

**OPAP S.A.**  
**Interim Results For The Three and Nine-Month Period Ended**  
**September 30, 2006**

- Revenues up 29.8% to €3,374.1 m (9M 05: €2,599.4 m)
- EBITDA up 6.0% to €514.0m (9M 05: €485.1m)
- Net profit up 12.4% to €355.4m (9M 05: €316.2m)
- Interim dividend €0.55 per share (up 14.6%)

**ATHENS, Greece – November 29, 2006** – OPAP S.A. (OPAr.AT), the leading gaming operator in Greece, today announces its interim financial results for the nine-month period ended September 30, 2006, prepared in accordance with International Financial Reporting Standards.

### **1. OVERVIEW**

(€'m)	<b>Q3 06</b>	<b>Q3 05</b>	<b>Δ%</b>	<b>9M 06</b>	<b>9M 05</b>	<b>Δ%</b>
<b>Revenues</b>	1,084.3	890.4	21.8	3,374.1	2,599.4	29.8
<b>EBITDA</b>	184.8	170.0	8.7	514.0	485.1	6.0
<b>EBITDA Margin</b>	<b>17.0%</b>	<b>19.1%</b>		<b>15.2%</b>	<b>18.7%</b>	
<b>Net Profit</b>	127.3	113.4	12.3	355.4	316.2	12.4

OPAP reports solid financial results for the nine-month period ended September 30, 2006. Revenues for the period grew to €3,374.1m up 29.8% on 2005, primarily due to the ongoing success of our flagship game *Stihima* following implementation of the rejuvenation measures coupled with the exceptional performance of the game during the football World Cup, the introduction of Greek football matches in the coupon and improvement in the performance of *KINO* in the third quarter.

EBITDA for the period amounted to €514.0m, up 6.0% on 2005. EBITDA margin in the nine-month period decreased to 15.2% from 18.7% in the same period last year, mainly due to an increase in the payout ratio of *Stihima* and an increase in distribution costs. In the third quarter our EBITDA increased by 8.7% while our EBITDA margin improved to 17.0%. Net Profit for the nine-month period amounted to €355.4m, 12.4% up on 2005.

Commenting on the nine-month results Mr. Basile Neiadas, OPAP's Managing Director, noted:

**"We are very pleased to announce continued solid growth in our revenue and bottom line, driven by a particularly strong performance in our leading games, *Stihima* and *KINO*. The management's efforts are now focused on the in-house successful operation of *Stihima* and the on-going optimisation of the performance of all our activities."**

## 2. FINANCIAL REVIEW

### Operating revenues for the three-month and nine-month periods ending September 30, 2006 and 2005.

(€'.000)	Q3 06	Q3 05	%Δ	9M 06	9M 05	%Δ
<b>Stihima</b>	543,026	343,971	57.9	1,734,244	946,634	83.2
<b>PROPO</b>	9,912	12,721	(22.1)	45,594	57,072	(20.1)
<b>PROPO-GOAL</b>	343	269	27.5	1,143	973	17.5
<b>Total Sports Betting</b>	<b>553,281</b>	<b>356,961</b>	<b>55.0</b>	<b>1,780,981</b>	<b>1,004,679</b>	<b>77.3</b>
<b>KINO</b>	443,073	392,056	13.0	1,305,194	1,249,831	4.4
<b>JOKER</b>	44,525	93,563	(52.4)	153,311	200,857	(23.7)
<b>Super 3</b>	17,110	16,461	3.9	49,649	52,990	(6.3)
<b>LOTTO</b>	12,351	14,709	(16.0)	37,975	42,977	(11.6)
<b>PROTO</b>	10,102	12,138	(16.8)	34,466	32,779	5.1
<b>Extra 5</b>	3,833	4,557	(15.9)	12,491	15,316	(18.4)
<b>Total Numerical Games</b>	<b>530,994</b>	<b>533,484</b>	<b>(0.5)</b>	<b>1,593,086</b>	<b>1,594,750</b>	<b>(0.1)</b>
<b>Total Revenues</b>	<b>1,084,275</b>	<b>890,445</b>	<b>21.8</b>	<b>3,374,067</b>	<b>2,599,429</b>	<b>29.8</b>

Total Revenues increased by 29.8% to €3,374.1m in the nine months of 2006 from €2,599.4m in the nine months of 2005. Sports betting revenues increased by 77.3% mainly due to: i) the ongoing favourable impact from the rejuvenation measures of the *Stihima* game that were implemented since their announcement in July 2005 (which included increased payout, enabling us to offer single and double betting events, over/under and live betting), ii) increased revenues during the 2006 Football World Cup event and iii) the introduction of Greek football matches in the coupon of *Stihima* as of August 19, 2006. Continuing the trend witnessed in the first half of 2006, *Stihima* revenues increased by 124.2% in July, 37.6% in August, and 43.7% in September compared to the corresponding months in 2005.

Revenues from numerical games in the nine-month period of the year were flat, totalling €1,593.1m from €1,594.8m in the same period of 2005. Numerical games represented 47.2% of total revenues in the first nine months of 2006 compared to 61.4% in the same period of 2005, primarily due to the ongoing success of *Stihima*.

Revenues from *KINO* amounted to €1,305.2m in the nine-month period of 2006, an increase of 4.4% over the same period last year. Third quarter *KINO* revenues increased 13.0% over the same period last year, mainly due to amendments to the playing hours of the game. *KINO* revenues increased by 11.9% in July, 11.4% in August, and 15.6% in September compared to the corresponding months in 2005. Daily *KINO* revenues per agent in the third quarter averaged approximately €920 from €813 in the same period of 2005.

Regarding the remaining games, the decline noted in *JOKER* in the third quarter, was the result of the limited occurrence of JACK-POTS in the current period versus the respective period in 2005, when we recorded favorable high JACK-POT prizes.

**Cost of sales for the three-month and nine-month periods ending September 30, 2006 and 2005**

(€',000)	Q3 06	Q3 05	Δ%	9M 06	9M 05	Δ%
Prize payouts to lottery and betting winners	718,558	569,575	26.2	2,255,821	1,675,073	34.7
Lottery agents' commissions	85,843	73,189	17.3	269,209	210,431	27.9
Betting commissions	54,844	34,719	58.0	177,595	97,673	81.8
Depreciation	1,015	970	4.6	2,962	3,022	(2.0)
Amortization	5,111	4,334	17.9	14,049	13,009	8.0
Repairs and maintenance expenditures	3,350	2,721	23.1	8,971	6,592	36.1
Third parties' outsourcing	2,829	2,636	7.3	7,826	7,869	(0.6)
Greek Professional Football Teams' Association	601	707	(15.0)	3,687	4,612	(20.1)
Staff costs	3,413	3,605	(5.3)	10,899	10,135	7.5
Other expenses	5,386	5,945	(9.4)	15,815	16,339	(3.2)
Provisions for bad debtors	573	(671)	N/m	1,573	1,600	(1.7)
Retirement benefit costs	244	259	(5.8)	721	796	(9.4)
<b>Total Cost of Sales</b>	<b>881,767</b>	<b>697,989</b>	<b>26.3</b>	<b>2,769,128</b>	<b>2,047,151</b>	<b>35.3</b>

OPAP's most significant cost relates to the payouts to lottery and betting winners, which in the nine months of 2006 increased by 34.7% to €2,255.8m. Overall, payouts as a percentage of operating revenues increased to 66.9% in the first nine months of 2006 from 64.4% in the same period of 2005. This increase is primarily due to: i) the higher payout in *Stihima*, which grew to 67.4% in 2006 from 64.6% in the nine-month period of 2005 and ii) the higher contribution of *Stihima* and *KINO* (increased to 90.1% in 2006 from 84.5% in 2005), which have a lower profit margin, to total revenues.

Average agents' commissions as a percentage of sales remained flat at approximately 8.0%. Betting commissions paid to Intralot amounted to €177.6m, reflecting the increased *Stihima* revenues.

Staff costs included in cost of sales are a component of total staff costs. Total staff costs amounted to €27.7m in the nine-month period of 2006 versus €25.0m in the same period of 2005, a 10.7% increase year-on-year which includes a €1.2m charge due to a change implemented to the collective employment agreement resulting from the settlement of a pay-related dispute.

### **Gross Profit**

Gross profit in the nine months of 2006 increased by 9.5% to €604.9m from €552.3m in the same period of 2005. Gross profit margin decreased to 17.9% in the nine-month period of 2006 from 21.3% in nine-month period of 2005 primarily reflecting the increased payout of *Stihima* and its increased proportion in the revenue mix alongside *KINO*. In particular, *Stihima* contributed an incremental amount of €57.3m to the gross profit of the Group.

### **Distribution Costs**

Distribution costs increased by 19.6% to €70.7m in the nine months of 2006 (nine months 2005: €59.1m) mainly due to increases in advertising and sponsorship expenses. Distribution expenses for the third quarter of 2006 stood at €14.7m, down from €19.3m in the corresponding quarter last year.

### **Administrative Expenses**

Administrative expenses increased to €30.2m in the nine months of 2006 from €27.5m last year, mainly due to an increase in staff costs (as discussed above) and higher administrative expenses of the group.

### **Other Operating Expenses**

Other operating expenses increased to €10.5m in the nine months of 2006 from €2.0m in the corresponding period of last year, primarily due to a one-off payment of €7.8m which was made to settle the pay-related dispute pertaining to the period 1998 - 2005 as well as foreign exchange differences.

### **Profit from Operations**

Reflecting the above factors, our profit from operations increased by 5.9% to €495.1m in the nine months of 2006 from €467.5m in the nine months of 2005.

### **Tax Expense**

Tax expense decreased to €149.1m in the nine months of 2006 from €159.6m in the nine months of 2005. The reduction in tax expense mainly reflects the decrease in the corporate income tax rate to 29% from 32% previously.

### **Net Profit**

Net profit for the period increased by 12.4% to €355.4m in the nine months of 2006 from €316.2m in the nine months of 2005.

### **Cash Flow Statement for the three-month and nine-month periods ending September 30, 2006 and 2005**

(€',000)	Q3 06	Q3 05	%Δ	9M 06	9M 05	%Δ
<b>Cash Flow from Operating Activities</b>	35,598	25,136	41.6	337,439	398,869	(15.4)
<b>Cash Flow from Investing Activities</b>	(514)	2,057	N/m	(11,031)	82	N/m
<b>Cash Flow from Financing Activities</b>	(1)	(1,913)	(100.0)	(306,593)	(308,965)	(0.8)

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

The primary source of liquidity is cash generated from operations which decreased by 15.4% to €337.4m in the nine months of 2006 from €398.9m in the same period of 2005. This decrease is primarily attributable to the higher payout of *Stihima* for the period and to a cash inflow of €52m for the nine-month 2005 period as a result of a re-imbursement made by Intralot regarding the excess payout of *Stihima* for 2004, that was not repeated in 2006 due to last year's Amendment Agreement with Intralot regarding *Stihima*.

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

Cash flow from investing activities was a negative €11.0m in the nine months of 2006, primarily due to higher expenditure for software and equipment for the upgrade of our IT system. This was partly counterbalanced by an increase in interest income.

### **Cash Flow from Financing Activities**

The cash flow from financing activities was a negative €306.6m in the nine months of 2006 compared to a negative €309.0m in the nine months of 2005. This consists of the payment of the annual dividend for the 2005 fiscal period in June, as well as loan repayments.

### **3. MAIN DEVELOPMENTS**

#### **Payment of Interim Dividend**

On October 24, 2006 the Board of Directors decided the distribution of an interim dividend for the fiscal year 2006 and on November 29, determined the amount of €0.55 per share (total interim dividend payment of €175.45m). The ex-interim dividend date is December 11 and eligible to receive payment are the shareholders at the closing session of the ATHEX on December 8, 2006. Payment of the interim dividend will take place on December 19, 2006.

#### **In house management of *Stihima***

In early November 2006, OPAP reached an agreement with Intralot for undertaking the operation and management of *Stihima* in house. This agreement allows for the transfer of specific knowledge and expertise of the Greek market held by Intralot as well as for the supply, installation and maintenance of the required technological infrastructure and necessary staff training for the operation of *Stihima*. Furthermore, it provides 3,500 terminals to support all OPAP games.

#### **Approval of the Services Directive by the European parliament**

On November 15, 2006, the European Parliament approved the Services Directive. The Directive specifically excludes gambling services, which involve wagering a stake with pecuniary value in games of chance, including lotteries, gambling in casinos and betting transactions, from its overall scope.

#### **Update on the Tender for Technological Update**

The Unilateral Athens Court of First Instance (Injunction process) with its ruling 8288/2006 rejected the injunction appeal filed by Intralot, against G-TECH and Scientific Games regarding the Tender for the "Supply, Installation and Maintenance of IT Equipment, Terminals and Services".

#### **Bingo Lotto**

In view of the successful interventions in *Stihima* and *KINO* and the on-going efforts to undertake the organisation, operation and management of *Stihima* in-house, the Board of Directors decided to re-examine the optimal launch date of *Bingo Lotto*.

**Athens, November 29, 2006**

**OPAP S.A.**

### **APPENDIX**

- I. OPAP S.A., Income Statements for the nine-month periods ended September 30, 2006 and 2005
- II. OPAP S.A., Balance Sheets as at September 30, 2006 and December 31, 2005
- III. OPAP S.A., Cash Flow Statements for the nine-month periods ended September 30, 2006 and 2005

**Income Statements for the Nine-Month Periods Ended on September 30th, 2006 and 2005**  
(in thousands of euro except for per share amounts)

		2006		2005	
	No.	1/1-30/9/06	1/7-30/9/06	1/1-30/9/05	1/7-30/9/05
Revenues		3,374,067	1,084,275	2,599,429	890,445
Cost of sales	7.8.1	(2,769,128)	(881,767)	(2,047,151)	(697,989)
<b>Gross profit</b>		<b>604,939</b>	<b>202,508</b>	<b>552,278</b>	<b>192,456</b>
Other operating income		1,610	601	3,779	1,582
Distribution costs	7.8.3	(70,705)	(14,712)	(59,130)	(19,272)
Administrative expenses	7.8.2	(30,215)	(10,084)	(27,450)	(9,799)
Other operating expenses		(10,504)	(361)	(2,025)	(828)
<b>Profit from operations</b>		<b>495,125</b>	<b>177,952</b>	<b>467,452</b>	<b>164,139</b>
Net financial results		<u>9,369</u>	<u>2,722</u>	<u>8,302</u>	<u>2,408</u>
<b>Profit before tax</b>		<b>504,494</b>	<b>180,674</b>	<b>475,754</b>	<b>166,547</b>
Income Tax		(147,931)	(53,284)	(159,150)	(53,063)
Deferred tax		(1,123)	(135)	(426)	(91)
<b>Profit after tax</b>		<b>355,440</b>	<b>127,255</b>	<b>316,178</b>	<b>113,393</b>
Minus: Increase/Decrease in Minority interest		(1)	(27)	(3)	2
<b>Net profit for the period</b>		<b>355,441</b>	<b>127,282</b>	<b>316,181</b>	<b>113,391</b>
<b>Basic earnings (€) per share</b>		<b>1.11</b>	<b>0.40</b>	<b>0.99</b>	<b>0.36</b>

**3. O.P.A.P. S.A. Group Balance Sheets**

**On September 30<sup>th</sup>, 2006 and December 31<sup>st</sup>, 2005**  
 (amounts in thousands of euro)

	GROUP		COMPANY	
	30/9/06	31/12/05	30/9/06	31/12/05
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	456,816	437,001	399,768	375,610
Inventories	773	404	773	404
Trade receivables	61,934	61,979	63,335	62,354
Other current assets	203,818	172,124	202,516	171,762
<b>Total current assets</b>	<b>723,341</b>	<b>671,508</b>	<b>666,392</b>	<b>610,130</b>
<b>Non-current assets</b>				
Intangible assets	227,321	227,655	227,271	227,594
Property, plant and equipment	35,310	36,038	34,233	34,663
Goodwill	13,646	13,646	-	-
Investments in subsidiaries	-	-	41,577	41,577
Investments in associates	-	-	1,200	1,200
Other non-current assets	15,079	11,484	15,070	11,475
Deferred tax assets	4,233	5,355	12,171	11,490
<b>Total non-current assets</b>	<b>295,589</b>	<b>294,178</b>	<b>331,522</b>	<b>327,999</b>
<b>TOTAL ASSETS</b>	<b>1,018,930</b>	<b>965,686</b>	<b>997,914</b>	<b>938,129</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Short-term liabilities</b>				
Borrowings	15,118	15,118	15,118	15,118
Trade and other payables	151,060	143,155	156,830	137,761
Tax liabilities	270,429	281,215	268,980	279,838
Accrued liabilities	12,643	3,077	10,685	1,582
<b>Total short-term liabilities</b>	<b>449,250</b>	<b>442,565</b>	<b>451,613</b>	<b>434,299</b>
<b>Long-term liabilities</b>				
Borrowings	2,668	10,227	2,668	10,227
Employee benefit plans	21,662	23,491	21,662	23,491
Provisions	301	301	301	301
Other long-term liabilities	6,215	5,779	6,098	5,661
<b>Total long-term liabilities</b>	<b>30,846</b>	<b>39,798</b>	<b>30,729</b>	<b>39,680</b>
<b>Equity</b>				
Share capital	95,700	95,700	95,700	95,700
Reserves	43,700	43,700	43,060	43,060
Dividends	-	299,860	-	299,860
Exchange differences	110	179	-	-
Retained earnings	399,185	43,744	376,812	25,530
<b>Total equity</b>	<b>538,695</b>	<b>483,183</b>	<b>515,572</b>	<b>464,150</b>
Minority interest	139	140	-	-
<b>Total equity</b>	<b>538,834</b>	<b>483,323</b>	<b>515,572</b>	<b>464,150</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,018,930</b>	<b>965,686</b>	<b>997,914</b>	<b>938,129</b>

**6. O.P.A.P. S.A. Group Cash Flow Statements for the Periods**

**ended on September 30<sup>th</sup> 2006 and 2005**

(amounts in thousands of euro)

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>1/1-30/9/06</b>	<b>1/1-30/9/05</b>	<b>1/1-30/9/06</b>	<b>1/1-30/9/05</b>
<b>OPERATING ACTIVITIES</b>				
Profit Before tax	504,494	475,754	498,281	462,716
<b>Adjustments for:</b>				
Depreciation & Amortization	18,868	17,624	18,463	17,178
Financing results (net)	(9,369)	(8,302)	(8,767)	(7,241)
Employee benefit plans	(1,829)	(121)	(1,829)	(121)
Provisions for bad debts	1,573	1,600	1,573	1,600
Other provisions	-	730	-	730
Dividends from subsidiaries	-	-	(5,506)	-
Exchange differences	(159)	258	-	-
Results from investing activities	(29)	8	(31)	6
<b>Total</b>	<b>513,549</b>	<b>487,551</b>	<b>502,184</b>	<b>474,868</b>
<b>Changes in working capital</b>				
Increase (Decrease) in inventories	(369)	206	(369)	206
Increase (Decrease) in trade & other receivable	(32,551)	49,074	(32,755)	52,802
Increase (Decrease) in payables (except banks)	17,203	51,557	27,784	39,769
Increase (Decrease) in taxes payable	(4,151)	(4,350)	(3,981)	(4,140)
	<b>493,681</b>	<b>584,038</b>	<b>492,863</b>	<b>563,505</b>
Interest expenses	(712)	(1,170)	(692)	(1,113)
Income taxes paid	(155,530)	(183,999)	(155,376)	(183,999)
<b>Cash flow from operating activities</b>	<b>337,439</b>	<b>398,869</b>	<b>336,795</b>	<b>378,393</b>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sales of tangible and intangible assets	21	-	21	-
Guarantees	(27)	(30)	(27)	(27)
Loans raised to personnel	(3,452)	(60)	(3,452)	(60)
Purchase of plant and equipment	(3,666)	(8,852)	(3,578)	(8,551)
Purchase of intangible assets	(13,988)	(448)	(13,973)	(399)
Dividends from subsidiaries	-	-	5,506	-
Interest received	10,081	9,472	9,459	8,354
<b>Cash flows from investing activities</b>	<b>(11,031)</b>	<b>82</b>	<b>(6,044)</b>	<b>(683)</b>
<b>FINANCING ACTIVITIES</b>				
Repayments from long-term borrowings	(7,559)	(13,282)	(7,559)	(13,282)
Dividends	(299,034)	(295,683)	(299,034)	(295,683)
<b>Cash flows from financing activities</b>	<b>(306,593)</b>	<b>(308,965)</b>	<b>(306,593)</b>	<b>(308,965)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>19,815</b>	<b>89,986</b>	<b>24,158</b>	<b>68,745</b>
Cash and cash equivalents at the beginning of the year	437,001	423,567	375,610	383,553
<b>Cash and cash equivalents at the end of year</b>	<b>456,816</b>	<b>513,553</b>	<b>399,768</b>	<b>452,298</b>