q1 2007: €0.45)**

ATHENS, Greece – May 26, 2008 – OPAP (OPAr.AT), the leading gaming operator in Greece, announces its consolidated financial results for the three month period ended March 31st, 2008, prepared in accordance with International Financial Reporting Standards (IFRS).

1. OVERVIEW

(€ 'm)	Q1 2008	Q1 2007	Δ%
Revenue	1,379.6	1,151.3	19.8
EBITDA	299.5	195.8	53.0
EBITDA margin	21.7%	17.0%	
Adjusted EBITDA	299.5	221.6*	35.2
Adjusted EBITDA margin	21.7%	19.2%	
Net profit	208.5	143.4	45.4
Adjusted Net Profit	208.5	157.7**	32.2

* Excluding the amount of €25.8m that was included in the Q1 2007 cost of sales.

** The adjusted net profit Q1 2007 reflects the tax effect of the adjustment of the accounting treatment of the transfer of know-how agreement with the Intralot consortium in relation to *Stihima*

OPAP's revenue for the first quarter 2008 increased by 19.8% and reached €1,379.6m compared to €1,151.3m in Q1 2007, primarily due to the strong performance noted by the Company's flagship games, KINO and *Stihima*.

The Company's EBITDA reached €299.5m in Q1 2008 from €195.8m in Q1 2007, up 53.0%, with the EBITDA margin increasing to 21.7% from 17.0% for the corresponding period in 2007. It should be noted that the Q1 2007 cost of sales included the amount of €25.8m concerning the first 2 out of the 6 equal instalments of the agreement for the transfer of know-how of *Stihima*. This amount was reclassified in Q2 2007 as amortization of intangible assets. For comparability purposes, excluding the above amount, EBITDA increased by 35.2% for the first quarter 2008.

The increase in EBITDA, as well as the relevant margin, mainly reflects the reduced operating expenses related to *Stihima* (more efficient management of the game, reduced contractor commissions etc), but also a decrease in distribution expenses.

Net profit for Q1 2008 amounted to €208.5m from €143.4m for the corresponding period in 2007, (an increase of 45.4%). The adjusted net profit, after taking into consideration the Q1 2007 tax effect of the adjustment of the accounting treatment of the know-how transfer contract, increased by 32.2%.

Commenting on the Q1 2008 results, Mr. Christos Hadjiemmanuil, OPAP's Chairman & CEO, noted:

"We are particularly pleased to announce strong organic growth for the Q1 2008, based mainly on the ongoing solid performance of our two flagship games, KINO and *Stihima*, as well as the containment of some of our overall operating expenses. We continue our efforts to complete our operational reorganization by the end of the year. Concurrently, we plan certain improvements in some of our games; it is expected that these will be introduced before the end of Q3 2008."

2. FINANCIAL REVIEW

Revenue per game for Q1 2008 and 2007

(€ '000)	Q1 2008	Q1 2007	Δ%
STIHIMA	577,236	473,460	21.9
PROPO	17,813	20,499	(13.1)
PROPO-GOAL	550	380	44.6
TOTAL SPORTS BETTING	595,599	494,339	20.5
% of Total Revenue	43.2%	42.9%	
JOKER	62,948	53,872	16.9
LOTTO	12,706	14,135	(10.1)
PROTO	12,164	12,515	(2.8)
Extra 5	3,389	3,725	(9.0)
Super 3	14,370	15,113	(4.9)
KINO	678,441	557,556	21.7
TOTAL NUMERICAL GAMES	784,018	656,916	19.4
% of Total Revenue	56.8%	57.1%	
TOTAL REVENUE	1,379,617	1,151,255	19.8

Total revenue increased by 19.8% to €1,379.6m in Q1 2008 compared to the corresponding period in 2007.

Sports betting revenue for the period increased by 20.5%, mainly due to the significant increase in *Stihima* revenue. In Q1 2008 sports betting represented 43.2% of the Group's revenue compared to 42.9% in 2007.

Revenue from numerical games in Q1 2008 increased by 19.4%, reaching €784.0m from €656.9m in the corresponding period of 2007. In Q1 2008 numerical games represented 56.8% of the Company's revenue, compared to 57.1% for the corresponding period in 2007.

Revenue from the flagship numerical game, KINO, increased in Q1 2008 by 21.7% to €678.4m, from €557.6m for the corresponding period in 2007. Average daily revenue per agent was approximately €1,400.

Regarding the rest of the numerical games, revenue in Q1 2008 amounted to €62.9m (up by 16.9%) for JOKER, €12.7m (down by 10.1%) for LOTTO and €12.2m (down by 2.8%) for PROTO, whereas SUPER3 and EXTRA 5 revenue decreased to €14.4m (down by 4.9%) and to €3.4m (down by 9.0%) respectively.

Cost of sales for Q1 of 2008 and 2007.

(€'.000)	Q1 2008	Q1 2007	Δ%
Prize payouts to lottery and betting winners	889,696	754,334	17.9
Agents' commissions	115,303	96,715	19.2
Betting commissions	459	9,457	(95.2)
Depreciation	1,582	972	62.7
Amortisation	20,157	5,086	196.3
Repairs and Maintenance Expenses	7,346	3,412	115.3
Third party expenses	9,350	28,857	(67.6)
Greek Football Federation & Greek Professional Leagues	1,585	1,881	(15.7)
Personnel costs	4,889	3,918	24.8
Other expenses	8,894	7,238	22.9
Bad debt provision	1,000	800	25.0
Retirement benefit costs	440	493	(10.7)
Total	1,060,701	913,163	16.2

OPAP's largest cost item relates to the payout to lottery and betting winners, which in Q1 2008 increased by 17.9% to €889.7m compared to the corresponding period of 2007. Payouts as a percentage of revenue amounted to 64.5% in Q1 2008 versus 65.5% in the corresponding period of 2007. In particular, the *Stihima* payout reached 62.7% in Q1 2008 of the game's revenue versus 65.0% in the corresponding quarter of 2007.

Average agents' commissions increased by 19.2% to €115.3m in Q1 2008 from €96.7m in the same period of 2007.

Depreciation expense increased to €1.6m in Q1 2008 from €1.0m for the same period of 2007, mainly due to the depreciation of the agents' terminals that are being gradually installed in the agencies since the fourth quarter of 2007.

Amortisation expense reached €20.2m in Q1 2008 from €5.1m in 2007 due to the change in the calculation methodology of amortization (increase by €14.3m) relating to the 6-month agreement pertaining to the transfer of know-how for *Stihima*. The related total amount will now be fully amortized by 31.12.2008 instead of 31.7.2010 .

Repairs and maintenance expenses reached €7.3m in Q1 2008 from €3.4m in Q1 2007, mainly reflecting increased expenses for the maintenance of part of the new terminals that are being gradually installed in the agencies since September 2007.

Third party expenses in Q1 2008 decreased to €9.4m from €28.9m for the corresponding period of 2007 mainly due to the change in the accounting treatment of the agreement for the transfer of know-how for *Stihima*.

Staff costs included in the cost of sales increased by 24.8% and reached €4.9m from €3.9m for the corresponding period of 2007, mainly due to personnel hiring at the Betting Division in March 2007. In Q1 2008 total staff costs increased by 10.3% to €12.4m from €11.3m in 2007, due to the same reason.

Other expenses, included in the cost of sales, increased to €8.9m in Q1 2008 from €7.2m in Q1 2007, reflecting mainly the increased costs of the in-house undertaking of *Stihima* (including coupon tickets, programme brochure, risk management software service, etc.).

Gross Profit

Gross profit in Q1 2008 increased by 34.0% to €318.9m from €238.1 in the corresponding period of 2007 with gross profit margin increasing to 23.1% from 20.7% in Q1 2007.

Distribution Costs

Distribution costs reached €31.7m in Q1 2008 compared to €38.3m in 2007, including sponsorships, grants and advertising costs which amounted to €29.9m from €35.4m in the corresponding period of 2007, while advertising costs decreased by 25%.

Administrative Expenses

Administrative expenses in Q1 2008 decreased by 7.8% to €10.5m from €11.4m in the corresponding period of 2007.

Profit from Operations

Profit from operations for the period rose to €277.0m from €189.0m for the corresponding period of 2007, up by 46.6%.

Tax Expenses

Tax expenses in Q1 2008 increased to €73.5m from €49.3m in the corresponding period of 2007, reflecting the rise in profitability.

Net Profit

Net profit in Q1 2008 rose by 45.4% to €208.5m from €143.4m in the corresponding period of 2007.

Cash Flows for Q1 of 2008 and 2007.

(€'.000)	Q1 2008	Q1 2007	Δ%
Cash Flow from Operating Activities	248,377	217,954	14.0
Cash Flow from Investing Activities	6,791	2,450	177.2
Cash Flow from Financing Activities	(23,733)	(2,482)	856.5

Cash Flow from Operating Activities

Cash flow from operating activities in Q1 2008 amounted to €248.4m from €218.0m in the corresponding period of 2007, increasing at a rate lower than that of operating profitability mainly attributed to: (i) payment of €25m for the financial aid provided to the victims of the forest fires, an expense recognized in Q4 2007 results (ii) increased inflows in Q1 2007 from the collection of receivables from our agents and Intralot.

Cash Flow from Investing Activities

Cash flow from investing activities in Q1 2008 amounted to inflows of €6.8m from €2.5m in the corresponding period of 2007, reflecting mainly higher interest income.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to outflows of €23.7m from €2.5m in the corresponding period of 2007 regarding mainly installment payments of financial leasing of July 31st 2007.

3. MAIN DEVELOPMENTS

Dividend Payment

Following the release of the relevant invitation, the Annual Ordinary General Assembly of OPAP S.A. will take place on June 11th, 2008. The proposed dividend for the fiscal year 2007 amounts to €1.74 per share (remaining dividend payment amounts to €1.14 per share). The ex-dividend date is June 17, 2008 while the payment start date is June 25, 2008.

Agreement with Agents Federation

Having concluded the negotiations with the Agents' Federation and reached an agreement in principle, completion of the final document is expected shortly. The signing of the relevant contracts is expected in the following months.

Operational reorganisation

The operational reorganisation plan has been finalized by the contracted consultant and is expected to be submitted to the Board of Directors in the following days. Implementation will commence immediately and is expected to be completed by the end of the year.

Implementation of Agreement with Intralot consortium

The Main Outlet Terminals have already been installed in the network and the completion of the agents' training is scheduled to conclude by the first week of June. The MOTs operation is expected by the end of Q2 2008.

Hellenic Republic's correspondence with the European Commission

On April 29, 2008, the Hellenic Republic responded to the European Commission's reasoned opinion, which requested the amendment of the legislation for gaming in Greece.

Note:

OPAP's S.A. "Financial Status and Results" for the First Quarter 2008 will be published in the following newspapers: Kathimerini, Ethnos, Eleftheros Typos, Kerdos and Naftemporiki on Tuesday May 27th, 2008 and will be available along with the "Interim Financial Statements based on IFRS" on the company's website: www.opap.gr and on the Athens Exchange website: www.ase.gr

ATTACHMENTS

- 1. Interim Income statement the three month period ended March 31, 2008 and 2007**
- 2. Interim Balance Sheet for the three month period ended March 31, 2008 and for the financial year ended December 31st, 2007**
- 3. Interim Cash flow Statement for the three month period ended March 31, 2008 and 2007**

1. INTERIM INCOME STATEMENT OF THE GROUP

For the three - month period that ended on March 31st, 2008 and 2007

(Amounts in thousand euro except earnings per share)

	GROUP		COMPANY	
	1.1-31.3.2008	1.1-31.3.2007	1.1-31.3.2008	1.1-31.3.2007
Revenues	1,379,617	1,151,255	1,338,939	1,121,855
Cost of sales	(1,060,701)	(913,163)	(1,026,098)	(888,263)
Gross profit	318,916	238,092	312,841	233,592
Other operating income	898	933	4,152	3,360
Distribution costs	(31,707)	(38,337)	(31,210)	(43,959)
Administrative expenses	(10,490)	(11,372)	(9,131)	(10,070)
Other operating expenses	(616)	(358)	(616)	(358)
Operating result	277,001	188,958	276,036	182,565
Financial result, net	5,000	3,727	4,014	3,535
Dividends from subsidiaries	-	-	2,558	2,587
Profit before tax	282,001	192,685	282,608	188,687
Income tax	(72,918)	(48,998)	(72,578)	(48,523)
Deferred tax	(551)	(272)	(548)	862
Profit after tax	208,532	143,415	209,482	141,026
Minority interest	(15)	(1)	-	-
Net profit attributable to the shareholders	208,517	143,414	209,482	141,026
Basic earnings per share	0.65	0.45	0.66	0.44

2. INTERIM BALANCE SHEET

As of March 31st, 2008 and December 31st, 2007

(Amounts in thousand euro)

	GROUP		COMPANY	
	31.3.2008	31.12.2007	31.3.2008	31.12.2007
ASSETS				
Current assets				
Cash and cash equivalents	724,295	492,860	636,662	404,825
Inventories	529	703	529	703
Trade receivables	35,858	36,839	38,233	38,213
Other current assets	<u>156,474</u>	<u>155,136</u>	<u>155,255</u>	<u>154,248</u>
Total current assets	917,156	685,538	830,679	597,989
Non - current assets				
Intangible assets	315,913	336,379	315,872	336,332
Tangible assets (for own use)	104,944	108,119	102,617	107,322
Investments in real estate	1,412	-	3,006	-
Goodwill	7,672	7,672	-	-
Investments in subsidiaries	-	-	35,627	35,627
Investments in associates	1,608	1,608	1,200	1,200
Other non - current assets	15,316	15,692	15,300	15,676
Deferred tax assets	<u>11,364</u>	<u>11,915</u>	<u>24,872</u>	<u>25,420</u>
Total non - current assets	458,229	481,385	498,494	521,577
TOTAL ASSETS	1,375,385	1,166,923	1,329,173	1,119,566
EQUITY & LIABILITIES				
Short - term liabilities				
Trade and other payables	128,487	125,749	132,414	130,370
Payables from financial leases	50,751	61,394	50,751	61,394
Tax liabilities	281,122	237,345	279,475	234,593
Accrued liabilities	<u>29,664</u>	<u>52,444</u>	<u>25,160</u>	<u>48,159</u>
Total short - term liabilities	490,024	476,932	487,800	474,516
Long - term liabilities				
Payables from financial leases	71,508	84,429	71,508	84,429
Employee benefit plans	21,183	21,566	21,183	21,566
Provisions	8,159	8,159	8,159	8,159
Other long-term liabilities	<u>6,901</u>	<u>6,756</u>	<u>6,776</u>	<u>6,631</u>
Total long - term liabilities	107,751	120,910	107,626	120,785
Equity				
Share capital	95,700	95,700	95,700	95,700
Reserves	43,700	43,700	43,060	43,060
Proposed dividends	363,660	363,660	363,660	363,660
Exchange differences	(11)	(8)	-	-
Retained earnings	<u>274,425</u>	<u>65,908</u>	<u>231,327</u>	<u>21,845</u>
Total equity	777,474	568,960	733,747	524,265
Minority interest	<u>136</u>	<u>121</u>	-	-
Total equity	777,610	569,081	733,747	524,265
TOTAL EQUITY & LIABILITIES	1,375,385	1,166,923	1,329,173	1,119,566

3. INTERIM CASH FLOW STATEMENT

For the three - month period that ended on March 31st, 2008 and 2007
(Amounts in thousand euro)

	GROUP		COMPANY	
	1.1-31.3.2008	1.1-31.3.2007	1.1-31.3.2008	1.1-31.3.2007
OPERATING ACTIVITIES				
Profit before tax	282,001	192,685	282,608	188,687
Adjustments for:				
Depreciation & Amortization	22,482	6,813	22,391	6,655
Financing result, net	(5,000)	(3,727)	(4,014)	(3,535)
Employee benefit plans	(383)	438	(383)	438
Provisions for bad debts	1,000	800	1,000	800
Other provisions	-	(142)	-	(142)
Exchange differences	(3)	(102)	-	-
Results from investing activities	156	(100)	156	(100)
Dividends from subsidiaries	-	-	(2,558)	(2,587)
Total	300,253	196,665	299,200	190,216
Changes in working capital:				
Increase (decrease) in inventories	174	(43)	174	(43)
Increase (decrease) in trade & other receivables	(985)	72,110	(1,627)	65,845
Increase (decrease) in payables (excluding banks)	(19,728)	(12,362)	(20,641)	(21,167)
Increase (decrease) in taxes payable	(4,696)	(5,788)	(3,352)	(5,631)
Minus:	275,018	250,582	273,754	229,220
Interest expenses	(1,690)	(18)	(1,686)	(13)
Income taxes paid	(24,951)	(32,610)	(24,878)	(32,585)
Cash flows from operating activities	248,377	217,954	247,190	196,622
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	1	-	-	-
Guarantees	(1)	(5)	(1)	(5)
Loans raised to personnel	303	(205)	303	(205)
Purchase of tangible assets	(158)	(1,070)	(136)	(956)
Purchase of intangible assets	(44)	(15)	(44)	(9)
Interest received	6,690	3,745	5,700	3,548
Dividends from subsidiaries	-	-	2,558	2,587
Cash flows used in investing activities	6,791	2,450	8,380	4,960
FINANCING ACTIVITIES				
Repayments of financial lease funds	(23,564)	(4)	(23,564)	(4)
Dividends paid	(169)	(2,478)	(169)	(2,478)
Cash flows used in financing activities	(23,733)	(2,482)	(23,733)	(2,482)
Net increase (decrease) in cash and cash equivalents	231,435	217,922	231,837	199,100
Cash and cash equivalents at the beginning of the period	492,860	384,126	404,825	324,044
Cash and cash equivalents in the end of the period	724,295	602,048	636,662	523,144