



## **FINANCIAL STATEMENTS**

**AS AT SEPTEMBER 30, 2005 AND 2004**

**(ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS)**

The attached interim financial statements were approved by the Board of Directors at November 21, 2005 and they are posted on the internet at the company's site «[www.opap.gr](http://www.opap.gr)». The attention of the reader is drawn to the fact that the extracts published in the press aim at providing the public with certain elements of financial information but they do not present a comprehensive view of the financial position and the results of operations of the Company and the Group, in accordance with International Financial Reporting Standards.

<b>COMPANY INFORMATION</b>	<b>3</b>
<b>FINANCIAL STATEMENTS</b>	<b>4</b>
<b>GENERAL INFORMATION</b>	<b>8</b>
<b>A. BASIS OF PREPARATION</b>	<b>8</b>
<b>B. ACCOUNTING POLICIES</b>	<b>8</b>
<b>BI. ADOPTION OF IAS NO 27 &amp; 28 (REV 2003)</b>	<b>8</b>
<b>C. MAIN DEVELOPMENTS</b>	<b>9</b>
<b>D. SEASONALITY</b>	<b>9</b>
<b>E. RECLASSIFICATIONS</b>	<b>9</b>
<b>F. SEGMENT INFORMATION</b>	<b>10</b>
<b>G. COST OF SALES</b>	<b>12</b>
<b>H. INCOME FROM PROVISIONS</b>	<b>12</b>
<b>I. OTHER INFORMATION</b>	<b>12</b>
<b>J. COMMITMENTS AND CONTINGENCIES</b>	<b>13</b>
<b>K. SUBSEQUENT EVENTS</b>	<b>13</b>

## Company information

<u>Board of directors:</u>	Kostakos Sotirios (Chairman) Neiadas Basile (C.E.O.) Anisios Ioannis Karkasis Christos Koulosousas Sotirios Kranias Dimitrios Liapis Serafim Likopoulos Dimitrios Nikolaropoulos Sotirios Rigopoulos Konstantinos Stergiopoulos Evangelos
<u>Legal Form:</u>	Societe Anonyme (Anonymos Etairia)
<u>Country:</u>	Greece
<u>Register Number:</u>	46329/06/B/00/15
<u>Auditors:</u>	Grant Thornton

## FINANCIAL STATEMENTS

OPAP S.A.

### Income Statements

For the Nine-month Periods Ended September 30, 2005 and 2004

(Thousands of euro, except for per share amounts)

	Notes	2005		2004	
		01/01-30/09/2005	01/07-30/09/2005	01/01-30/09/2004	01/07-30/09/2004
Revenues	F	2,523,436	863,129	2,128,618	674,951
Cost of sales	G	(1,984,120)	(675,426)	(1,647,180)	(523,587)
<b>Gross profit</b>		<b>539,316</b>	<b>187,703</b>	<b>481,438</b>	<b>151,364</b>
Other operating income		10,796	4,147	9,414	2,518
Distribution costs		(68,843)	(21,665)	(41,187)	(16,923)
Administrative expenses		(23,768)	(8,329)	(18,206)	(4,965)
Other operating expenses		(2,026)	(829)	(1,799)	(959)
Income from provisions	H/J	0	0	148,012	0
<b>Profit from operations</b>		<b>455,475</b>	<b>161,027</b>	<b>577,672</b>	<b>131,035</b>
Net financing results		7,241	1,969	4,652	1,525
<b>Profit before tax</b>		<b>462,716</b>	<b>162,996</b>	<b>582,324</b>	<b>132,560</b>
Tax expense	I	(155,674)	(52,009)	(209,249)	(47,760)
<b>Profit after tax</b>		<b>307,042</b>	<b>110,987</b>	<b>373,075</b>	<b>84,800</b>
<b>Basic earnings per share</b>		<b>0.96</b>	<b>0.35</b>	<b>1.17</b>	<b>0.27</b>

Chairman of Board  
of Directors

Chief Executive  
Officer

Chief Financial  
Officer

Chief Accounting  
Officer

Kostakos Sotirios

Neiadas Basile

Tsaousis Konstantinos

Tsilivis Konstantinos

**The attached notes form an integral part of these financial statements**

**OPAP S.A.**  
**Balance Sheets**  
**as at September 30, 2005 and December 31, 2004**  
(Thousands of euro)

	Notes	2005	2004
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		452,298	383,553
Inventories		276	482
Trade receivables		43,555	36,445
Other receivables		180,597	226,974
<b>Total current assets</b>		<b>676,726</b>	<b>647,454</b>
<b>Non - current assets</b>			
Intangible assets		231,812	244,609
Property, plant and equipment		35,491	38,609
Investments in subsidiaries		42,877	42,877
Investments in associates		10,000	10,000
Other non current assets		11,427	11,519
Deferred tax assets		5,990	6,538
<b>Total non-current assets</b>		<b>337,597</b>	<b>354,152</b>
<b>TOTAL ASSETS</b>		<b>1,014,323</b>	<b>1,001,606</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings		15,852	21,574
Trade and other payables		118,834	115,249
Tax liabilities		318,400	336,457
Accrued liabilities		33,433	4,230
<b>Total current liabilities</b>		<b>486,519</b>	<b>477,510</b>
<b>Non - current liabilities</b>			
Borrowings		17,786	25,345
Employee benefit plans		23,248	23,369
Provisions		730	0
Other liabilities		5,451	5,165
<b>Total non current liabilities</b>		<b>47,215</b>	<b>53,879</b>
<b>Capital and reserves</b>			
Issued capital		95,700	95,700
Reserves		43,060	43,060
Dividends proposed		0	296,670
Retained earnings		341,829	34,787
<b>Total capital &amp; reserves</b>		<b>480,589</b>	<b>470,217</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,014,323</b>	<b>1,001,606</b>

**The attached notes form an integral part of these financial statements**

**OPAP S.A.**  
**Cash Flow Statements**  
**For the Nine-month Periods Ended September 30, 2005 and 2004**  
(Thousands of euro)

	Notes	2005	2004
<b>OPERATING ACTIVITIES</b>			
Profit before tax		462,716	582,324
<b>Adjustments for:</b>			
Depreciation & amortization		16,921	19,659
Net financing income		(8,354)	(6,633)
Employee benefit plans		1,175	671
Provisions for bad debts		1,600	3,797
Released provisions for contingent liabilities		0	(148,012)
Other non cash items		(566)	(837)
		<b>473,492</b>	<b>450,969</b>
Increase (decrease) in inventories		206	64
Increase (decrease) in trade & other receivable		52,802	(40,337)
Increase (decrease) in payables		39,769	3,540
Increase (decrease) in taxes payables		(4,140)	(659)
		<b>562,129</b>	<b>413,577</b>
Income taxes paid		(183,999)	(101,094)
<b>Cash flow from operating activities</b>		<b>378,130</b>	<b>312,483</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		0	118
Guarranties		(27)	0
Loans raised to personnel		(61)	(823)
Acquisition of subsidiary net of cash acquired		0	(25,172)
Purchase of plant and equipment		(8,540)	(13,986)
Purchase of intangible assets		(146)	(1,156)
Interest received		8,354	6,633
<b>Cash flows from investing activities</b>		<b>(420)</b>	<b>(34,386)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowings		(13,282)	(21,426)
Dividends returns (paid)		(295,683)	(138,456)
<b>Cash flow from financing activities</b>		<b>(308,965)</b>	<b>(159,882)</b>
<b>Net increase in cash and cash equivalents</b>		<b>68,745</b>	<b>118,215</b>
Cash and cash equivalents at beginning of year		383,553	286,005
<b>Cash and cash equivalents at end of year</b>		<b>452,298</b>	<b>404,220</b>

**The attached notes form an integral part of these financial statements**

**OPAP S.A.**  
**Statement of Changes in Net Equity**  
**For the Nine-month Periods Ended September 30, 2005**  
**and December 31, 2004**  
(Thousands of euro)

	Notes	Share capital	Other reserves	Dividends proposed	Retained earnings	Total
<b>Balance as at December 31, 2003</b>		<b>95,700</b>	<b>43,060</b>	<b>137,170</b>	<b>5,531</b>	<b>281,461</b>
<b>Changes in accounting policies</b>		-	-	-	(28)	<b>(28)</b>
<b>Restated at December 31, 2003</b>		<b>95,700</b>	<b>43,060</b>	<b>137,170</b>	<b>5,503</b>	<b>281,433</b>
<b>Net profit for the period (restated)</b>		-	-	-	373,075	<b>373,075</b>
Dividends paid		-	-	(137,170)	-	<b>(137,170)</b>
<b>Balance as at September 30, 2004</b>		<b>95,700</b>	<b>43,060</b>	<b>0</b>	<b>378,578</b>	<b>517,338</b>
<b>Balance as at December 31, 2004</b>		<b>95,700</b>	<b>43,060</b>	<b>296,670</b>	<b>39,044</b>	<b>474,474</b>
<b>Changes in accounting policies</b>		-	-	-	(4,257)	<b>(4,257)</b>
<b>Restated at December 31, 2004</b>		<b>95,700</b>	<b>43,060</b>	<b>296,670</b>	<b>34,787</b>	<b>470,217</b>
<b>Net profit for the period</b>		-	-	-	307,042	<b>307,042</b>
Dividends paid		-	-	(296,670)	-	<b>(296,670)</b>
<b>Balance as at September 30, 2005</b>		<b>95,700</b>	<b>43,060</b>	<b>0</b>	<b>341,829</b>	<b>480,589</b>

**The attached notes form an integral part of these financial statements**

**OPAP S.A.**  
**Notes to Financial Statements**

**General Information**

OPAP S.A. was established as a private legal entity in 1958.

OPAP S.A. was reorganized as a société anonyme in 1999 and its accounting as such began in 2000.

The Company has the sole concession to operate and manage nine existing numerical lottery and sports betting games as well as two new numerical lottery games, which it has yet to introduce. The Company also holds the sole concession to operate and manage any new sports betting games in Greece as well as a right of first refusal to the sole concession to operate and manage any new games permitted and regulated by the Hellenic Republic.

The Company currently operates six numerical lottery games (*Joker, Lotto, Proto, Extra 5 Super* and *3 Kino*) and three sports betting games (*Stihima, Propo* and *Propo-goal*). It has also designed two new lottery games (*Bingo*, and *Super 4*). It distributes its games through an extensive on-line network of approximately 5,126 dedicated agents.

**A. Basis of Preparation**

The interim financial statements for the period ended as at September 30, 2005 have been prepared in accordance with International Financial Reporting Standards (and in particular International Accounting Standard No. 34), using the historical cost convention.

**B. Accounting Policies**

The same accounting policies and methods of computation are followed in the interim financial statements as have been used in preparing the audited annual financial statements for the period ended as at December 31, 2004 (the "Annual Financial Statements"), except for the accounting policies discussed below.

In 2003 and 2004, the IASB issued a series of new IFRS and revised International Accounting Standards (IAS), which in conjunction with unrevised IAS's issued by the International Accounting Standards Committee, predecessor to the IASB, is referred to as "the IFRS Stable Platform 2005". The Group applies the IFRS Stable Platform 2005 from January 1, 2005.

**Bi. Adoption of IAS No 27 & 28 (rev 2003)**

The company up to December 31, 2004 accounted investments in subsidiaries and investments in associates under equity method. According to the revised I.A.S. No 27 and No 28 investments in subsidiaries and associates in the parent company's statements are accounted either at cost or according to I.A.S. No 39. From January 1st ,2005 investments in subsidiaries and associates are accounted for under cost method. The changing in accounting policy is applied under I.A.S. No 8.

The adoption of I.A.S. No 27 and I.A.S. No 28 resulted in the following adjustments in the income statement of the comparative period 2004:



	2004
Elimination of income from subsidiaries	(4,073)
Elimination of income from associates	(133)
Elimination of amortization of Goodwill	1,817
Decrease in profit after tax	(2,389)
<b>Decrease in earnings per share</b>	
Basic	(0.01)

### C. Main Developments

On June 25th 2005, the Company gets on a partial revision of the contract with INTRALOT S.A as regards the operation of Stihima. The revision has retroactive validity from January 30th 2005. The main changes of the contract are as follows:

- a) The increase in the percentage of attribution to the winners that the Contractor guarantees. The new percentage arises to 64.92% upon the revenues as a result of gradually induction games between Greek teams, live betting and non sports events respectively. Every amount over the above percentage is paid by the Contractor after the expiration of the contract.
- b) The date of the clearance which will come by the completion of the contract concerning the period between January 30th 2005 and January 29th 2007.

### D. Seasonality

Under International Financial Reporting Standards, the Company's operations are not affected by seasonality or cyclical factors, except for operations relating to *Stihima*, for which the sales increase in connection with significant sports events, such as the European or World Cup.

### E. Reclassifications

Certain prior period amounts have been reclassified to conform to current presentation.

## F. Segment Information

Business Segments for the Period ended September 30, 2005

	PROPO	LOTTO	PROTO	STIHIMA	PROPO GOAL	JOKER	EXTRA 5	SUPER 3	KINO	TOTAL
<i>(Thousands of euro)</i>										
<b>Revenues</b>	56,567	38,961	28,581	939,620	947	185,907	14,519	49,321	1,209,013	<b>2,523,436</b>
<b>Gross profit</b>	20,560	17,821	9,384	141,958	136	67,163	2,892	15,104	264,298	<b>539,316</b>
Other information :										
Tangible and intangible assets	5,992	4,127	3,028	99,532	100	19,693	1,538	5,224	128,069	<b>267,303</b>
Current assets	15,170	10,448	7,665	251,984	254	49,856	3,894	13,227	324,228	<b>676,726</b>
Segment assets	<b>21,162</b>	<b>14,575</b>	<b>10,693</b>	<b>351,516</b>	<b>354</b>	<b>69,549</b>	<b>5,432</b>	<b>18,451</b>	<b>452,297</b>	<b>944,029</b>
Unallocated assets										<b>70,294</b>
<b>TOTAL ASSETS</b>										<b>1,014,323</b>
Segment liabilities	4,290	2,954	2,167	71,253	72	14,098	1,101	3,740	91,681	<b>191,356</b>
Unallocated liabilities										<b>342,378</b>
<b>TOTAL LIABILITIES</b>										<b>533,734</b>
Additions of tangible and intangible assets	28	20	15	473	0	94	7	25	608	<b>1,270</b>
Depreciation and amortization	379	261	192	6,301	6	1,247	97	331	8,107	<b>16,921</b>

Business Segments for the Period ended September 30, 2004

	PROPO	LOTTO	PROTO	STIHIMA	PROPO GOAL	JOKER	EXTRA 5	SUPER 3	KINO	TOTAL
<i>(Thousands of euro)</i>										
<b>Revenues</b>	53,991	42,449	30,810	1,226,088	1,319	171,361	26,814	96,106	479,680	<b>2,128,618</b>
<b>Gross profit</b>	19,899	19,495	10,095	233,702	463	61,231	7,845	27,395	101,313	<b>481,438</b>
Other information :										
Tangible and intangible assets	7,325	5,759	4,180	166,356	179	23,250	3,638	13,039	65,083	<b>288,809</b>
Current assets	15,681	12,329	8,948	356,114	383	49,772	7,788	27,913	139,322	<b>618,250</b>
Segment assets	<b>23,006</b>	<b>18,088</b>	<b>13,128</b>	<b>522,470</b>	<b>562</b>	<b>73,022</b>	<b>11,426</b>	<b>40,952</b>	<b>204,405</b>	<b>907,059</b>
Unallocated assets										<b>69,780</b>
<b>TOTAL ASSETS</b>										<b>976,839</b>
Segment liabilities										
Segment liabilities	4,438	3,489	2,532	100,783	108	14,086	2,204	7,900	39,430	<b>174,970</b>
Unallocated liabilities										<b>286,257</b>
<b>TOTAL LIABILITIES</b>										<b>461,227</b>
Additions of tangible and intangible assets										
Additions of tangible and intangible assets	384	302	219	8,723	9	1,218	191	684	3,412	<b>15,142</b>
Depreciation and amortization	499	392	285	11,323	12	1,583	247	887	4,431	<b>19,659</b>

There are no sales transactions between the business segments. Segment assets consist of property, plant and equipment, intangible assets, inventories, trade and other receivables, cash and cash equivalents. Unallocated assets principally consist of other non-current assets, deferred tax assets, goodwill and investments in associates.

Segment liabilities comprise operating liabilities and exclude items such as taxation, employee benefit plans and provisions.

A portion of cost of sales has been allocated to each business segment according to the revenues of that business segment.

## G. Cost of sales

The analysis of cost of sales, classified by type of expenses, is as follows:

Nine Month Period Ending September 30,	2005	2004
	<i>(Thousands of euro)</i>	
Prize payouts to lottery and betting winners	1,627,762	1,281,523
Lottery agents' commissions	202,804	178,563
Betting commissions	97,213	125,401
Depreciation	2,850	5,284
Amortization	12,985	13,236
Repairs and maintenance	6,149	5,060
Third party outsourcing	7,869	8,837
Greek Professional Football Team Association	4,612	4,115
Staff cost	10,135	9,537
Provisions for bad debtors	1,600	3,797
Other expenses	9,345	11,136
Retirement benefit costs	796	691
<b>Total cost of sales</b>	<b>1,984,120</b>	<b>1,647,180</b>

## H. Income from provisions

During the nine month period ended September 30, 2004 the parent company, based on Decision 953/2004 of the Athens Court, recognized the reversal of the accumulated provision of 148,012,000 € that had been recognized by the Company through December 31, 2003, based on the 2/2003 decision of the Arbitration Court, pursuant to which the company would have been obligated to pay to INTRALOT S.A. an amount of 36,900,000 € for every year that it didn't include horserace and greyhound race betting as additional *Stihima* betting events.

## I. Other Information

- No share capital has been issued during the periods presented.
- No mergers or acquisitions have taken place during the periods presented.
- No loss from the impairment of property, plant and equipment and intangible assets has taken place during the periods presented.
- An amount of 6,421,000 € is included in the income tax expense of the current period. The amount relates to additional income tax charges that aroused after the finalization of tax obligations for the years 2003 and 2004 by tax authorities

## **J. Commitments and Contingencies**

OPAP S.A. has signed a contract with INTRALOT S.A., in relation to the operation of certain parts of *Stihima*. The contract signed by OPAP S.A. and INTRALOT S.A. specifies that the betting coupon will include a variety of betting events including absolute-fixed odds and variable-fixed odds betting games.

INTRALOT S.A. requested compensation from the Company for damages due to the Company's failure to introduce horse and greyhound race betting games.

The Company and INTRALOT S.A. sought to resolve the dispute through arbitration. A three-member Arbitration Court issued a decision granting INTRALOT S.A., in relation to the operation of certain parts of *Stihima*, the amount of 36,900,000 € for every year that the commencement of the horse and greyhound racing betting was delayed after March 29, 2001, until horse and greyhound race betting began to operate or until the relevant contract expires (January, 28, 2007).

Regarding the above decision OPAP S.A. requested from the Athens Court of Appeal the rescission of the decision. The Appeal was heard by the Court on October 7<sup>th</sup>, 2003 which thereafter issued a decision favorable to the company.

INTRALOT S.A. has appealed against the Athens Court's decision, to the Supreme Court. The recantation was discussed in the 24/10/2005 and is expected the publication of decision.

The Company's management believes that it is not probable that INTRALOT S.A.'s appeal will be successful and that therefore it is not likely that the Company will be required to pay compensation to INTRALOT S.A.

No material changes have taken place during the nine month period ended September 30, 2005 in the Company's commitments and contingencies apart from those disclosed in the Annual Financial Statements, for the period ended as at December 31, 2004 and those disclosed above.

## **K. Subsequent Events**

There have not been any material events subsequent to the end of the interim period ended September 30, 2005.