

OPAP S.A. Consolidated Financial Results for the Six Month period ended June 30th, 2011

ATHENS, Greece – August 25, 2011 – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, announces its consolidated financial results for the six month period ended June 30th, 2011, prepared in accordance with International Financial Reporting Standards (IFRS):

- Revenues down 20.1% to €2,191.4m (2010: €2,744.0m) primarily driven by the macroeconomic environment and the World cup event in Q2 2010
- EBITDA margins largely resilient (16.8% versus 17.3%) with EBITDA down 22.6% at €368.1m
- Net Profit up 8.7% to €273.7m (2010: €251.9m) and 20.8% lower compared to H1 2010 adjusted Net Profit of €345.7m due to the extraordinary tax charge of €93.8m in H1 2010
- Earnings per share at €0.86 (2010: €0.79)

Commenting on the H1 2011 results, Mr. Ioannis Spanoudakis, OPAP's Chairman & CEO, noted:

“On the background of a particularly challenging macroeconomic environment, OPAP demonstrated significant operating resilience during the first half of 2011. We continued to rigorously manage our cost base and maintain our operating margins. At the same time we successfully rolled out new-fixed odds products, such as the Monitor Games.

The recent endorsement of the new Greek Gaming Law by the Parliament in August provides us with a much needed visibility for the gaming business environment over the coming years. OPAP is uniquely positioned to take advantage of a broad array of opportunities in new market segments, such as VLTs, instant tickets & lotteries and online gaming.

Our unique distribution network, coupled with a strong understanding of the gaming markets, our robust balance sheet and the sound capital structure, will enable OPAP to position itself versus these strategic opportunities and pursue those that maximise value for our shareholders.”

1. OVERVIEW

(€ 'm)	Q2 2011	Q2 2010	Δ%	H1 2011	H1 2010	Δ%
Revenues	1,069.9	1,371.6	(22.0)	2,191.4	2,744.0	(20.1)
EBITDA	154.0	213.9	(28.0)	368.1	475.6	(22.6)
EBITDA margin	14.4%	15.6%		16.8%	17.3%	
Net profit	106.9	59.7	79.0	273.7	251.9	8.7
Adj. Net profit	106.9	153.5	(30.4)	273.7	345.7	(20.8)

The Group's revenues for H1 2011 decreased by 20.1% to €2,191.4m versus €2,744.0 in H1 2010, mainly due to the economic downturn. Revenues for Q2 2011, stood at €1,069.9m (down 22.0%) compared to Q2 2010 figures, which included the incremental turnover pertaining to the World Cup in June 2010.

EBITDA reached €368.1m in H1 2011 from €475.6m in H1 2010, decreased by 22.6%, driven by reduced revenues, which were partially offset by effective cost management of distribution and administration expenses as well as lower Stihima payout. EBITDA for Q2 2011 reached €154.0m, down 28.0% also affected by higher provisions and network costs.

Net profit for H1 2011 increased by 8.7% to €273.7m versus the reported figure of €251.9m in H1 2010. It is worth noting that the 2010 figure included the extraordinary tax charge of €93.8m in Q2 2010. Net profit for Q2 2011 reached €106.9m also due to increased deferred taxation.

2. FINANCIAL REVIEW

Revenue per game for Q2 and H1 2011 & 2010						
(€ '000)	Q2 2011	Q2 2010	Δ%	H1 2011	H1 2010	Δ%
STIHIMA	362,513	564,183	(35.8)	792,593	1,123,406	(29.5)
PROPO	5,012	5,092	(1.6)	13,218	16,590	(20.3)
PROPO-GOAL	223	150	48.6	417	385	8.5
MONITOR GAMES	61,001	-		61,696	-	
GO LUCKY	6,617	-		6,893	-	
TOTAL SPORTS BETTING	435,366	569,425	(23.5)	874,817	1,140,381	(23.3)
% total revenues	40.7	41.5		39.9	41.6	
KINO	545,271	651,612	(16.3)	1,126,979	1,326,905	(15.1)
JOKER	49,554	111,827	(55.7)	113,700	190,130	(40.2)
LOTTO	20,635	14,190	45.4	37,006	36,097	2.5
Super 3	9,100	10,608	(14.2)	18,117	22,294	(18.7)
PROTO	7,425	11,202	(33.7)	15,577	22,549	(30.9)
Extra 5	2,584	2,775	(6.9)	5,187	5,682	(8.7)
TOTAL NUMERICAL GAMES	634,569	802,214	(20.9)	1,316,566	1,603,657	(17.9)
% total revenues	59.3	58.5		60.1	58.4	
TOTAL REVENUES	1,069,935	1,371,639	(22.0)	2,191,383	2,744,038	(20.1)

Total sports betting revenues decreased by 23.3% to €874.8m in H1 2011 from €1,140.4m in H1 2010. Q2 2011 sports betting revenues decreased by 23.5% y-o-y, considering the lack of the World Cup related turnover in Q2 2011. The recently introduced Monitor & Go lucky games demonstrated robust performance, generating revenues of €67.6m in Q2 2011.

Revenues from numerical games decreased by 17.9% to €1,316.6m in H1 2011, primarily due to a reduction in KINO and JOKER revenues of 15.1%, and 40.2% respectively. KINO revenues in Q2 2011 decreased by 16.3% mainly due to the lower walk-in in OPAP shops compared to the World Cup period. JOKER revenues in Q2 2011 amounted to €49.6m (down 55.7%), due to the lack of favourable jackpots compared to the same period last year.

Cost of Sales for Q2 and H1 2011 & 2010						
(€ '000)	Q2 2011	Q2 2010	Δ%	H1 2011	H1 2010	Δ%
Prize payouts to lottery and betting winners	750,292	965,871	(22.3)	1,491,904	1,884,263	(20.8)
Agents' commissions	89,624	116,357	(23.0)	184,006	231,880	(20.7)
Rest cost of sales	53,730	50,678	6.0	96,492	99,174	(2.7)
Total cost of sales	893,646	1,132,906	(21.1)	1,772,402	2,215,317	(20.0)

Total cost of sales in H1 2011 reached €1,772.4m from €2,215.3m in H1 2010 decreased by 20.0% in line with revenues' decline.

Payout to lottery and sports betting winners in H1 2011 reached €1,491.9m from €1,884.3m in H1 2010, reduced by 20.8%. This payout corresponds to 68.1% of total revenues versus 68.7% in H1 2010. Stihima's payout in H1 2011 decreased to 70.8% compared to 73.5% in H1 2010. Payout of KINO and JOKER stood at 69.7% and 47.2% respectively versus 69.3% and 46.0% in H1 2010. Stihima's payout in Q2 2011 reached 77.3% vs. 77.1% in Q2 2010.

Distribution costs for Q2 and H1 2011 & 2010						
(€ '000)	Q2 2011	Q2 2010	Δ%	H1 2011	H1 2010	Δ%
Advertisement	6,352	9,110	(30.3)	12,293	15,888	(22.6)
Donations-Grants	1,061	1,530	(30.6)	3,514	2,434	44.4
Sponsorship	14,521	12,368	17.4	35,246	35,779	(1.5)
Subtotal	21,934	23,008	(4.7)	51,053	54,101	(5.6)
Remaining distribution cost	1,878	1,911	(1.7)	3,634	3,619	0.4
Total	23,812	24,919	(4.4)	54,687	57,720	(5.3)

Total distribution costs in H1 2011 decreased by 5.3% to €54.7m, versus €57.7m in H1 2010. Distribution expenses in Q2 2011 dropped by 4.4% at €23.8m, on the back of a 30.3% reduction in advertising costs for the quarter.

Administrative costs for Q2 and H1 2011 & 2010						
(€ '000)	Q2 2011	Q2 2010	Δ%	H1 2011	H1 2010	Δ%
Total	6,945	8,310	(16.4)	14,798	16,063	(7.9)

Administrative expenses in H1 2011 dropped to €14.8m from €16.1m in H1 2011 (down 7.9%) due to initiatives realized in Q2 2011.

Cash Flows for H1 2011 & 2010			
(€',000)	H1 2011	H1 2010	Δ%
Cash Flow from Operating Activities	215,146	271,270	(20.7)
Cash Flow from Investing Activities	11,429	1,665	-
Cash Flow from Financing Activities	(276,934)	(378,484)	(26.8)

Cash Flow from Operating Activities

Cash flow from operating activities in H1 2011 decreased by 20.7% amounting to €215.1m from €271.3m in the corresponding period in 2010, primarily due to lower EBITDA by 22.6% partly offset by lower taxation and working capital needs.

Cash Flow from Investing Activities

Cash flow from investing activities in H1 2011 reached €11.4m versus €1.7m in H1 2010, mainly reflecting higher interest income of €13.2m (H1 2010 at €10.8m).

Cash Flow from Financing Activities

Cash outflows from financing activities in H1 2011 decreased to €276.9m versus €378.5m in H1 2010.

As a result, cash & cash equivalents of the Group stood at €607.1m.



3. MAIN DEVELOPMENTS

Dividend Payment

The Annual Ordinary General Meeting held on May 11th, 2011, approved the distribution of a total dividend of €1.54 per share (total consideration of €491.26m) for the fiscal year 2010, subject to 21% withholding taxation pertaining to L.3943/2011.

Memorandum of Cooperation with Intralot

On July 30th 2011, OPAP exercised its option for a one-year extension of the contract with Intralot regarding the operation and maintenance of the existing central system and terminals, which had expired on July 29th, 2011.

Moreover, the two Companies have signed a Memorandum of Cooperation for the maintenance of OPAP's terminals and other agencies' equipment. The Memorandum also ensures the operation continuation and compatibility of the agencies' equipment with any new central system, and will be valid as the expiration of the abovementioned contract.

The annual fee was agreed at €23m per year, thereafter reduced by €1m annually should the duration of the agreement be prolonged for a period longer than two years and up to five years.

New gaming framework

The new gaming regulatory framework was enacted on August 22nd, 2011 through L.4002/2011.

The law provides for the award of the only license for 35,000 VLTs to OPAP, out of which 16,500 to be operated by OPAP and 18,500 to be subcontracted to third parties.

Additionally, the law provides for the regulation of the online gaming market through the award of licenses to third parties. As the clear leader in the Greek Gaming sector, OPAP is keen to enter this segment of the market.

Conference Call Invitation

First Half 2011 Financial Results

Friday August 26th, 2011

4:00pm (Athens) / 2:00pm (London) / 9:00am (New York)

DIAL IN NUMBERS:

UK participants please dial

+44 (0) 800 376 9250

US participants please dial

+1 866 288 9315

Greek participants and other countries please dial

+30 211 180 2000

Note:

On Friday, August 26th, 2011, OPAP S.A, "Financial Status and Results" for the First Half 2011 will be published at "Kathimerini" and "Naftemporiki" daily newspapers and also will be available on the company's website: www.opap.gr as well as the Athens Exchange website: www.ase.gr on Thursday, August 25th, 2011.

ATTACHMENTS

1. Condensed Interim Consolidated Statement of Comprehensive Income first half and second quarter of 2011
2. Condensed Interim Statement of Comprehensive Income first half and second quarter 2011 of OPAP S.A.
3. Condensed Interim Statement of Financial Position
4. Condensed Interim Cash Flow Statement

1. Condensed Interim Consolidated Statement of Comprehensive Income first half and second quarter of 2011

For the first semester that ended on 30 June 2011 and 2010

(Amounts in thousand euro except earnings per share)

		2011		2010	
	Notes	1.1-30.6.2011	1.4-30.6.2011	1.1-30.6.2010	1.4-30.6.2010
Revenues	6.9	2,191,383	1,069,935	2,744,038	1,371,639
Payouts to the lottery and betting winners	6.13.1	(1,491,904)	(750,292)	(1,884,263)	(965,871)
Net revenues		699,479	319,643	859,775	405,768
Cost of sales	6.13.1	(280,498)	(143,354)	(331,054)	(167,035)
Gross profit		418,981	176,289	528,721	238,733
Other operating income		5,516	5,220	2,956	435
Distribution costs	6.13.2	(54,687)	(23,812)	(57,720)	(24,919)
Administrative expenses	6.13.3	(14,798)	(6,945)	(16,063)	(8,310)
Other operating expenses		(7,593)	(7,403)	(2,091)	(2,034)
Operating result		347,419	143,349	455,803	203,905
Gain / (Loss) from associates		(65)	152	(600)	(418)
Gain / (Loss) from sales of non-current assets		27	5	(18)	-
Financial income		13,802	7,465	11,549	7,537
Financial expenses		(1,195)	(663)	(1,770)	(1,366)
Profit before tax		359,988	150,308	464,964	209,658
Current income tax	6.14	(77,811)	(35,257)	(208,020)	(147,853)
Deferred tax	6.14	(8,475)	(8,200)	(5,065)	(2,116)
Profit after tax		273,702	106,851	251,879	59,689
Parent company shareholders		273,702	106,851	251,879	59,689
Total income after tax		273,702	106,851	251,879	59,689
Parent company shareholders		273,702	106,851	251,879	59,689
Basic earnings per share	6.18	0.8580	0.3350	0.7896	0.1871

The attached notes on pages 21 to 37 form an integral part of Condensed Interim Financial Statements

2. Condensed Interim Statement of Comprehensive Income first half and second quarter 2011 of OPAP S.A.

For the first semester that ended on 30 June 2011 and 2010
(Amounts in thousand euro except earnings per share)

		2011		2010	
	Notes	1.1-30.6.2011	1.4-30.6.2011	1.1-30.6.2010	1.4-30.6.2010
Revenues	6.9	2,096,553	1,024,390	2,637,926	1,316,102
Payouts to the lottery and betting winners	6.13.1	(1,429,723)	(720,110)	(1,816,158)	(930,320)
Net revenues		666,830	304,280	821,768	385,782
Cost of sales	6.13.1	(259,905)	(133,355)	(307,539)	(154,404)
Gross profit		406,925	170,925	514,229	231,378
Other operating income		14,548	9,615	12,882	5,617
Distribution costs	6.13.2	(53,818)	(23,583)	(56,783)	(24,493)
Administrative expenses	6.13.3	(15,937)	(7,964)	(16,667)	(8,795)
Other operating expenses		(7,590)	(7,401)	(2,034)	(1,985)
Operating result		344,128	141,592	451,627	201,722
Gain / (Loss) from sales of non-current assets		-	-	(18)	-
Financial income		11,837	6,408	9,925	6,614
Financial expenses		(1,014)	(532)	(1,672)	(1,288)
Dividends from subsidiaries		4,000	4,000	10,000	10,000
Profit before tax		358,951	151,468	469,862	217,048
Current income tax	6.14	(76,791)	(34,675)	(207,186)	(147,380)
Deferred tax	6.14	(6,873)	(6,490)	(5,099)	(2,139)
Profit after tax		275,287	110,303	257,577	67,529
Parent company shareholders		275,287	110,303	257,577	67,529
Total income after tax		275,287	110,303	257,577	67,529
Parent company shareholders		275,287	110,303	257,577	67,529
Basic earnings per share	6.18	0.8630	0.3458	0.8075	0.2117

The attached notes on pages 21 to 37 form an integral part of Condensed Interim Financial Statements

3. Condensed Interim Statement of Financial Position

As of 30 June 2011 and 31 December 2010

(Amounts in thousand euro)

		GROUP		COMPANY	
	Notes	30.6.2011	31.12.2010	30.6.2011	31.12.2010
ASSETS					
Current assets					
Cash and cash equivalents	6.11	607,129	657,488	523,508	557,531
Financial assets held to maturity		3,494	8,471	3,494	8,471
Inventories		664	428	-	-
Trade receivables		22,798	44,553	26,339	46,792
Other current assets		178,994	180,882	179,706	178,189
Total current assets		813,079	891,822	733,047	790,983
Non - current assets					
Intangible assets		187,177	200,119	187,167	200,104
Tangible assets (for own use)		86,262	86,982	79,451	81,067
Investments in real estate		1,193	1,227	2,539	2,611
Goodwill		8,435	8,435	-	-
Investments in subsidiaries		-	-	36,527	36,527
Investments in associates		8,774	8,839	1,200	1,200
Long – term receivables		1,432	1,258	1,432	1,258
Other non - current assets		13,150	13,376	67,008	67,500
Deferred tax assets	6.14	147	8,622	-	6,245
Total non - current assets		306,570	328,858	375,324	396,512
TOTAL ASSETS		1,119,649	1,220,680	1,108,371	1,187,495
EQUITY & LIABILITIES					
Short - term liabilities					
Trade payables		69,375	94,550	78,353	83,509
Payables from financial leases		331	316	11	8
Tax liabilities		304,332	305,978	301,344	302,980
Accrued and other liabilities		34,426	46,752	31,458	44,160
Total short - term liabilities		408,464	447,596	411,166	430,657
Long - term liabilities					
Payables from financial leases		1,010	1,131	42	-
Deferred tax liabilities		-	-	628	-
Employee benefit plans		24,038	22,698	23,607	22,339
Provisions		52,241	44,459	51,042	43,310
Other long-term liabilities		8,140	8,222	7,976	8,046
Total long - term liabilities		85,429	76,510	83,295	73,695
Equity					
Share capital		95,700	95,700	95,700	95,700
Reserves		43,827	43,827	43,060	43,060
Retained earnings		486,229	557,047	475,150	544,383
Total equity		625,756	696,574	613,910	683,143
Minority interest		-	-	-	-
Total equity		625,756	696,574	613,910	683,143
TOTAL EQUITY & LIABILITIES		1,119,649	1,220,680	1,108,371	1,187,495

The attached notes on pages 21 to 37 form an integral part of Condensed Interim Financial Statements

4. Condensed Interim Cash Flow Statement

For the first semester that ended on 30 June 2011 and 2010

(Amounts in thousand euro)

	GROUP		COMPANY	
	2011	2010	2011	2010
OPERATING ACTIVITIES				
Profit before tax	359,988	464,964	358,951	469,862
Adjustments for:				
Depreciation & Amortization	20,715	19,828	20,281	19,569
Financial results	(12,710)	(9,561)	(14,927)	(18,028)
Employee benefit plans	934	2,162	872	2,070
Provisions for bad debts	2,000	500	2,000	500
Other provisions	3,732	1,889	3,732	1,840
Exchange differences	103	(225)	103	(225)
(Profit) / Loss from related companies	65	600	-	-
Results from investing activities	(28)	24	-	18
Total	374,799	480,181	371,012	475,606
Changes in working capital				
(Increase) decrease in inventories	(235)	(122)	-	56
(Increase) decrease in receivables	22,622	(26,223)	21,721	(22,523)
Increase (decrease) in payables (excluding banks)	(38,269)	(5,901)	(18,153)	(11,212)
Increase (decrease) in taxes payable	(120,712)	(112,353)	(119,861)	(112,297)
	238,205	335,582	254,719	329,630
Interest expenses	(13)	(660)	(6)	(571)
Income taxes paid	(23,046)	(63,652)	(22,917)	(63,402)
Cash flows from operating activities	215,146	271,270	231,796	265,657
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	79	24	-	-
Acquisition of financial assets	-	(8,427)	-	(8,427)
Proceeds from maturity of financial assets	5,213	-	5,213	-
Purchase of tangible assets	(6,983)	(357)	(5,567)	(325)
Purchase of intangible assets	(54)	(422)	(53)	(406)
Interest received	13,174	10,847	11,315	9,225
Dividends paid	-	-	-	10,000
Cash flows used in investing activities	11,429	1,665	10,908	10,067
FINANCING ACTIVITIES				
Payments of financial lease interests	(57)	-	-	-
Payments of financial lease capital	(160)	(27,831)	(10)	(27,723)
Dividends paid	(276,717)	(350,653)	(276,717)	(350,653)
Cash flows used in financing activities	(276,934)	(378,484)	(276,727)	(378,376)
Net increase (decrease) in cash and cash equivalents	(50,359)	(105,549)	(34,023)	(102,652)
Cash and cash equivalents at the beginning of the period	657,488	699,587	557,531	598,942
Cash and cash equivalents in the end of the period	607,129	594,038	523,508	496,290