

## OPAP S.A.

### Interim Consolidated Financial Results for the Three Months ended March 31st, 2010

- **Revenue down 6.2% to €1,372.4m (Q1 2009: €1,462.7m)**
- **EBITDA down 11.8% to €261.8m (Q1 2009: €296.9m)**
- **Net profit down 10.9% to €192.2m (Q1 2009: €215.7m)**
- **Personnel costs down 8.6% to €12.8m (Q1 2009: €14.0m)**
- **Basic EPS decreased to €0.60 (Q1 2009: €0.68)**

**Athens, Greece – May 27, 2010 – OPAP (OPAr.AT)**, the leading gaming operator in Greece, announces its consolidated financial results for the period ended March 31<sup>st</sup>, 2010, prepared in accordance with International Financial Reporting Standards.

#### 1. OVERVIEW

(€ 'm)	Q1 2010	Q1 2009	Δ%
<b>Revenue</b>	1,372.4	1,462.7	(6.2)
<b>Gross Profit</b>	290.0	342.3	(15.3)
<b>EBITDA</b>	261.8	296.9	(11.8)
<b>EBITDA margin</b>	19.1%	20.3%	
<b>Net Profit</b>	192.2	215.7	(10.9)

OPAP's revenues for the first quarter of 2010 decreased by 6.2% versus the corresponding period in 2009, reaching €1,372.4m mainly due to lower Joker and Kino sales, partially netted off by Stihima's performance.

The Group's EBITDA reached €261.8m in Q1 2010 from €296.9m in Q1 2009, decreased by 11.8%. The EBITDA margin decreased to 19.1% from 20.3% in Q1 2009, despite the lower distribution costs, due to the higher Stihima payout.

The Group's Q1 2010 net profit decreased by 10.9% to €192.2m from €215.7m in the corresponding period of 2009.

Commenting on the Q1 2010 results, Mr. Ioannis Spanoudakis, OPAP's CEO, noted:

**"The first quarter results were in line with our expectations given the very challenging economic environment in which we operate. For the rest of the year we remain focused on our key initiatives:**

- a. **Improve the quality and competitiveness of our Stihima and KINO products**
- b. **Contain costs and improve efficiencies**

**At the same time, we are positioning OPAP to participate in the anticipated developments of the domestic gaming market."**

#### FINANCIAL REVIEW



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## Revenue per game for Q1 2010 and 2009

(€ '000)	Q1 2010	Q1 2009	Δ%
STIHIMA	559,223	527,379	6.0
PROPO	11,498	17,616	(34.7)
PROPO-GOAL	235	334	(29.6)
<b>TOTAL SPORTS BETTING</b>	<b>570,956</b>	<b>545,329</b>	<b>4.7</b>
% of Total Revenue	<b>41.6%</b>	<b>37.3%</b>	
KINO	675,293	760,104	(11.2)
JOKER	78,303	110,263	(29.0)
LOTTO	21,907	16,227	35.0
SUPER 3	11,686	13,332	(12.4)
PROTO	11,347	14,071	(19.4)
EXTRA 5	2,907	3,280	(11.4)
<b>TOTAL NUMERICAL GAMES</b>	<b>801,443</b>	<b>917,277</b>	<b>(12.6)</b>
% of Total Revenue	<b>58.4%</b>	<b>62.7%</b>	
<b>TOTAL REVENUES</b>	<b>1,372,399</b>	<b>1,462,606</b>	<b>(6.2)</b>

Total revenues decreased by 6.2% to €1,372.4m in Q1 2010 from €1,462.6m in Q1 2009 as a result of the continued adverse economic environment.

Sports betting revenues in Q1 2010 increased by 4.7%, driven by Stihima's stronger performance, (6% higher Stihima revenues in Q1 2010 vs. Q1 2009).

Revenues from numerical games decreased by 12.6% to €801.4m in Q1 2010, primarily due to lower KINO revenues, which reached €675.3m from €760.1m in Q1 2009.

## Cost of sales for Q1 2010 and 2009

(€'000)	Q1 2010	Q1 2009	Δ%
Prize payouts to lottery and betting winners	918,392	946,547	(3.0)
Agents' commissions	115,523	124,316	(7.1)
Betting commissions	333	408	(18.4)
Depreciation	3,112	3,165	(1.7)
Amortization	6,326	7,001	(9.6)
Repairs and Maintenance Expenses	12,502	11,159	12.0
Third party expenses	7,733	7,392	4.6
Greek Football Federation & Greek Professional Leagues	913	1,452	(37.1)
Personnel costs	6,509	4,918	32.4*
Other expenses	10,347	12,616	(18.0)
Bad debt provision	250	1,000	(75.0)
Retirement benefit costs	471	423	11.4
<b>Total</b>	<b>1,082,411</b>	<b>1,120,397</b>	<b>(3.4)</b>

\* Total personnel costs reached €12.8m from €14.0m, decreased by 8.6%. The personnel costs included in the cost of sales contain €2.8m as a result of the reorganization of the group. This amount, the respective period of 2009, was included in the administrative expenses which this year are decreased by €4.4m.



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Total cost of sales decreased in Q1 2010 by 3.4%, reaching €1,082.4m from €1,120.4m in Q1 2009.

Payout to lottery and sports betting winners in Q1 2010 reached €918.4m from €946.5m in Q1 2009. This payout corresponds to 66.9% of total revenues versus 64.7% last year. In particular, Stihima's payout in Q1 2010 reached 69.9% compared to 64.1% in Q1 2009.

Total agents' commissions reached 8.4% of total gaming revenues equal to €115.5m in Q1 2010 from €124.3m in Q1 2009, lower by 7.1%

## **Gross Profit**

Gross profit in Q1 2010 decreased by 15.3% to €290.0m from €342.3m in Q1 2009, while gross profit margin decreased to 21.1% from 23.4% in Q1 2009.

## **Distribution Costs**

Distribution costs in Q1 2010, amounted to €32.8m from €44.5m in the corresponding period of 2009. Out of the total distribution costs for the period, €31.0m relates to sponsorships, grants and advertising costs versus €42.9m in Q1 2009.

## **Administrative Expenses**

Administrative expenses in Q1 2010 decreased by 36.2% to €7.8m from €12.2m in Q1 2009, in line with the Group's strategy of streamlining expenses.

## **Profit from Operations**

Profit from operations in Q1 2010 reached €251.9m compared to €285.9m in the corresponding period of 2009, decreased by 11.9%.

## **Net Profit**

Net Profit for Q1 2010 reached €192.2m, reflecting a 24% tax rate, compared to €215.7m in Q1 2009, decreased by 10.9%.

## **Cash Flows for Q1 of 2010 and 2009**

(€'.000)	Q1 2010	Q1 2009	Δ%
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	39,514	248,726	(84.1)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	(4,978)	9,154	na
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	(13,909)	(14,500)	(4.1)

### **Cash Flow from Operating Activities**

Cash flow from operating activities in Q1 2010 amounted to €39.5m from €248.7m in the corresponding period in 2009, decreased by 84.1% as a result of decreased profits for the quarter and the €98m extraordinary tax paid in January 2010.

### **Cash Flow from Investing Activities**

Cash flow from investing activities in Q1 2010 amounted to a net outflow of €14.1m, due to less interest income of €5.7m (€3.9m in Q1 2010 vs €9.6m in Q1 2009) and a cash outflow of €8.6m for the acquisition of financial assets.



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## Cash Flow from Financing Activities

Cash flow from financing activities amounted to an outflow of €13.9m versus €14.5m in Q1 2009, mainly reflecting the instalment payments for the financial lease contract maturing on July 31, 2010.

## 2. MAIN DEVELOPMENTS

### AGM

On March 22, 2010, the Board of Directors of OPAP, in the context of the dividend policy followed in the recent years, as well as the extraordinary tax imposed to all large Greek corporations, resolved upon the distribution to the shareholders of a gross dividend of €1.75 per share for the fiscal year 2009 compared to €2.20 per share for the fiscal year 2008, totalling to €558.3m compared to €701.8m in 2008. Excluding the gross interim dividend of €0.65 per share already paid on December 24, 2009, the remaining gross dividend payment to the shareholders amounts to €1.10 per share, or €350.9m. It is reminded that the €1.10 per share amount is subject to a 10% withholding tax, according to the provisions of Article 18, of Law 3697/2008. Subject to AGM approval, the ex-dividend date will be on Wednesday 16 June, 2010 and the dividend payment date will be Thursday, June 24, 2010.

The Annual General Shareholders Meeting is scheduled for June 14, 2010.

### Tax on Players' Winnings

According to the new tax bill effective May 1<sup>st</sup>, players' winnings for all games will be taxed as follows:

- Winnings of up to €100 are tax-free
- Winnings of up to €1,000 are taxed at 10%, post tax-free allowance
- All amounts higher than €1,000 are taxed at 15%, post tax-free allowance

### Corporate Tax

According to the new tax bill, retained earnings for 2010 are taxed at 24%, while profits held for distribution will carry an overall 40% tax rate, replacing the 10% withholding tax.

### Extraordinary Tax

On May 6<sup>th</sup> 2010, the Government introduced a new extraordinary tax to be applied for three consecutive years (2010-2011-2012) of 10% on profits of all highly profitable companies.



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## Conference Call Invitation

### **FIRST QUARTER 2010 RESULTS CONFERENCE CALL**

**Friday, May 28<sup>th</sup> 2010**

**17:00 PM (Athens) / 15:00 PM (London) / 10:00 AM (New York)**

#### **DIAL-IN NUMBERS:**

*UK participants please dial*

**+44 (0) 800 376 9250**

*Greek participants please dial*

**+30 211 180 2000**

*US participants please dial*

**+1 866 288 9315**

#### **Note:**

OPAP's S.A. "Financial Status and Results" for the period 01.01.2010 to 31.03.2010 will be published in the following newspapers: Naftemporiki, Imerisia, Ta Nea, Apogevoymatini, on Friday, May 28<sup>th</sup> 2010 and will be available on the company's website: [www.opap.gr](http://www.opap.gr) and on the Athens Exchange website: [www.ase.gr](http://www.ase.gr)



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## **ATTACHMENTS**

- 1. Condensed Consolidated Statement of Comprehensive Income For the three-month period that ended on March 31<sup>st</sup>, 2010 and 2009**
- 2. Condensed Statement of Financial Position As of March 31<sup>st</sup>, 2010 and December 31<sup>st</sup>, 2009**
- 3. Cash Flow Statement For the three-month period that ended on March 31<sup>st</sup>, 2010 and 2009**



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## 1. Condensed Consolidated Statement of Comprehensive Income

For the three-month period that ended on March 31<sup>st</sup>, 2010 and 2009

(Amounts in thousand euro except earnings per share)

	GROUP		COMPANY	
	1.1-31.3.2010	1.1-31.3.2009	1.1-31.3.2010	1.1-31.3.2009
Revenues	1,372,399	1,462,695	1,321,824	1,402,183
Cost of sales	(1,082,411)	(1,120,397)	(1,038,973)	(1,069,699)
<b>Gross profit</b>	<b>289,988</b>	<b>342,298</b>	<b>282,851</b>	<b>332,484</b>
Other operating income	2,521	322	7,265	5,700
Distribution costs	(32,801)	(44,474)	(32,290)	(43,613)
Administrative expenses	(7,753)	(12,154)	(7,872)	(10,578)
Other operating expenses	(57)	(118)	(49)	(110)
<b>Operating result</b>	<b>251,898</b>	<b>285,874</b>	<b>249,905</b>	<b>283,883</b>
Gain / (Loss) from associates	(182)	-	-	-
Gain / (Loss) from sales of non-current assets	(18)	-	(18)	-
Financial result, net	3,608	8,665	2,927	7,807
<b>Profit before tax</b>	<b>255,306</b>	<b>294,539</b>	<b>252,814</b>	<b>291,690</b>
Income tax	(60,167)	(74,564)	(59,806)	(74,230)
Deferred tax	(2,949)	(4,266)	(2,960)	(4,809)
<b>Profit after tax</b>	<b>192,190</b>	<b>215,709</b>	<b>190,048</b>	<b>212,651</b>
Parent company shareholders	192,190	215,709	190,048	212,651
Minority interest	-	-	-	-
<b>Other income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exchange differences from the conversion of business activities abroad	-	-	-	-
<b>Other income after tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income after tax</b>	<b>192,190</b>	<b>215,709</b>	<b>190,048</b>	<b>212,651</b>
Parent company shareholders	192,190	215,709	190,048	212,651
Minority interest	-	-	-	-
<b>Basic earnings per share</b>	<b>0.6025</b>	<b>0.6762</b>	<b>0.5958</b>	<b>0.6666</b>

## 2. Condensed Statement of Financial Position

As of March 31<sup>st</sup>, 2010 and December 31<sup>st</sup>, 2009

(Amounts in thousand euro)

	GROUP		COMPANY	
	31.3.2010	31.12.2009	31.3.2010	31.12.2009
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	720,214	699,587	619,570	598,942
Financial assets held to maturity	8,625	-	8,625	-
Inventories	966	1,166	792	1,080
Trade receivables	65,157	35,509	67,408	38,979
Other current assets	196,565	194,098	195,901	193,455
<b>Total current assets</b>	<b>991,527</b>	<b>930,360</b>	<b>892,296</b>	<b>832,456</b>
<b>Non - current assets</b>				
Intangible assets	218,770	224,870	218,758	224,857
Tangible assets (for own use)	82,453	85,637	80,263	83,355
Investment property	1,278	1,295	2,718	2,754
Goodwill	8,435	8,435	-	-
Investments in subsidiaries	-	-	36,527	36,527
Investments in associates	12,756	12,938	1,200	1,200
Long – term receivables	3,368	3,368	3,368	3,368
Other non - current assets	14,335	14,558	14,326	14,549
Deferred tax assets	18,371	21,320	31,160	34,120
<b>Total non - current assets</b>	<b>359,766</b>	<b>372,421</b>	<b>388,320</b>	<b>400,730</b>
<b>TOTAL ASSETS</b>	<b>1,351,293</b>	<b>1,302,781</b>	<b>1,280,616</b>	<b>1,233,186</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short - term liabilities</b>				
Trade payables	146,881	145,341	141,288	139,154
Payables from financial leases	18,641	32,411	18,641	32,411
Tax liabilities	267,583	397,554	265,580	395,577
Accrued and other liabilities	28,185	32,395	27,132	30,755
<b>Total short - term liabilities</b>	<b>461,290</b>	<b>607,701</b>	<b>452,641</b>	<b>597,897</b>
<b>Long - term liabilities</b>				
Payables from financial leases	-	8	-	8
Employee benefit plans	23,857	23,514	23,636	23,338
Provisions	47,340	45,290	46,090	44,090
Other long-term liabilities	8,204	7,856	8,020	7,672
<b>Total long - term liabilities</b>	<b>79,401</b>	<b>76,668</b>	<b>77,746</b>	<b>75,108</b>
<b>Equity</b>				
Share capital	95,700	95,700	95,700	95,700
Reserves	43,809	43,809	43,060	43,060
Exchange differences	(23)	(23)	-	-
Retained earnings	671,116	478,926	611,469	421,421
<b>Total equity</b>	<b>810,602</b>	<b>618,412</b>	<b>750,229</b>	<b>560,181</b>
Minority interest	-	-	-	-
<b>Total equity</b>	<b>810,602</b>	<b>618,412</b>	<b>750,229</b>	<b>560,181</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,351,293</b>	<b>1,302,781</b>	<b>1,280,616</b>	<b>1,233,186</b>



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## 3. Cash Flow Statement

For the three-month period that ended on March 31<sup>st</sup>, 2010 and 2009  
(Amounts in thousand euro)

	GROUP		COMPANY	
	1.1-31.3.2010	1.1-31.3.2009	1.1-31.3.2010	1.1-31.3.2009
<b>OPERATING ACTIVITIES</b>				
Profit before tax	255,306	294,539	252,814	291,690
<b>Adjustments for:</b>				
Depreciation & amortization	9,851	10,987	9,792	10,913
Financial result, net	(3,508)	(8,665)	(2,827)	(7,807)
Employee benefit plans	343	643	298	643
Provisions for bad debts	250	1,000	250	1,000
Other provisions	-	2,015	-	2,000
Exchange differences	(100)	58	(100)	58
Loss / (income) from associates	182	-	-	-
Results from investing activities	25	217	18	212
Dividends from subsidiaries	-	-	-	-
<b>Total</b>	<b>262,349</b>	<b>300,794</b>	<b>260,245</b>	<b>298,709</b>
<b>Changes in working capital</b>				
(Increase) decrease in inventories	200	(86)	288	(86)
(Increase) decrease in trade & other receivables	(32,193)	6,410	(30,954)	21,228
Increase (decrease) in payables (excluding banks)	(2,191)	4,294	(1,010)	1,454
Increase (decrease) in taxes payables	(149,083)	(36,474)	(148,830)	(36,654)
	<b>79,082</b>	<b>274,938</b>	<b>79,739</b>	<b>284,651</b>
Interest expenses	(403)	(1,035)	(383)	(1,015)
Income taxes paid	(39,165)	(25,177)	(39,133)	(25,157)
<b>Cash flows from operating activities</b>	<b>39,514</b>	<b>248,726</b>	<b>40,223</b>	<b>258,479</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sales of tangible & intangible assets	25	-	2	-
Loans raised to personnel	311	(24)	311	(24)
Acquisition of financial assets	(8,625)	-	(8,625)	-
Purchase of tangible assets	(192)	(463)	(179)	(105)
Purchase of intangible assets	(408)	(1)	(405)	-
Interest received	3,911	9,642	3,210	8,764
Dividends from subsidiaries	-	-	-	-
<b>Cash flows used in investing activities</b>	<b>(4,978)</b>	<b>9,154</b>	<b>(5,686)</b>	<b>8,635</b>
<b>FINANCING ACTIVITIES</b>				
Repayments of financial lease funds	(13,778)	(13,127)	(13,778)	(13,127)
Dividends paid	(131)	(1,373)	(131)	(1,373)
<b>Cash flows used in financing activities</b>	<b>(13,909)</b>	<b>(14,500)</b>	<b>(13,909)</b>	<b>(14,500)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,627</b>	<b>243,380</b>	<b>20,628</b>	<b>252,614</b>
Cash and cash equivalents at the beginning of the period	699,587	706,388	598,942	603,509
<b>Cash and cash equivalents in the end of the period</b>	<b>720,214</b>	<b>949,768</b>	<b>619,570</b>	<b>856,123</b>