

## OPAP S.A. Consolidated Financial Results for the Six Month period ended June 30<sup>th</sup>, 2012

### OPAP reports solid 18% growth on a net profit level in Q2 2012

**ATHENS, Greece – August 23, 2012 – OPAP S.A. (OPAr.AT)**, the leading gaming operator in Greece, announces its consolidated financial results for the six month period ended June 30<sup>th</sup>, 2012, prepared in accordance with International Financial Reporting Standards (IFRS).

- Revenues down 6.2% to €2,054.8m (2011: €2,191.4m), demonstrating enduring resilience compared to the harsh macroeconomic environment
- Untouched EBITDA margins at 16.8% whereby the EBITDA is 6.4% lower, coming in at €344.6m (2011: €368.1m). Q2 2012 EBITDA increased by 4.1% to €160.2m
- Distribution cost down by 2.5% at €53.3m (2011: €54.7m)
- Net Profit down 5.7% to €258.0m (2011: €273.7m), exhibiting an improvement versus the revenue decline. Net profit in Q2 2012 increased by a significant 18.0% to €126.1m
- Earnings per share at €0.81 (2011: €0.86)
- Cash position of €306.0m

#### 1. OVERVIEW

(€ 'm)	Q2 2012	Q2 2011	Δ%	H1 2012	H1 2011	Δ%
Revenues	989.6	1,069.9	(7.5)	2,054.8	2,191.4	(6.2)
GGR (Gross Gaming Revenue)	309.2	319.6	(3.3)	658.5	699.5	(5.9)
EBITDA	160.2	154.0	4.1	344.6	368.1	(6.4)
Payout (%)	68.8%	70.1%		68.0%	68.1%	
EBITDA margin (on revenues)	16.2%	14.4%		16.8%	16.8%	
EBITDA margin (on GGR)	51.8%	48.2%		52.3%	52.6%	
Net profit	126.1	106.9	18.0	258.0	273.7	(5.7)
Net profit margin	12.7%	9.9%		12.6%	12.5%	

OPAP's revenues for H1 2011 declined by 6.2% to €2,054.8m versus €2,191.4m in H1 2011, mainly due to the severe economic downturn (H1 2012 Greek GDP down 6.4%). Revenues for Q2 2011, stood at €989.6m, lower by 7.5% compared to Q2 2010 figures.

The Group's EBITDA stood at €344.6m in H2 2012 from €368.1m in H2 2011 reduced by 6.4% y-o-y, driven by lower revenues in the period. EBITDA for Q2 2011 reached €160.2m, signifying a 4.1% increase, mainly due to lower payout and, to a lesser extent, reduced operating expenses.

Net profit in H1 2012 stood at €258.0m from €273.7m in the corresponding period in 2011 down by 5.7%, beating the revenues decline. Net profit for Q2 2012 reached €126.1m, or an increase of 18.0% y-o-y due to a partial reversal of the 2011 tax provision as well as lower deferred taxes for the quarter.

## 2. FINANCIAL REVIEW

Revenue per game for Q2 and H1 2012 & 2011						
(€ '000)	Q2 2012	Q2 2011	Δ%	H1 2012	H1 2011	Δ%
STIHIMA	370,451	362,513	2.2	767,562	792,593	(3.2)
PROPO	3,182	5,012	(36.5)	8,659	13,218	(34.5)
PROPO-GOAL	188	223	(15.8)	716	417	71.5
MONITOR GAMES	24,636	61,001	(59.6)	49,504	61,696	(19.8)
GO LUCKY	1,190	6,617	(82.0)	2,934	6,893	(57.4)
<b>TOTAL SPORTS BETTING</b>	<b>399,647</b>	<b>435,366</b>	<b>(8.2)</b>	<b>829,375</b>	<b>874,817</b>	<b>(5.2)</b>
% total revenues	<b>40.4</b>	<b>40.7</b>	-	<b>40.4</b>	<b>39.9</b>	-
KINO	516,941	545,271	(5.2)	1,059,502	1,126,979	(6.0)
JOKER	45,052	49,554	(9.1)	104,407	113,700	(8.2)
LOTTO	12,242	20,635	(40.7)	27,809	37,006	(24.9)
Super 3	7,061	9,100	(22.4)	14,662	18,117	(19.1)
PROTO	6,164	7,425	(17.0)	13,884	15,577	(10.9)
Extra 5	2,478	2,584	(4.1)	5,176	5,187	(0.2)
<b>TOTAL NUMERICAL GAMES</b>	<b>589,938</b>	<b>634,569</b>	<b>(7.0)</b>	<b>1,225,440</b>	<b>1,316,566</b>	<b>(6.9)</b>
% total revenues	<b>59.6</b>	<b>59.3</b>	-	<b>59.6</b>	<b>60.1</b>	-
<b>TOTAL REVENUES</b>	<b>989,585</b>	<b>1,069,935</b>	<b>(7.5)</b>	<b>2,054,815</b>	<b>2,191,383</b>	<b>(6.2)</b>

Total sports betting revenues decreased by 5.2% to €829.4m in H1 2012 from €874.8m in H1 2011, considering the 19.8% decline in Monitor games as well as a mild 3.2% Stihima drop. Stihima revenues in Q2 increased by 2.2% to €370.4m, supported by the Euro Cup contribution in June.

Revenues from numerical games decreased by 6.9% to €1,316.6m in H1 2012 from €1,225.4 in H1 2011. KINO revenues in Q2 2012 stood at €516.9m, a decrease of 5.2% which however improved sequentially compared to a decline of 6.7% in Q1 2012 and 8.2% in Q4 2011.

Cost of Sales for Q2 and H1 2012 & 2011						
(€ '000)	Q2 2012	Q2 2011	Δ%	H1 2012	H1 2011	Δ%
Prize payouts to lottery and betting winners	680,352	750,292	(9.3)	1,396,270	1,491,904	(6.4)
Agents' commissions	82,611	89,624	(7.8)	172,199	184,006	(6.4)
Other cost of sales	47,477	53,730	(11.6)	95,473	96,492	(1.1)
<b>Total cost of sales</b>	<b>810,440</b>	<b>893,646</b>	<b>(9.3)</b>	<b>1,663,942</b>	<b>1,772,402</b>	<b>(6.1)</b>

Total cost of sales in H1 2012 reached €1,663.9m from €1,772.4m in H1 2011, signifying a 6.1% decline in line with the revenue drop.

Payout to lottery and sports betting winners in H1 2012 remained stable at 68.0% versus 68.1% in the corresponding period last year. Stihima payout in Q2 2012 decreased to 72.3% compared to 77.3% in Q2 2011, while KINO's payout remained flat at 69.1%.

## Distribution costs for Q2 and H1 2012 & 2011

(€ '000)	Q2 2012	Q2 2011	Δ%	H1 2012	H1 2011	Δ%
Advertisement	3,176	6,352	(50.0)	5,377	12,293	(56.3)
Donations-Grants	3,136	1,061	195.5	6,230	3,514	77.3
Sponsorship	16,506	14,521	13.7	38,272	35,246	8.6
<b>Subtotal</b>	<b>22,818</b>	<b>21,934</b>	<b>4.0</b>	<b>49,879</b>	<b>51,053</b>	<b>(2.3)</b>
Remaining distribution cost	1,972	1,878	5.0	3,431	3,634	(5.6)
<b>Total</b>	<b>24,790</b>	<b>23,812</b>	<b>4.1</b>	<b>53,310</b>	<b>54,687</b>	<b>(2.5)</b>

Total distribution costs in H1 2012 decreased by 2.5% to €53.3m versus €54.7m in the corresponding period in 2011. Distribution costs in Q2 2012 stood at €24.8m higher by 4.1% y-o-y, as donations and grants increased by 195.5% reflecting the company's enhanced social contribution. Advertising costs were significantly contained by 50% at €3.2m.

## Administrative costs for Q2 and H1 2012 & 2011

(€ '000)	Q2 2012	Q2 2011	Δ%	H1 2012	H1 2011	Δ%
<b>Total</b>	<b>8,413</b>	<b>6,945</b>	<b>21.1</b>	<b>15,972</b>	<b>14,798</b>	<b>7.9</b>

In H1 2012, administrative expenses reached €16.0m, 7.9% higher compared to the corresponding period in H1 2011, due mostly to development expenses linked to the new projects' implementation.

## Cash Flows for H1 2012 & 2011

(€',000)	H1 2012	H1 2011	Δ%
Cash Flow from Operating Activities	359,453	215,146	67.1
Cash Flow from Investing Activities	(11,292)	11,429	-
Cash Flow from Financing Activities	(238,006)	(276,934)	-

### Cash Flow from Operating Activities

Cash flow from operating activities in H1 2012 increased by 67.1% amounting to €359.5m from €215.1m in the corresponding period in 2011. This was primarily due to the non-occurrence of the cash outflow related to the one-off levy in H1 2012, compared to a cash outflow of €91.9m in Q1 2011, in conjunction with lower taxation and receivables.

### Cash Flow from Investing Activities

Cash flow from investing activities in H1 2012 amounted to an outflow of €11.3m mainly due to fixed asset additions.

### Cash Flow from Financing Activities

Cash flow from financing activities in H1 2012 mainly reflects the dividend payment in June 2012 as well as instalment payments for the financial lease contract.



### 3. MAIN DEVELOPMENTS

- I) In its meeting held on August 7<sup>th</sup>, OPAP's Board of Directors (BoD), decided to elect Mr. Constantinos Louropoulos as OPAP's new Chairman and CEO.
- II) Following previous company's decisions regarding its online strategy, OPAP is ready to commence negotiations with the preferred partner aiming to the signing of a JV agreement.  
The company retains the right to examine its alternative options with the remainder of the contenders if negotiations prove inconclusive. In any case, precautions have been considered, safeguarding the interests of a strategic investor emerging from a potential privatization process.
- III) The process of selecting the company's central system technology supplier is at the stage of evaluating the financial offer of the vendor meeting the tender's technical specifications.
- IV) The ECJ (European Court of Justice) Advocate General's opinion regarding the Stanleybet International Ltd, William Hill Organization Ltd and William Hill Plc appeal against the Greek State is expected to be published on September 20<sup>th</sup> 2012. The ECJ ruling is expected in 2013.
- V) OPAP is expecting the VLTs rules & regulation issuance by the Gaming Supervision and Control Commission (EEEP) in order to proceed with the project implementation.
- VI) The Annual Ordinary General Meeting held on June 1st 2012, approved the distribution of a total dividend of €0.72 per share for the fiscal year 2011, subject to 25% withholding taxation. Beneficiaries of the dividend were paid on 18.06.2012.

### Conference Call Invitation

First Half 2012 Financial Results

Friday August 24<sup>th</sup>, 2012

04:00 p.m. (Athens) / 02:00 p.m. (London) / 09:00 a.m. (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 24<sup>th</sup>, 2012, OPAP S.A., "Financial Status and Results" for the First Half 2012 will be published at "Ethnos" and "Kerdos" daily newspapers and also will be available on the company's website: [www.opap.gr](http://www.opap.gr) as well as the Athens Exchange website: [www.ase.gr](http://www.ase.gr) on Thursday, August 23rd, 2012.

## ATTACHMENTS

1. Condensed Interim Consolidated Statement of Comprehensive Income first half and second quarter of 2012
2. Condensed Interim Statement of Comprehensive Income first half and second quarter 2012 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 2012

For the first semester that ended on 30 June 2012 and 2011  
(Amounts in thousand euro except earnings per share)

	2012		2011	
	1.1-30.6.2012	1.4-30.6.2012	1.1-30.6.2011	1.4-30.6.2011
Revenues	2,054,815	989,585	2,191,383	1,069,935
Payouts to the lottery and betting winners	<u>(1,396,270)</u>	<u>(680,352)</u>	<u>(1,491,904)</u>	<u>(750,292)</u>
<b>Net revenues</b>	<b>658,545</b>	<b>309,233</b>	<b>699,479</b>	<b>319,643</b>
Cost of sales	<u>(267,672)</u>	<u>(130,088)</u>	<u>(280,498)</u>	<u>(143,354)</u>
<b>Gross profit</b>	<b>390,873</b>	<b>179,145</b>	<b>418,981</b>	<b>176,289</b>
Other operating income	5,647	5,224	5,516	5,220
Distribution expenses	(53,310)	(24,790)	(54,687)	(23,812)
Administrative expenses	(15,972)	(8,413)	(14,798)	(6,945)
Other operating expenses	<u>(4,659)</u>	<u>(1,889)</u>	<u>(7,593)</u>	<u>(7,403)</u>
<b>Operating result</b>	<b>322,579</b>	<b>149,277</b>	<b>347,419</b>	<b>143,349</b>
Gain / (Loss) from associates	(105)	(94)	(65)	152
Gain / (Loss) from sales of non-current assets	(56)	(56)	27	5
Financial results	<u>1,871</u>	<u>8,763</u>	<u>12,607</u>	<u>6,802</u>
<b>Profit before tax</b>	<b>324,289</b>	<b>157,890</b>	<b>359,988</b>	<b>150,308</b>
Current income tax	(61,898)	(27,797)	(77,811)	(35,257)
Deferred tax	<u>(4,345)</u>	<u>(3,953)</u>	<u>(8,475)</u>	<u>(8,200)</u>
<b>Profit after tax</b>	<b>258,046</b>	<b>126,140</b>	<b>273,702</b>	<b>106,851</b>
Parent company shareholders	258,046	126,140	273,702	106,851
<b>Total income after tax</b>	<b>258,046</b>	<b>126,140</b>	<b>273,702</b>	<b>106,851</b>
Parent company shareholders	258,046	126,140	273,702	106,851
<b>Basic earnings per share</b>	<b>0.8089</b>	<b>0.3954</b>	<b>0.8580</b>	<b>0.3350</b>

## 2. Condensed Interim Statement of Comprehensive Income first half and second quarter 2012 of OPAP S.A.

For the first semester that ended on 30 June 2012 and 2011  
(Amounts in thousand euro except earnings per share)

	2012		2011	
	1.1-30.6.2012	1.4-30.6.2012	1.1-30.6.2011	1.4-30.6.2011
Revenues	1,960,424	945,217	2,096,553	1,024,390
Payouts to the lottery and betting winners	<u>(1,334,043)</u>	<u>(650,844)</u>	<u>(1,429,723)</u>	<u>(720,110)</u>
<b>Net revenues</b>	<b>626,381</b>	<b>294,373</b>	<b>666,830</b>	<b>304,280</b>
Cost of sales	<u>(246,803)</u>	<u>(120,086)</u>	<u>(259,905)</u>	<u>(133,355)</u>
<b>Gross profit</b>	<b>379,578</b>	<b>174,287</b>	<b>406,925</b>	<b>170,925</b>
Other operating income	14,637	9,430	14,548	9,615
Distribution expenses	(51,935)	(23,999)	(53,818)	(23,583)
Administrative expenses	(17,659)	(9,674)	(15,937)	(7,964)
Other operating expenses	<u>(4,632)</u>	<u>(1,874)</u>	<u>(7,590)</u>	<u>(7,401)</u>
<b>Operating result</b>	<b>319,989</b>	<b>148,170</b>	<b>344,128</b>	<b>141,592</b>
Gain / (Loss) from sales of non-current assets	(56)	(56)	-	-
Financial results	605	8,147	10,823	5,876
Dividends from subsidiaries	<u>11,995</u>	<u>11,995</u>	<u>4,000</u>	<u>4,000</u>
<b>Profit before tax</b>	<b>332,533</b>	<b>168,256</b>	<b>358,951</b>	<b>151,468</b>
Current income tax	(60,835)	(27,322)	(76,791)	(34,675)
Deferred tax	<u>(4,892)</u>	<u>(4,242)</u>	<u>(6,873)</u>	<u>(6,490)</u>
<b>Profit after tax</b>	<b>266,806</b>	<b>136,692</b>	<b>275,287</b>	<b>110,303</b>
Parent company shareholders	266,806	136,692	275,287	110,303
<b>Total income after tax</b>	<b>266,806</b>	<b>136,692</b>	<b>275,287</b>	<b>110,303</b>
Parent company shareholders	266,806	136,692	275,287	110,303
<b>Basic earnings per share</b>	<b>0.8364</b>	<b>0.4285</b>	<b>0.8630</b>	<b>0.3458</b>

## 3. Condensed Interim Statement of Financial Position

As of 30 June 2012 and 31 December 2011  
(Amounts in thousand euro)

	GROUP		COMPANY	
	30.6.2012	31.12.2011	30.6.2012	31.12.2011
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	306,049	195,894	244,825	105,548
Inventories	1,162	475	-	-
Receivables	40,819	51,651	42,822	52,950
Other current assets	<u>19,959</u>	<u>36,849</u>	<u>13,780</u>	<u>34,451</u>
<b>Total current assets</b>	<b>367,989</b>	<b>284,869</b>	<b>301,427</b>	<b>192,949</b>
<b>Non - current assets</b>				
Intangible assets	1,102,702	1,101,654	1,102,695	1,101,647
Tangible assets (for own use)	85,043	89,597	72,003	79,753
Investments	1,125	1,159	2,395	2,467
Goodwill	8,435	8,435	-	-
Investments in subsidiaries	-	-	43,054	36,527
Investments in associates	2,814	2,919	1,200	1,200
Long – term receivables	2,093	1,122	2,073	1,102
Other non - current assets	11,638	11,409	45,261	64,728
Deferred tax assets	±	<u>3,026</u>	±	<u>1,634</u>
<b>Total non - current assets</b>	<b><u>1,213,850</u></b>	<b><u>1,219,321</u></b>	<b><u>1,268,681</u></b>	<b><u>1,289,058</u></b>
<b>TOTAL ASSETS</b>	<b>1,581,839</b>	<b>1,504,190</b>	<b>1,570,108</b>	<b>1,482,007</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short - term liabilities</b>				
Loans	69,956	33,443	69,956	33,443
Payables	68,807	86,887	65,738	83,103
Payables from financial leases	1,450	8,047	1,102	7,713
Tax liabilities	96,458	9,472	94,157	7,482
Accrued and other liabilities	<u>40,351</u>	<u>51,691</u>	<u>34,030</u>	<u>46,346</u>
<b>Total short - term liabilities</b>	<b>277,022</b>	<b>189,540</b>	<b>264,983</b>	<b>178,087</b>
<b>Long - term liabilities</b>				
Loans	215,518	250,629	215,518	250,629
Payables from financial leases	620	798	-	-
Employee benefit plans	19,403	20,711	18,822	20,208
Provisions	60,291	63,841	59,066	62,566
Deferred tax	1,319	-	3,258	-
Other long-term liabilities	<u>89,788</u>	<u>89,159</u>	<u>89,800</u>	<u>88,982</u>
<b>Total long - term liabilities</b>	<b>386,939</b>	<b>425,138</b>	<b>386,464</b>	<b>422,385</b>
<b>Equity</b>				
Share capital	95,700	95,700	95,700	95,700
Reserves	44,001	44,001	43,060	43,060
Retained earnings	<u>778,177</u>	<u>749,811</u>	<u>779,901</u>	<u>742,775</u>
<b>Total equity</b>	<b><u>917,878</u></b>	<b><u>889,512</u></b>	<b><u>918,661</u></b>	<b><u>881,535</u></b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,581,839</b>	<b>1,504,190</b>	<b>1,570,108</b>	<b>1,482,007</b>



## 4. Condensed Interim Cash Flow Statement

For the first semester that ended on 30 June 2012 and 2011  
(Amounts in thousand euro)

	GROUP		COMPANY	
	2012	2011	2012	2011
<b>OPERATING ACTIVITIES</b>				
Profit before tax	324,289	359,988	332,533	358,951
<b>Adjustments for:</b>				
Depreciation & Amortization	22,006	20,715	21,277	20,281
Financial results	(1,833)	(12,710)	(12,562)	(14,927)
Employee benefit plans	818	934	754	872
Provisions for bad debts	900	2,000	900	2,000
Other provisions	4,000	3,732	4,000	3,732
Exchange differences	(38)	103	(38)	103
(Profit) / Loss from related companies	105	65	-	-
Results from investing activities	<u>56</u>	<u>(28)</u>	<u>56</u>	<u>-</u>
<b>Total</b>	<b>350,303</b>	<b>374,799</b>	<b>346,920</b>	<b>371,012</b>
<b>Changes in working capital</b>				
(Increase) decrease in inventories	(687)	(235)	-	-
(Increase) decrease in receivables	8,727	22,622	28,387	21,721
Increase (decrease) in payables (excluding banks)	(32,708)	(38,269)	(33,853)	(18,153)
Increase (decrease) in taxes payable	<u>47,214</u>	<u>(120,712)</u>	<u>51,980</u>	<u>(119,861)</u>
	<b>372,849</b>	<b>238,205</b>	<b>393,434</b>	<b>254,719</b>
Interest expenses	(92)	(13)	(12)	(6)
Income taxes paid	<u>(13,304)</u>	<u>(23,046)</u>	<u>(12,788)</u>	<u>(22,917)</u>
<b>Cash flows from operating activities</b>	<b>359,453</b>	<b>215,146</b>	<b>380,634</b>	<b>231,796</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sales of tangible & intangible assets	8	79	-	-
Establishment of a subsidiary	-	-	(15)	-
Increase in share capital of subsidiary	-	-	(6,327)	-
Proceeds from maturity of financial assets	-	5,213	-	5,213
Outflow of tangible assets	(4,686)	(6,983)	(717)	(5,567)
Outflow of intangible assets	(12,443)	(54)	(12,441)	(53)
Interest received	5,829	13,174	4,522	11,315
Dividends from subsidiaries	-	-	<u>11,420</u>	-
<b>Cash flows used in investing activities</b>	<b>(11,292)</b>	<b>11,429</b>	<b>(3,558)</b>	<b>10,908</b>
<b>FINANCING ACTIVITIES</b>				
Payments of financial lease interests	(1,517)	(57)	(1,474)	-
Payments of financial lease capital	(6,775)	(160)	(6,611)	(10)
Dividends paid	<u>(229,714)</u>	<u>(276,717)</u>	<u>(229,714)</u>	<u>(276,717)</u>
<b>Cash flows used in financing activities</b>	<b>(238,006)</b>	<b>(276,934)</b>	<b>(237,799)</b>	<b>(276,727)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>110,155</b>	<b>(50,359)</b>	<b>139,277</b>	<b>(34,023)</b>
Cash and cash equivalents at the beginning of the period	<u>195,894</u>	<u>657,488</u>	<u>105,548</u>	<u>557,531</u>
<b>Cash and cash equivalents in the end of the period</b>	<b>306,049</b>	<b>607,129</b>	<b>244,825</b>	<b>523,508</b>