



News Release

OPAP S.A. Interim Consolidated Financial Results for the Nine Month Period ended September 30th, 2012

OPAP announces revenues' single-digit drop coupled with EBITDA margin resilience

ATHENS, Greece – November 20, 2012 – OPAP S.A. (OPAr.AT), announces its consolidated financial results for the nine month period ended September 30th, 2012, prepared in accordance with International Financial Reporting Standards (IFRS).

- Revenues down single-digit (7.8%) to €2,946.1m (9M 2011: €3,196.2m) despite unprecedented economic conditions.
- KINO revenues lower by 4.3% at €1,571.9m (9M 2011: €1,643.3m). In Q3 2012, KINO revenues remained broadly flat at €512.4m (Q3 2011: €516.3m) exhibiting further quarterly improvement.
- Resilient EBITDA margin at 17.0%. EBITDA came in at €499.6m lower by 9% y-o-y (9M 2011: €549.3m)
- Distribution cost down by 9.3% at 69.5m (9M 2011: €76.6m). Distribution cost in Q3 2012 decreased by 26.1% at €16.2m
- Net Profit down 9.2% to €371.7m (9M 2011: €409.1m)
- Earnings per share down 9.2% to €1.17 (9M 2011: €128)
- Strong cash position of €340.7m

Commenting on the Q3 2012 financial results, OPAP's Chairman & CEO, Mr. Constantinos Louopoulos, noted that:

“Q3 2012 was decisive for OPAP, as it clarified the tax framework for the future. We now have a clear basis to plan our operations in a solid and business responsive manner. OPAP contributed to the illegal gambling fight in Greece, protecting both the company's and consumers' rights. As an indication of new strategies, we plan to improve our games' content and offer Live Betting in a more competitive way. We also plan to adjust our commercial and marketing strategies, in order to counterbalance the tax burden on players' winnings. In addition, we shall rationalize social contributions, according to business performance. Lastly, we are still working towards acquiring the State Lottery and Instant Tickets concession, along with international industry players. These initiatives aim at optimizing our financials and streamlining our operations in a new challenging environment.”

1. OVERVIEW

(€ 'm)	Q3 2012	Q3 2011	% Δ	9M 2012	9M 2011	% Δ
Revenues	891.3	1,004.8	(11.3)	2,946.1	3,196.2	(7.8)
GR (Gross Gaming Revenue)	291.9	331.3	(11.9)	950.4	1,030.8	(7.8)
EBITDA	155.0	181.1	(14.4)	499.6	549.3	(9.0)
Payout (%)	67.3%	67.0%		67.7%	67.8%	
EBITDA margin (on revenues)	17.4%	18.0%		17.0%	17.2%	
EBITDA margin (on GGR)	53.1%	54.7%		52.6%	53.3%	
Net profit	113.6	135.4	(16.1)	371.7	409.1	(9.2)
Net profit margin	12.7%	13.5%		12.6%	12.8%	



News Release

OPAP's revenues for the 9M 2012 decreased by 7.8% to €2,946.1m compared to €3,196.2m in the corresponding period in 2011. In Q3 2012, revenues reached €891.3m, down 11.3% compared to Q3 2011.

EBITDA decreased by 9.0% to €499.6m for the 9M 2012 period, compared to €549.3m for the corresponding period in 2011. This was due to reduced revenues, partially offset by the containment of distribution expenses.

In Q3 2011, EBITDA was down by 14.4% to €155.0m compared to €181.1m in the corresponding period of 2011, due to lower revenues and increased Stihima pay-out.

Net Profit in 9M 2012 decreased by 9.2% to €371.7m from €409.1m in the corresponding period last year. Net Profit for Q3 2012 stood at €113.6m, down 16.1% y-o-y.

2. FINANCIAL REVIEW

Revenue per game for Q3 and 9M 2012 and 2011						
(€ '000)	Q3 2012	Q3 2011	Δ%	9M 2012	9M 2011	Δ%
STIHIMA	272,729	346,193	(21.2)	1,040,291	1,138,786	(8.7)
PROPO	2,847	3,182	(10.5)	11,506	16,400	(29.8)
PROPO-GOAL	218	257	(15.2)	934	674	38.5
MONITOR GAMES	22,450	43,985	(49.0)	71,954	105,681	(31.9)
GO LUCKY	911	6,782	(86.6)	3,845	13,675	(71.9)
TOTAL BETTING	299,155	400,399	(25.3)	1,128,530	1,275,216	(11.5)
% total revenues	33.6	39.8		38.3	39.9	
KINO	512,428	516,288	(0.8)	1,571,930	1,643,267	(4.3)
JOKER	49,805	52,306	(4.8)	154,212	166,006	(7.1)
LOTTO	14,438	16,592	(13.0)	42,247	53,598	(21.2)
Super 3	6,753	9,316	(27.5)	21,415	27,433	(21.9)
PROTO	6,446	6,997	(7.9)	20,330	22,574	(9.9)
Extra 5	2,260	2,886	(21.7)	7,436	8,073	(7.9)
TOTAL NUMERICAL GAMES	592,130	604,385	(2.0)	1,817,570	1,920,951	(5.4)
% total revenues	66.4	60.2		61.7	60.1	
TOTAL REVENUES	891,285	1,004,784	(11.3)	2,946,100	3,196,167	(7.8)

Total Betting revenues decreased by 11.5% to €1,128.5m in 9M 2012, from €1,275.2m in 9M 2011, due in the most part to ongoing pressure from the harsh macroeconomic environment. In Q3 2012, STIHIMA revenues decreased by 21.2% to €272.7m, compared to €346.2m in the corresponding period in 2011 considering both the lack of the 2011 Eurobasket & Copa America related turnover, as well as lower activity in major football leagues.

Revenues from Numerical Games in 9M 2012 decreased by 5.4%, to €1,817.6m from €1,921.0m in 9M 2011, mostly due to reduced KINO and JOKER revenues by 4.3% and 7.1% respectively. KINO revenues in Q3 2012 remained broadly stable at €512.4m exhibiting a further sequential improvement compared to a decline of 5.2% in Q2 2012 and 6.7% in Q1 2012.



News Release

Cost of Sales for Q3 and 9M 2012 and 2011						
(€ '000)	Q3 2012	Q3 2011	Δ%	9M 2012	9M 2011	Δ%
Prize payouts to lottery and betting winners	599,424	673,476	(11.0)	1,995,694	2,165,380	(7.8)
Agents' commissions	75,056	84,223	(10.9)	247,255	268,229	(7.8)
Rest cost of sales	49,405	49,997	(1.2)	144,878	146,489	(1.1)
Total cost of sales	723,885	807,696	(10.4)	2,387,827	2,580,098	(7.5)
% of total revenues	81.2	80.4		81.1	80.7	

Total cost of sales in 9M 2012 decreased by 7.5% at €2,387.8m from €2,580.1m in 9M 2011, 0.3 p.p. lower compared to revenues' decline.

Payout to lottery and sports betting winners in 9M 2012 reached €1,995.7m from €2,165.4m in 9M 2011, reduced by 7.8%. Stihima's payout in 9M 2012 increased to 70.7% compared to 70.1% in the corresponding period in 2011, while in Q3 2012 it stood at 69.4% compared to 68.4% in the same period in 2011. 9M 2012 payout of KINO stood at 69.0%, versus 69.6% in 9M 2010.

Distribution costs for Q3 and 9M 2012 and 2011						
(€ '000)	Q3 2012	Q3 2011	Δ%	9M 2012	9M 2011	Δ%
Advertisement	2,177	3,574	(39.1)	7,554	15,867	(52.4)
Donations-Grants	2,509	10,307	(75.7)	8,739	13,821	(36.8)
Sponsorship	10,024	6,429	55.9	48,296	41,675	15.9
Subtotal	14,710	20,310	(27.6)	64,589	71,363	(9.5)
Remaining distribution cost	1,505	1,631	(7.6)	4,936	5,265	(6.3)
Total	16,215	21,941	(26.1)	69,525	76,628	(9.3)

Total distribution costs in 9M 2012 decreased by 9.3% from €76.6m to €69.5m. Distribution expenses in Q3 2012 dropped by 26.1% on the back of a 75.7% and 39.1% reduction in donations and advertising respectively, reflecting management's ongoing efforts to further optimise the cost base throughout 2012.

Administrative costs for Q3 and 9M 2012 and 2011						
(€ '000)	Q3 2012	Q3 2011	Δ%	9M 2012	9M 2011	Δ%
Total	6,667	6,408	4.0	22,639	21,206	6.8

Administrative expenses in 9M 2012 increased to €22.6m from €21.2m in 9M 2011 primarily due to non-recurring expenses linked with the new projects' development. In Q3 2012 administrative expenses increased by 4.0% to €6.7m compared to €6.4m in Q3 2011.



Cash Flows for Q3 and 9M of 2012 and 2011			
(€' .000)	9M 2012	9M 2011	Δ%
Cash Flow from Operating Activities	400,917	339,800	18.0
Cash Flow from Investing Activities	(16,649)	9,104	-
Cash Flow from Financing Activities	(239,464)	(358,494)	(33.2)

Cash Flow from Operating Activities

Cash flow from operating activities in 9M 2012 increased to €400.9m from €339.8m in the corresponding period in 2011, due mostly to lower taxation payments.

Cash Flow from Investing Activities

Cash flow from investing activities in 9M 2012 amounted to an outflow of €16.7m compared to an inflow of €9.1m in the corresponding period in 2011, mainly reflecting lower interest income and higher CAPEX.

Cash Flow from Financing Activities

Cash flow from financing activities amounted to an outflow of €239.5m versus €358.5m in the corresponding period in 2011.

3. MAIN DEVELOPMENTS

Gaming market Taxation

Following an agreement with the European commission, the Ministry of Finance has announced the following:

- a. From 01.01.2013, player winnings from OPAP S.A. legacy games will be taxed, irrespective of the winning amount at 10% per coupon, receiving the same treatment as online and VLTs player winnings.
- b. From 01.01.2013 and up to 12.10.2020, OPAP S.A. will pay the Greek State a royalty equal to 30% of the gross win of its legacy games provided for in the contract dated 15.12.2000 between the Greek State and OPAP S.A.
- c. With regards to the concession extension between 13.10.2020 up to 12.10.2030, the Greek State will receive a gross win royalty amounting to 5%, while a part of the €375m paid in 2011 corresponds to the prepayment of the difference ranging between 5% and 30%. A mechanism to confirm the prepayment amount will be put in place and corrective payments may arise on both sides.
- d. In relation to OPAP S.A.'s revenues from VLTs it is provided that, if OPAP S.A.'s revenues exceed certain thresholds, OPAP S.A. will increase its payment on the gross win royalty paid to the Greek State on the increase on its activity. This percentage will increase from the foreseen figure of 30% today up to the maximum 35%.



News Release

OPAP Privatization

On November 9, 2012, eight potential investors expressed their interest to the Hellenic Republic Asset Development Fund (HRADF) for the sale of 33% of OPAP shares.

The following entities or consortia responded to the invitation:

- BC Partners
- Emma Delta Ltd, a fund advised by Emma Delta Management Ltd which is beneficially owned by Jiri Smejc (66,7%) and George Melisanidis (33,3%)
- Consortium of Gauselmann AG (55%), Playtech Ltd (41%) and Helvason Ltd (4%)
- Consortium of Intralot Holdings Luxemburg S.A. (34%) and Intralot Investments Ltd (66%)
- Primrose Treasure Limited subsidiary of Fosun international
- Third Point LLC
- TPG Capital
- Triple Five World Group Properties Limited

Appointment of a Three Member Supervisory Committee

In the context of the contractual agreements with the Hellenic Republic for the control and supervision of gaming on the part of the Greek State, the Minister of Finance decided upon the appointment of Messrs. Dionysius Filippopoulos, lawyer, Eugenios Giannakopoulos, lawyer and Konstantinos Magoulas, professor at the NTUA as members of the Supervisory Committee of OPAP S.A., in order to monitor and ensure that public interests are ensured for and that OPAP S.A. and its agents comply with the relevant provisions in signed contracts and legislation.

3-month extension of OPAP's agreement with INTRALOT

OPAP's Board of Directors (BoD) decided upon a 3-month extension of the 30.07.2010 agreement with Intralot, namely from 30.10.2012 until 30.01.2013 under the exact same terms defined in OPAP's announcement on 30.07.2010. The aforementioned extension was required in order to conclude the ongoing Tender process regarding the selection of OPAP's central system Technology Supplier following the evaluation of the respective financial offers.



News Release

Conference Call Invitation

9M 2012 RESULTS CONFERENCE CALL

Wednesday, November 21st, 2012

04:00 PM (Athens) / 02:00 PM (London) / 09:00 AM (New York)

Dial-in Numbers:

UK participants please dial
Greek participants please dial
US participants please dial

+44 (0) 800 376 9250
+30 211 180 2000
+1 866 288 9315

Live Webcast:

The conference call will be webcasted in real time over the Internet and you may join by linking at the internet site:
<http://services.choruscall.eu/links/opap9M12.html>
If you experience any difficulty, please call +30 210 9460803.

Note:

OPAP S.A. "Financial Status and Results" for the 9M 2012 along with the "Interim Financial Statements based on IFRS", will be available, on Tuesday, November 20th, 2012, on the company's website: www.opap.gr as well as the Athens Exchange website: www.ase.gr. On Wednesday, November 21st, 2012 the results will be published at "Ethnos" and "Kerdos" daily newspapers.

ATTACHMENTS

1. Condensed Interim Consolidated Statement of Comprehensive Income nine-month and third quarter of 2012
2. Condensed Interim Statement of Comprehensive Income nine-month and third quarter 2012
3. Condensed Interim Statement of Financial Position as of 30 September 2012 and 31 December 2011
4. Condensed Interim Cash Flow Statement for the nine-month period that ended on 30 September 2012 and 2011



News Release

1. Condensed Interim Consolidated Statement of Comprehensive Income nine-month and third quarter of 2012

For the nine-month period that ended on 30 September 2012 and 2011

(Amounts in thousand euro except earnings per share)

	2012		2011	
	1.1-30.9.2012	1.7-30.9.2012	1.1-30.9.2011	1.7-30.9.2011
Revenues	2,946,100	891,285	3,196,167	1,004,784
Payouts to the lottery and betting winners	(1,995,694)	(599,424)	(2,165,380)	(673,476)
Net revenues	950,406	291,861	1,030,787	331,308
Cost of sales	(392,133)	(124,461)	(414,718)	(134,220)
Gross profit	558,273	167,400	616,069	197,088
Other operating income	6,017	370	6,613	1,097
Distribution expenses	(69,525)	(16,215)	(76,628)	(21,941)
Administrative expenses	(22,639)	(6,667)	(21,206)	(6,408)
Other operating expenses	(5,469)	(810)	(8,127)	(534)
Operating result	466,657	144,078	516,721	169,302
Gain / (Loss) from associates	(132)	(27)	(126)	(61)
Gain / (Loss) from sales of non-current assets	(56)	-	35	8
Financial results	3,209	1,338	14,868	2,261
Profit before tax	469,678	145,389	531,498	171,510
Current income tax	(91,984)	(30,086)	(115,167)	(37,356)
Deferred tax	(6,019)	(1,674)	(7,207)	1,268
Profit after tax	371,675	113,629	409,124	135,422
Parent company shareholders	371,675	113,629	409,124	135,422
Total income after tax	371,675	113,629	409,124	135,422
Parent company shareholders	371,675	113,629	409,124	135,422
Basic earnings per share	1.1651	0.3562	1.2825	0.4245

2. Condensed Interim Statement of Comprehensive Income
nine-month and third quarter 2012 of OPAP S.A.
For the nine-month period that ended on 30 September 2012 and 2011
 (Amounts in thousand euro except earnings per share)

	2012		2011	
	1.1-30.9.2012	1.7-30.9.2012	1.1-30.9.2011	1.7-30.9.2011
Revenues	2,803,882	843,458	3,059,554	963,001
Payouts to the lottery and betting winners	(1,901,958)	(567,915)	(2,075,927)	(646,204)
Net revenues	901,924	275,543	983,627	316,797
Cost of sales	(359,781)	(112,978)	(384,411)	(124,506)
Gross profit	542,143	162,565	599,216	192,291
Other operating income	19,566	4,929	19,736	5,188
Distribution expenses	(67,750)	(15,815)	(75,482)	(21,664)
Administrative expenses	(24,995)	(7,336)	(22,983)	(7,046)
Other operating expenses	(5,161)	(529)	(8,122)	(532)
Operating result	463,803	143,814	512,365	168,237
Gain / (Loss) from sales of non-current assets	(56)	-	-	-
Financial results	1,400	795	12,019	1,196
Dividends from subsidiaries	11,995	-	4,000	-
Profit before tax	477,142	144,609	528,384	169,433
Current income tax	(90,597)	(29,762)	(113,695)	(36,904)
Deferred tax	(6,859)	(1,967)	(5,808)	1,065
Profit after tax	379,686	112,880	408,881	133,594
Parent company shareholders	379,686	112,880	408,881	133,594
Total income after tax	379,686	112,880	408,881	133,594
Parent company shareholders	379,686	112,880	408,881	133,594
Basic earnings per share	1.1902	0.3539	1.2818	0.4188

3. Condensed Interim Statement of Financial Position

As of 30 September 2012 and 31 December 2011

(Amounts in thousand euro)

	GROUP		COMPANY	
	30.9.2012	31.12.2011	30.9.2012	31.12.2011
ASSETS				
Current assets				
Cash and cash equivalents	340,698	195,894	277,116	105,548
Inventories	741	475	-	-
Receivables	58,335	51,651	59,758	52,950
Other current assets	25,828	36,849	19,308	34,451
Total current assets	425,602	284,869	356,182	192,949
Non - current assets				
Intangible assets	1,102,538	1,101,654	1,102,533	1,101,647
Tangible assets (for own use)	83,117	89,597	68,359	79,753
Investments	1,108	1,159	2,359	2,467
Goodwill	8,435	8,435	-	-
Investments in subsidiaries	-	-	43,054	36,527
Investments in associates	2,787	2,919	1,200	1,200
Long – term receivables	2,073	1,122	2,073	1,102
Other non - current assets	11,482	11,409	44,613	64,728
Deferred tax assets	-	3,026	-	1,634
Total non - current assets	1,211,540	1,219,321	1,264,191	1,289,058
TOTAL ASSETS	1,637,142	1,504,190	1,620,373	1,482,007
EQUITY & LIABILITIES				
Short - term liabilities				
Loans	70,157	33,443	70,157	33,443
Trade payables	89,005	86,887	79,406	83,103
Payables from financial leases	355	8,047	-	7,713
Tax liabilities	15,426	9,472	13,683	7,482
Accrued and other liabilities	38,033	51,691	33,005	46,346
Total short - term liabilities	212,976	189,540	196,251	178,087
Long - term liabilities				
Loans	216,018	250,629	216,018	250,629
Payables	529	798	-	-
Employee benefit plans	19,991	20,711	19,371	20,208
Provisions	62,241	63,841	61,066	62,566
Deferred tax	2,993	-	5,225	-
Other long-term liabilities	90,887	89,159	90,901	88,982
Total long - term liabilities	392,659	425,138	392,581	422,385
Equity				
Share capital	95,700	95,700	95,700	95,700
Reserves	44,001	44,001	43,060	43,060
Retained earnings	891,806	749,811	892,781	742,775
Total equity	1,031,507	889,512	1,031,541	881,535
TOTAL EQUITY & LIABILITIES	1,637,142	1,504,190	1,620,373	1,482,007

4. Condensed Interim Cash Flow Statement

For the nine-month period that ended on 30 September 2012 and 2011

(Amounts in thousand euro)

	GROUP		COMPANY	
	2012	2011	2012	2011
OPERATING ACTIVITIES				
Profit before tax	469,678	531,498	477,142	528,384
Adjustments for:				
Depreciation & Amortization	32,944	32,531	31,779	31,860
Financial results	(3,200)	(14,976)	(13,386)	(16,127)
Employee benefit plans	1,227	1,400	1,131	1,308
Provisions for bad debts	1,500	2,500	1,500	2,500
Other provisions	3,925	3,732	4,000	3,732
Exchange differences	(9)	108	(9)	108
Loss / (Profit) from related companies	132	126	-	-
Results from investing activities	<u>56</u>	<u>(35)</u>	<u>56</u>	<u>-</u>
Total	506,253	556,884	502,213	551,765
Changes in working capital				
(Increase) decrease in inventories	(266)	(94)	-	-
(Increase) decrease in receivables	(15,417)	4,346	5,942	4,396
Increase (decrease) in payables (excluding banks)	(14,918)	(10,568)	(21,297)	2,224
Increase (decrease) in taxes payable	<u>(9,427)</u>	<u>(119,029)</u>	<u>(4,919)</u>	<u>(117,244)</u>
Total	466,225	431,539	481,939	441,141
Interest expenses	(75)	(71)	(15)	(8)
Income taxes paid	<u>(65,233)</u>	<u>(91,668)</u>	<u>(63,944)</u>	<u>(91,668)</u>
Cash flows from operating activities	400,917	339,800	417,980	349,465
INVESTING ACTIVITIES				
Proceeds from sales of tangible & intangible assets	8	99	-	-
Establishment of a subsidiary	-	-	(15)	-
Increase in share capital of subsidiary	-	-	(6,327)	-
Proceeds from maturity of financial assets	-	8,836	-	8,836
Outflow of tangible assets	(7,283)	(17,824)	(1,142)	(15,178)
Outflow of intangible assets	(17,977)	(534)	(17,975)	(533)
Interest received	8,603	18,527	6,781	15,516
Dividends from subsidiaries	<u>-</u>	<u>-</u>	<u>11,420</u>	<u>4,000</u>
Cash flows used in investing activities	(16,649)	9,104	(7,258)	12,641
FINANCING ACTIVITIES				
Payments of financial lease interests	(1,782)	(3,521)	(1,720)	(3,439)
Payments of financial lease capital	(7,961)	(10,158)	(7,713)	(9,929)
Dividends paid	<u>(229,721)</u>	<u>(344,815)</u>	<u>(229,721)</u>	<u>(344,815)</u>
Cash flows used in financing activities	(239,464)	(358,494)	(239,154)	(358,183)
Net increase / (decrease) in cash and cash equivalents	144,804	(9,590)	171,568	3,923
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>
Cash and cash equivalents in the end of the period	340,698	647,898	277,116	561,454