FINANCIAL STATEMENTS OF OPAP S.A. GROUP OF COMPANIES

AS OF DECEMBER 31st, 2007 AND 2006

(ACCORDING TO THE INTERNATIONAL FINANCIAL REPORTING STANDARDS)

The attached financial statements were approved by the Board of Directors on March 26th, 2008 and they are posted on the internet at the company's site «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 results of operations of the Company and Group, in accordance with the International Financial Reporting Standards.

Christos Hadjiemmanuil

Chairman of the Board & Ceo

Board of Directors Report

General Overview

The year 2007 was a very important period for the Group of OPAP S.A., since the dynamic growth of the company continued, indicated by the significant increase in the basic economic sizes, the event that ascertains the leading role and salience of the company in the particularly competitive and socially sensitive market of numerical lottery and sport betting games.

The positive course and our strategic planning were depicted with clarity in our report and our financial results for 2007. Basic economic sizes according to our financial statements (the Group and the parent company) for the year ended 2007 are as follows:

1. The turnover of 2007 came up to € 5,065,750,466.06 against € 4,633,428,778.34 in 2006, presenting an increase of 9.33%.

2. Gross profit came up to € 1,021,892,898.10 against € 858,545,619.31 in 2006, presenting an increase of 19.03 %.

3. The operating profit of the Group (before depreciation and amortization, interest and taxes) came up to € 810,004,706.13 against € 738,211,249.40 in 2006, presenting an increase of 9.73%.

4. Profit before tax presented an increase of 7.04% and were formed at € 776,622,173.87 against € 725,517,290.30 in 2006.

5. Net profit presented an increase of 12.09% amounting to € 571,437,031.01 against € 509,806,697.57 in 2006.

Major developments

1. By the 29.1.2007, the two year period (30.1.2005 – 29.1.2007) concerning the operation in Greece of the game "Stihima" was completed, in accordance to the 25.6.2005 partial revision of the contract between the OPAP S.A. and the Operator of the Game.

2. Following the expiry of the two year contract with the Operator of "Stihima" on 29.1.2007 as well as the organization and establishment of the newly formed General Department of Betting, OPAP S.A. undertook the management, conduct, organization and operation of the "PAME STIHIMA" game, in house.

3. On 23.11.2006 the company signed a six month Private Agreement (effective from 29.1.2007 to 29.7.2007) with consortium INTRALOT S.A. concerning: a) technical expertise transport, b) provision and installation at OPAP S.A. headquarters of the total complex of technological structure as well as the professional staff training on its functioning, c) provision of 3,500 terminals for the agencies and d) provision of maintenance services – technical support of technological structure. The total price amounted to € 65 million plus V.A.T.

4. The BoD of OPAP S.A. at its meeting on 9.7.2007 decided to cancel the results of the International Public Tender "Supply, Installation and Maintenance of IT equipment of the Centers and Terminals as well as Supporting Equipment and Services".

5. Agreement with consortium "Intralot S.A. - Intralot International LTD" and "Betting Company S.A."
On 31.7.2007 OPAP announced a three year agreement concerning the following:

- The enrichment of the "STIHIMA" game with new betting features, the provision of upgraded risk management software as well as the provision of upgraded services of its operational support.
- INTRALOT on 30.11.2007 undertakes the obligation to upgrade OPAP's central computer systems in hardware and software as well as the operation of I.P network.
- Additionally OPAP obtains the right to use 29,400 terminals (agency terminals of cutting edge technology, terminals for independent use by the players inside the agencies as well as self ticket checkers). Specifically, until the end of 2007, 5,658 main terminal and 1,265 self ticket checkers have been established.
- Provision of services of added value players of special game categories, promotional activities, bill payments, ticket sales, etc.

The total fee for the use of equipment, software, the provision of support services for the "STIHIMA" as well as the transfer of know how for software development for the three year the agreement, is € 96.48 million plus V.A.T.

Last, this agreement additionally regulates the terms and cost for the provision by consortium INTRALOT S.A. of maintenance, technical and operational services for all the equipment (with OPAP's right to extend for an additional year). It also defines the option rights for both parties concerning the transport of all technological infrastructure as well as licenses to OPAP S.A.

In the prospect of realizing the 31.7.2007 Private Agreement between OPAP S.A. and the consortium "Intralot S.A. – Intralot International LTD" and "Betting Company S.A.", the contractor and/or OPAP S.A. throughout the duration of the Agreement in the period from 31.10.2007 to 31.1.2010, retains the option to exercise the right to transport to OPAP S.A. the following:

a) the infrastructure (hardware) for a price of € 20 million, including VAT that burdens OPAP S.A.

b)1. the license to use the Source Code of the central computer system's games software and the terminals used by the agents until 31.12.2016,

2. the license to use the software applications for services of added value until 31.12.2016 and

3. the license to use the games' software installed in the agents' terminals (9,800 new CORONIS terminals, 9,800 self-service terminals, 9,800 self-checker terminals) until 31.12.2016,

for a total price of € 58.52 million including VAT which burdens OPAP S.A., which will be paid in eleven (11) quarter installments.

In accordance with the aforementioned and pursuant to the article 13.2 of the Private Agreement dated 31.7.2007 between OPAP S.A and the consortium "Intralot S.A-Intralot International LTD" and "Betting

Company S.A" , the later exercised in writing its put option right whereby it is entitled to transfer of all the licences to use of paragraph (b) to OPAP S.A. on 27.11.2007.

Factors of Value Creation and Performance Measurement

The Group monitors the performances through the analysis of nine of its basic business segments, which, based on IAS 14, are the nine games it organizes, conducts and operates.

The business segments:

(1) The business segment with the highest percentage participation in the sales is KINO which constituted - for 2007 – 47.73% of turnover while it contributed to the 45.33% of the total gross profit of the Group.

(2) Second in sales is the business segment of STIHIMA game that participates in 2007 by 42.36% in the total sales and by 37.66% in the gross profit of the Group.

(3) JOKER still constitutes an important activity segment for the Group. This segment in 2007 constituted 5.06% of the turnover, as well as 8.84% over the total gross profit, while its participation in the results of 2008 is expected equally important.

(4) The operation segment of PROPO constituted 1.26% of the turnover of the Group in 2007 and participated by 2.01% in the gross profit of the Group.

(5) The next operation segment is the one of SUPER 3 game that constituted 1.20% of the turnover of the Group in 2007 and participated by 1.74% in the gross profit of the Group.

(6) The sales of the business segment of LOTTO follow, which for 2007 participates by 1.09% in the total sales and by 2.41% in the gross profit of the Group.

(7) The PROTO game constitutes one more significant operating segment of the Group. This segment in 2007 constituted 0.99% of the turnover, as well as 1.57% of the total gross profit.

(8) The following operating segment is the one of the EXTRA 5 game, the turnover of which constituted 0.28% in 2007 and participated by 0.42% in the gross profit of the Group.

(9) The segment with the smallest portion of the sales is PROPOGOAL, which constituted for 2007 0.03% of the turnover of the Group while it also contributed to 0.02% of the total gross profit.

It is the Group's policy to evaluate its results and performance on a monthly basis, tracing- in time and effectively-deviations from the objectives and taking the relative corrective measures. The Group measures its efficiency by using financial performance ratios, which are internationally used:

- ROCE (Return on Capital Employed) – "Return On Capital Employed": The index divides the profit before tax and operating results with the Group's capital employed, which are the sum of the Equity plus the total loans and long-term provisions.

- ROE (Return on Equity) – "Return On Equity": The index divides profit after tax with the Group's Equity.

- EVA (Economic Value Added) – "Economic Value Added": This size is calculated by multiplying the capital employed by the difference (ROCE – Cost of Capital) and constitutes the amount by which the economic value of the company increases. In order for the Group to calculate the cost of capital, it uses the formula of WACC – "Weighted Average Cost of Capital".

The indices above, for 2007, and in comparison to 2006, changed as follows:

	31.12.2007	31.12.2006
ROCE	1.19	1.33
ROE	1.00	0.98
EVA	€ 728 million	€ 671 million

Corporate Governance, outlook and OPAP S.A. dividend policy

Corporate Governance

OPAP S.A. has adopted the Principles of Corporate governance as these are defined in compliance with the existing Greek legislation and international practice. Corporal Governance as a total of rules and regulations, principals and control mechanisms is a basis upon which a company is organized and administered. Therefore it aims at providing clarity to the investing public as well as protecting its shares interests and all the aspects relevant to its operation.

The Board of Directors of the company is the treasurer of the Principles of Corporate Governance of the company. Presently, it comprises of 3 executive and 8 non-executive members. In compliance with the requirements of the Law 3016/2002 for the Corporate Governance, three of the non- executive members of the BoD are called "independent" (based on the 38/21.11.2007 decision of BoD concerning the formation of the BoD)

The Audit Committee comprises of 1 to 3 non-executive members of the Board of Directors and its mission is to conduct objective both internal and external audits as well as to secure an effective communication between the audit services and the BoD. Among its responsibilities is to ensure the compliance with Corporate Governance regulations. It is also responsible of safeguarding the unimpaired function of the Internal Audit System and the supervision of the company's Internal Audit Department.
OPAP S.A.'s Audit Committee bears the title of "Supervisory and Audit Committee" and comprises of two non-executive and independent members of BoD Mr. Stavros Theodoropoulos (Chairman), Mr. Michael Galanis (member) and a non-executive member of BoD Mr. Emilios Stasinakis (member).

Internal audit is a basic and necessary prerequisite of Corporate Governance. OPAP S.A's Internal Audit Department is an independent organizational unit that refers directly to the BoD. It is in its responsibilities to evaluate and improve internal audit and risk- management systems as well as to check and ensure that the company is in compliance with the institutional policies and procedures as described in the Internal Operation Regulations of the company, the existing legislation (mainly stock-exchange) and Bod's decisions.
OPAP S.A. applied immediately the requirements of Law 3016/2002 concerning Corporate Governance and formed the Internal Audit Department after the Internal Operations Regulation was approved in 17.12.2002. As of 5.8.2003 Director of the Internal Audit Department has been a fully and exclusively employed member of OPAP S.A.'s staff.

Outlook for the following year

The positive results and the perspectives of further growth and expansion will signify the new year during which important developments are expected in all fields of operation.

Our strategy concerning the continuation of development course of the company has the following basic objectives for the year 2008:

1) to innovate, strengthen and describe the relation of the company with its sales network in a contract, something that is the basis of the sales system,
2) the improvement of the way OPAP S.A. and OPAP Services S.A. operate so as to comply with the current Corporate Governance models. For this to happen it is required that both business process and workflows are re-engineered and that there will be an adjustment of working positions and consequently of the two companies' flow charts. The study for the re- engineering will be conducted by a certified consultant company and will entail: a) the recording of current operation and processes, b) the re-structuring of operation according to the best up-to date practices, c) suggestions for the re-formulation of the flow chart, d) creation of a system measuring operational and process performance, e) job descriptions and f) creation of a plan to bring about the changes from the current organizational structure to the future one. The operational framework of OPAP S.A., the stock holders' interest, the business growth as well as the contribution of OPAP Services S.A. and the financial figures, call for an organizational restructuring that will be executed with the at most precision and success so at to assure smooth work flow and
3) to conclude the technological infrastructure upgrading, to asses systems and controls, especially to certify the good functioning of business operations and risk management methods of the game "PAME STIHIMA".

The Group's long term is to invest on the development of new games, the re-designing of the existing ones so at to make them more appealing, addressing to a larger part of the public.

Taking into consideration that during 2007: a) the six-month Private Agreement effective from 29.1.2007 to 29.7.2007 regarding the technical transport from INTRALOT S.A. was completed, b) the gradual transfer to OPAP S.A. from the consortium Intralot S.A. – Intralot International Ltd and Betting Company S.A. of infrastructure began on 31.7.2007, including the software licences according to the three year duration agreement in 2008. It is expected that the forecasted capital expenses will amount to € 19 million as follows:

- Information Management System (€ 10 million),
- Other capital expenses (€ 9 million).

Dividend policy – Distribution of net profit

Concerning dividend distribution, the company management, taking into account amongst others, the company's effectiveness, the prognoses and the investment plans, suggests, based on OPAP S.A.' net profit, the distribution of dividends equal to that of € 1.74 / share against € 1.58 / share in 2006, presenting an increase of 10.13%.

The net profit of OPAP S.A. (after the reduction of income tax), amounting to € 554,301,276.33, increased by the amount of € 758,723.67 arising from the undistributed profit of prior periods, is set for disposal to 2007 distribution as follows:

NET PROFIT	€ 554,301,276.33
UNDISTRIBUTED PROFIT	€ 758,723.67
TOTAL	€ 555,060,000.00
DIVIDEND PER SHARE	€ 1.74

It has to be noticed that the BoD of the company, following the decisions num. 38/21.11.2007 of its meeting, approved of the interim dividend distribution for the year 2007, rising to € 0.60 / share (the total amount disposed as interim dividend – € 191,400,000.00) closing session on 13.12.2007. Thus, the remaining amount of dividend available for distribution to the shareholders of the company is priced at € 1.14 / share (the total amount of € 363,660,000.00).

APPENDIX

Explanatory report upon the annual Administration Report of OPAP S.A.'s Board of Directors addressing to the General Meeting of Shareholders, according to article 11a of Law 3371/2005

The present additional report of the Board of Directors to the General Shareholders' Meeting, includes information complying with Law 3371/2005, paragraph 1, article 11a.

1. Shareholders Capital Structure

The company's shareholders capital amounts to € 95,700,000, divided into 319,000,000 registered stocks with voting right, that have nominal value of € 0.30 each. All stocks are listed and traded at the Athens Stock Exchange, in the Large Cap category.

Shareholders' rights derive from their stocks, in accordance to the percentage of capital that their stocks represent. All stocks have the same rights and obligations and incorporate all the rights and obligations set by the Law and the company's Articles of Association, more specifically:

- The right to participate and vote to the General Meeting of the company.
- The right upon dividends by annual or settlement profits, whenever the case, as well as the right to its property in case of settlement.
- The option right in every capital increase by cash or new stocks.
- The general meeting of the shareholders retains all its authorities and power during settlement (according to article 48 of its Articles of Association). The shareholders' responsibility is reduced to the stocks they have.
- The right to have a copy of the financial statements and reports by the Auditors and the Board of Directors.

2. Limitations in the company's stock transfers

Stock transfer and trading is performed according to the law with no limitations arising from the Articles of Association.

3. Important direct / indirect participations according to Presidential Decree 3556/2007 of the Hellenic Republic

Shareholders (either being an individual or a legal entity) having on 31.12.2007 directly or indirectly a percentage greater than 5% of the total number of stocks and the equivalent voting rights, are as follows:

NAME	PERCENTAGE
GREEK PUBLIC	34,0001%
CAPITAL RESEARCH AND MANAGEMENT COMPANY	10,3390%*

* It is included in the above mentioned percentage a voting right of the company Capital World Growth and Income Fund Inc.

4. Stock owners of every kind with special controlling rights

There are no stocks of the company providing special voting rights.

5. Limitations in voting rights

There are no limitations in voting rights according to the Articles of Association deriving from its stocks.

6. Shareholder agreements acknowledged by the Company, necessitating restrictions to stock assigning / transfer or vote rights

The company is not aware of any existing agreements between its shareholders that would necessitate restrictions either on stock assigning or exercising their right to vote deriving from their stocks.

7. Rules of appointment / replacement for members of Board of Directors and corporation charter changes

Rules anticipated by the Articles of Association for appointment / replacement of members of the Board of Directors as well as modifications in the Articles of Association do not differ from what is incorporated in Law 2190/1920 that is in effect.

8. Board of Directors or Board of Directors's members' authorization to issue new or buying own stocks

According to clause 5 of the company's Articles of Association, by decision of the General Shareholders' Meeting, subjected to the publication of article 7b of Law 2190/1920 that is in effect, the Board of Directors can be given the right, with a decision voted by a 2/3 majority of its members, to a partial or total increase of the shareholder capital share, by issuing new stocks, up to the paid in capital on the date the Board of Directors was assigned to this task. This Board of Directors' authority can be renewed by the General Shareholders' Meeting for a period that will not exceed five years for each renewal. Such a decision has not yet been taken by the General Shareholders' Meeting. According to the same clause of the company's Articles of Association, in the case that capital reserves surpass 1/4 of the paid- in capital, it is imperative that a General Shareholders' Meeting decision is taken, given that its majority represents 2/3 of the paid- in capital of the company.

According to the provisions of article 16 of Law 2190/1920, that is in effect, companies listed in the Athens Stock Exchange, are in position –through a relative General Shareholders Meeting decision, defining the purpose as well as the terms and conditions- to commit own shares buy backs through the Athens Stock Exchange up to 10% of the total stocks. There is no opposing regulation in the Articles of Association. Such a decision has not been takes by the General Shareholders' Meeting.

9. Important agreements, the company has signed, lay in effect, are modified or ended in the case of shift in the company's ownership status as a result of a public offer. Description of the results that derive from such agreements

There is no such an agreement.

10. Agreements the company has signed up with members of Board of Directors or with employees that anticipate compensation in cases of resignation or discharge in the absence of a well founded reason, or termination of service / employment status because of a public offer

There are no agreements from the company's part with members of the Board of Directors anticipating compensation, especially in the cases of resignation or discharge in the absence of a well founded reason or in case of termination of their term or employment due to a public offer.

Peristeri, 26.3.2008

THE BOARD OF DIRECTORS

Independent Auditor's Report

To the Shareholders of OPAP S.A.

Report on the financial statements

We have audited the accompanying financial statements of OPAP S.A. ("the Company") as well as the consolidated financial statements of the Company and its subsidiaries ("the Group"), which comprise the balance sheet as at December 31, 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards that have been adopted by the European Union. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the abovementioned financial statements present fairly, in all material respects, the financial position of the Company and that of the Group as of December 31, 2007, and the financial performance and the cash flows of the Company and those of the Group for the year then ended in accordance with International Financial Reporting Standards that have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

The Board of Directors Report comprises the information prescribed by Article 43a paragraph 3 and Article 107 paragraph 3 of the Law 2190/1920 as well as Article 11a of the Law N. 3371/2005 and its content is consistent with the abovementioned financial statements.

Athens, 26th March 2008
Chartered Accountants

GEORGE N. DELIGIANNIS SOEL Reg. No. 15791	SOTIRIS A. CONSTANTINOU SOEL Reg. No. 13671

Grant Thornton

Chartered Accountants
Vassileos Konstantinou 44
116 35 Athens
SOEL RN 127

1. Balance sheet

For the years that ended on December 31st, 2007 and 2006

(Amounts in thousand of euro)

		GROUP		COMPANY	
	Notes	**31.12.2007**	**31.12.2006**	**31.12.2007**	**31.12.2006**
ASSETS					
Current assets					
Cash and cash equivalents	11.1	492,860	384,126	404,825	324,044
Inventories	11.2	703	608	703	608
Trade receivables	11.3	36,839	102,050	38,213	100,128
Other current assets	11.4	155,136	184,666	154,248	184,388
Total current assets		**685,538**	**671,450**	**597,989**	**609,168**
Non-current assets					
Intangible assets	11.5	336,379	222,361	336,332	222,309
Property, plant and equipment	11.6	108,119	34,072	107,322	33,104
Goodwill	11.7	7,672	12,452	-	-
Investments in subsidiaries	11.8	-	-	35,627	41,577
Investments in associates	11.9	1,608	1,194	1,200	1,200
Other non-current assets	11.10	15,692	16,480	15,676	16,471
Deferred tax assets	11.11	11,915	1,919	25,420	10,952
Total non-current assets		**481,385**	**288,478**	**521,577**	**325,613**
TOTAL ASSETS		**1,166,923**	**959,928**	**1,119,566**	**934,781**
EQUITY & LIABILITIES					
Short-term liabilities					
Trade and other payables	11.13	125,749	160,929	130,370	167,628
Payables from financial leases	11.14	61,394	16	61,394	16
Tax liabilities	11.15	237,345	242,555	234,593	240,844
Accrued liabilities	11.16	52,444	12,879	48,159	10,651
Total short-term liabilities		**476,932**	**416,379**	**474,516**	**419,139**
Long-term liabilities					
Payables from financial leases	11.14	84,429	57	84,429	57
Employee benefit plans	11.17	21,566	19,604	21,566	19,604
Provisions	11.18	8,159	301	8,159	301
Other long-term liabilities	11.19	6,756	5,868	6,631	5,747
Total long-term liabilities		**120,910**	**25,830**	**120,785**	**25,709**
Equity					
Share capital	11.20	95,700	95,700	95,700	95,700
Reserves	11.21	43,700	43,700	43,060	43,060
Proposed dividends	11.22	363,660	328,570	363,660	328,570
Exchange differences	11.23	(8)	84	-	-
Retained earnings		65,908	49,531	21,845	22,603
Total Equity		**568,960**	**517,585**	**524,265**	**489,933**
Minority interest		121	134	-	-
Total Equity		**569,081**	**517,719**	**524,265**	**489,933**
TOTAL EQUITY & LIABILITIES		**1,166,923**	**959,928**	**1,119,566**	**934,781**

The attached notes form an integral part of these financial statements

2. Income statement

For the years that ended on December 31st, 2007 and 2006

(Amounts in thousand of euro except for per share amounts)

		GROUP		COMPANY	
	Notes	**1.1-31.12.2007**	**1.1-31.12.2006**	**1.1-31.12.2007**	**1.1-31.12.2006**
Revenues	10.1,10.2	5,065,751	4,633,429	4,929,708	4,524,105
Cost of sales	11.24	(4,043,858)	(3,774,883)	(3,930,066)	(3,683,467)
Gross profit		**1,021,893**	**858,546**	**999,642**	**840,638**
Other operating income	11.25	3,612	2,545	14,088	11,485
Distribution costs	11.26	(200,834)	(95,905)	(217,538)	(108,847)
Administrative expenses	11.26	(47,451)	(41,689)	(41,614)	(36,534)
Other operating expenses	11.27	(10,779)	(10,909)	(10,778)	(10,905)
Income / loss from associates	11.9	414	-	-	-
Impairment of assets	11.28	(4,780)	-	(5,950)	-
Profit from operations		**762,075**	**712,588**	**737,850**	**695,837**
Financial results, net	11.29	14,547	12,929	13,583	12,115
Dividends		-	-	2,587	5,581
Profit before tax		**776,622**	**725,517**	**754,020**	**713,533**
Income tax	11.30	(215,194)	(212,280)	(214,186)	(211,902)
Deferred tax	11.30	9,996	(3,436)	14,468	(538)
Profit after tax		**571,424**	**509,801**	**554,302**	**501,093**
Minority interest		13	6	-	-
Net profit for the period		**571,437**	**509,807**	**554,302**	**501,093**
Basic earnings per share in €	11.31	**1.79**	**1.60**	**1.74**	**1.57**

Chairman of the Board & Ceo	Member of the Board	Chief Financial Officer	Chief Accounting Officer
Hadjiemmanuil Christos	Panageas Dimitrios	Saraintaris John	Tsilivis Konstantinos

The attached notes form an integral part of these financial statements

3. Cash flow statement

For the years that ended on December 31st, 2007 and 2006

(Amounts in thousand of euro)

	GROUP		COMPANY	
	2007	**2006**	**2007**	**2006**
OPERATING ACTIVITIES				
Profit before tax	776,622	725,517	754,020	713,533
Adjustments for:				
Depreciation & Amortization	47,929	25,623	47,546	25,070
Financial results, net	(14,547)	(12,929)	(13,583)	(12,115)
Employee benefit plans	1,963	(3,888)	1,963	(3,888)
Provisions for bad debts	3,500	5,000	3,500	5,000
Other provisions	7,858	-	7,858	-
Dividends from subsidiaries	-	-	(2,587)	(5,581)
Exchange differences	(254)	(226)	-	-
Impairment losses	4,780	-	5,950	-
(Income) / loss from associates	(414)	-	-	-
Results from investing activities	(211)	24	(211)	30
Cash flows from operating activities before changes in working capital	**827,226**	**739,121**	**804,456**	**722,049**
Changes in Working capital				
Increase (Decrease) in inventories	(95)	(204)	(95)	(204)
Increase (Decrease) in trade & other receivable	87,794	(71,334)	84,734	(69,022)
Increase (Decrease) in payables (except borrowings)	10,058	24,308	5,688	35,496
Increase (Decrease) in taxes payables	(825)	6,105	(866)	5,666
	924,158	**697,996**	**893,917**	**693,985**
Interest expenses	(3,767)	(924)	(3,748)	(896)
Taxes paid	(215,953)	(244,203)	(215,508)	(243,788)
Cash flows from operating activities	**704,438**	**452,869**	**674,661**	**449,301**
INVESTING ACTIVITIES				
Proceeds from the sale of tangible & intangible assets	-	31	-	21
Guarantees	(85)	(196)	(78)	(196)
Loans paid to personnel	552	(4,013)	552	(4,013)
Purchase of tangible assets	(2,142)	(3,899)	(1,967)	(3,784)
Purchase of intangible assets	(78,054)	(14,465)	(78,016)	(14,432)
Dividends from subsidiaries	-	-	2,587	5,581
Interest received	18,314	13,853	17,331	13,011
Cash flows used in investing activities	**(61,415)**	**(8,689)**	**(59,591)**	**(3,812)**
FINANCING ACTIVITIES				
Repayment of borrowings	-	(25,345)	-	(25,345)
Repayment of financial lease funds	(9,766)	(12)	(9,766)	(12)
Dividends paid	(524,523)	(471,698)	(524,523)	(471,698)
Cash flows used in financing activities	**(534,289)**	**(497,055)**	**(534,289)**	**(497,055)**
Net increase / decrease in cash and cash equivalents	**108,734**	**(52,875)**	**80,781**	**(51,566)**
Cash and cash equivalents at the beginning of the year	384,126	437,001	324,044	375,610
Cash and cash equivalents at the end of year	**492,860**	**384,126**	**404,825**	**324,044**

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

4. Statement of changes in equity

4.1. Consolidated statements of changes in equity

For the years that ended on December 31st, 2007 and 2006

(Amounts in thousand of euro)

	Share capital	Exchange differences	Dividends	Other reserves	Retained earnings	Minority Interest	Total
Balance as of January 1st, 2006	**95,700**	**179**	**299,860**	**43,700**	**43,744**	**140**	**483,323**
Net profit for the period	-	-	-	-	509,807	(6)	**509,801**
Exchange Differences	-	(95)	-	-	-	-	**(95)**
Dividends paid	-	-	(475,310)	-	-	-	**(475,310)**
Dividends proposed	-	-	504,020	-	(504,020)	-	**0**
Balance as of December 31st, 2006	**95,700**	**84**	**328,570**	**43,700**	**49,531**	**134**	**517,719**
Balance as of January 1st, 2007	**95,700**	**84**	**328,570**	**43,700**	**49,531**	**134**	**517,719**
Net profit for the period	-	-	-	-	571,437	(13)	**571,424**
Exchange Differences	-	(92)	-	-	-	-	**(92)**
Dividends paid	-	-	(519,970)	-	-	-	**(519,970)**
Dividends proposed	-	-	555,060	-	(555,060)	-	**0**
Balance as of December 31st, 2007	**95,700**	**(8)**	**363,660**	**43,700**	**65,908**	**121**	**569.081**

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

4.2. Statements of changes in equity of OPAP S.A.

For the years that ended on December 31st, 2007 and 2006

(Amounts in thousand of euro)

	Share capital	Other reserves	Dividends	Retained earnings	Total
Balance as of January 1st, 2006	**95,700**	**43,060**	**299,860**	**25,530**	**464,150**
Net profit for the period	-	-	-	501,093	**501,093**
Dividends paid	-	-	(475,310)	-	**(475,310)**
Dividends proposed	-	-	504,020	(504,020)	**0**
Balance as of December 31st, 2006	**95,700**	**43,060**	**328,570**	**22,603**	**489,933**
Balance as of January 1st, 2007	**95,700**	**43,060**	**328,570**	**22,603**	**489,933**
Net profit for the period	-	-	-	554,302	**554,302**
Dividends paid	-	-	(519,970)	-	**(519,970)**
Dividends proposed	-	-	555,060	(555,060)	**0**
Balance as of December 31st, 2007	**95,700**	**43,060**	**363,660**	**21,845**	**524,265**

The attached notes form an integral part of these financial statements

5. General Information about the company and the Group

5.1. General information

The consolidated financial statements of the Group and the financial statements of the Company, have been prepared in accordance with International Financial Reporting Standards (IFRS) as developed and published by the International Accounting Standards Board (IASB).

OPAP S.A., is the Group's ultimate parent company and was established as a private legal entity in 1958. OPAP S.A. was reorganized as a société anonyme in 1999 domiciled in Greece and its accounting as such began in 2000. The address of the company's registered office, which is also its principal place of business, is 62 Kifisou Avenue, 121 32 Peristeri, Greece. OPAP's shares are listed on the Athens Exchange.

The financial statements for the year that ended on December 31st, 2007 (including the comparatives for the year that ended on December 31st, 2006) were approved by the Board of Directors on 26th of March 2008. Under the Greek regulations, amendments to the financial statements are not permitted after they have been approved.

5.2. Nature of operations

On 13.10.2000 the company bought from the Hellenic Republic the 20-year exclusive right to operate certain numerical lottery and sports betting games for the amount of € 322,817,000. According to this, 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 operate and manage any new lottery games permitted by the Hellenic Republic.

The company currently operates six numerical lottery games (Joker, Lotto, Proto, Extra 5, Super 3 and 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 5,316 dedicated agents.

6. Basis of preparation

The financial statements (of Group and OPAP S.A.) have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets charged directly in equity, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 6.2.

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 1.1.2005.

6.1. Changes in accounting policies

6.1.1. Review of changes

The Group made the first time adoption of IFRS 7, Financial Instruments : Disclosures. The Standard has been retrospectively applied through adjustment i.e. through the accounts and the presentation of the results of 2006. Therefore, the comparative items of 2006 that are included in the financial statements differ from those publicized in the financial statements of the period ended as at 31.12.2006.

No other Standards and Interpretations were adopted during the current year.

The impact of arising from the first time adoption of the aforementioned standards in the current, previous and contingent financial statements pertaining to recognition, evaluation and presentation are further analyzed in the notes 6.1.2.-6.2.2.

Note 6.1.3. makes a brief presentation of the Standards and Interpretations that are to be adopted by the Group in the contingent periods.

6.1.2. Changes in accounting policies (adjustments made to the publicized standards of the opening period 2007)

The changes in the accounting policies that were adopted and comply with those of the prior periods are analyzed as follows:

IAS 1, (amendment) Capital disclosures

Due to the issuance of IFRS 7, further disclosures were added to IAS 1 in order for a company to provide useful information to users regarding the objectives, policies and management procedures for its capital. The aforementioned disclosures required based on the change made to IAS 1 are presented in Note 6.1.3.

IFRS 7, Disclosures of financial instruments

IFRS 7 is mandatory applied in the annual financial statements publicized for the period starting as at or after 1.1.2007. IFRS 7 replaces and modifies the disclosure requirements previously prescribed by IAS 32 and was adopted by the Group in the annual financial statements of 2007. All the disclosures referring to financial instruments as well as the items of the comparative period have been updated so that they should comply with the requirements of the new standard.

In particular, the consolidated financial statements of the Group additionally present:

1. Sensitivity analyses aimed at the justification of the Group's exposure to the market risks pertaining to its financial instruments and
2. Analyses of maturity of financial obligations that presents outstanding contractual obligations for every financial statement presented.

The first time adoption of the Standard has not resulted in the readjustment of prior period items as concerning the cash flows, net results and other items of the Balance Sheet.

There are no standards, amendments and interpretations as at opening 2007 not relevant to the Group's operations.

6.1.3. Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted

The following new Standards, Revised Standards and the following Interpretations to Standards have been publicized but are not mandatory for the presented financial statements in which the group has not early adopted:

Standards or Interpretations	Description	Effective date for the periods starting as at or after :
IFRIC 11	IFRS 2 - Transactions in participating titles of the same company of companies of the same Group	1.3.2007
IFRIC 12	Service Concession Agreements	1.1.2008
IFRIC 13	Customer Loyalty Programmes	1.7.2008
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1.1.2008
IAS 23	Borrowing Costs (Revised in 2007)	1.1.2009
IAS 1	Presentation of Financial Statements (Revised in 2007)	1.1.2009
IFRS 8	Operating Segments	1.1.2009
Note: The edition of this standard was made in November 2007. Therefore, no other editions of IFRIC or IASB publicized on subsequent dates were taken into consideration.		

Briefly, the aforementioned Interpretations and Standards prescribe the following:

IFRIC 11: IFRS 2- Transactions in participating titles of the same company or companies of the same Group

The interpretation provides instructions regarding whether a payment agreement based on the value of the entity's shares, which receives goods or services as an exchange for its own participating titles, will be accounted for as a transaction settled with participating titles or as a transaction settled with cash. It is a significant distinction since there are material differences in the required accounting treatment.

For instance, cash-settled payments are measured at fair value at each balance sheet date. On the contrary, as far as equity-settled payments are concerned, the fair value is defined at the service provision date and is recognized in the period the corresponding service is provided.

Although IFRIC 11 focuses on payments to employees based on participating titles, the logic behind it can be applied to other similar transactions with goods and services providers. The entities are to apply the current Interpretation for annual periods starting as at or after 1.3.2007. Earlier application is permitted. In case an entity applies the current Interpretation for the period starting before 1.3.2007, this fact is to be disclosed.

IFRIC 12: Service Concession Agreements

IFRIC 12 provides guidance on accounting for some arrangements in which (i) a public sector body ("the grantor") engages a private sector entity ("the operator") to provide services to the public and (ii) those services involve the use of infrastructure by the operator ("public to private service concessions"). IFRIC 12 does not cover all kinds of concession arrangements. It applies only to public and private service concessions in which the operator makes use of infrastructure. Therefore, it does not cover private to private service concessions.

IFRIC 12 application guide defines that the regulating bodies or service control do not presuppose that the grantor has full control over pricing or the ways the infrastructure is used. Therefore, there is required objective judgment in particular cases in order to define whether the aforementioned arrangements are within the scope of the current Interpretation.

The arrangements that are not within the scope of IFRIC 12 are to be treated in compliance with the other IFRS. The arrangements in which the operator controls the infrastructure might lead to recognition of assets in compliance with IAS 16 or constitute a lease (in compliance with IFRIC 4).

IFRIC 12 is applied for annual periods starting as at or after 1.1.2008. Earlier application is permitted. The retrospective application of the Interpretation is mandatory in case of changes but there are some exceptions to this obligation in case full retrospective application is impossible.

IFRIC 13: Customer Loyalty Programmes

Customer Loyalty Programmes provide the customers with incentives to acquire goods or services of a company. Companies, that grant their customers loyalty award credits (‘points’) when buying goods or services, should account for their obligation to provide free or discounted goods or services if and when the customers redeem the points. The programmes can be applied by the company or a third party. IFRIC 13 can be applied to all award credits of customer loyalty programmes that a company can offer to its customers as a part of sale transaction. IFRIC 13 is mandatory effective for annual periods beginning as at or after 1.7.2008. The retrospective application of the Interpretation is required while earlier application is encouraged as long as this fact is disclosed in the explanatory notes attached to the financial statements of the company.

IFRIC 14: IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

IFRIC 14 addresses the issues of interaction between the minimum funding requirements (usually imposed by laws and regulations) and the measurement of a defined benefit asset. The scope of IFRIC 14 only deals with how entities should determine the limit placed by IAS 19 Employee Benefits on the amount of a surplus in a pension plan they can recognise as an asset, the way a minimum funding requirement affects that limit and when a minimum funding requirement creates an onerous obligation that should be recognised as a liability in addition to that otherwise recognised under IAS 19.

Generally, IFRIC 14 provides an interpretation of the availability of a surplus stating that a surplus is available to a plan sponsor in case an entity has an unconditional right to use the surplus at some point during the life of the plan or on its wind up in order for a surplus to be recognized.

Furthermore, the Interpretation deals with the accounting treatment of the minimum funding requirements arising from services already received by the entity. IFRIC 14 is effective for annual periods beginning as at or after 1.1.2008. As an exception, full retrospective application is not required. The application is required as at the opening of the first period the Interpretation is applied.

IAS 23: Borrowing Cost (Revised in 2007)

The revised IAS 23 removes the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. The characteristic of the aforementioned assets is that a substantial period of time is required for assets to get ready for use or sale. Despite that, an entity is required to capitalize such borrowing costs as part of the cost of that asset.

The revised Standard does not require capitalization of borrowing costs pertaining to assets measured at fair value and inventories created or systematically produced in big quantities even if they take a substantial period of time to get ready for use or sale.

The revised Standard applies to borrowing costs pertaining to assets that are qualified as those within its scope and is effective for annual periods beginning as at or after 1.1.2009. Early application is permitted.

IAS 1: Presentation of Financial Statements (Revised in 2007)

The main changes made to the Standard can be summarized as a separate presentation of changes in equity arising from transactions with owners in their capacity as owners (ex. dividends, capital increases) from other changes in equity (modification reserves). Furthermore, the aforementioned revision of the Standard will result in the changes of definitions as well as in the presentation of the financial statements.

The new definitions of the Standard, however, do not change the regulations for recognition, measurement and disclosures of the particular transactions as well as other items required by the rest of the Standards.

The amendment of IAS 1 is mandatory for the periods starting as at or after 1.1.2009, while the requirements are also applied in IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The changes arising from the amendment of IAS 1 are applied retrospectively (IAS 8.19 (b)). Early application is encouraged as long as this fact is disclosed in the explanatory notes attached to the financial statements of the entity.

IFRS 8: Operating Segments

The main changes in this Standard can be summarized as follows:

1. The results of each segment are based on the results of each operating reportable segment. Operating Segments results do not comprise financial expenses and income including those arising from investments in share capital of the companies as well as the results arising from taxes and discontinued operations.
2. Furthermore, the Group Management, in making managerial decisions referring to the distribution of resources among its operating segments as well as in measuring the efficiency of the segments, does not take into account either the expenses pertaining to employ retirement benefits or the cost arising from settling share based transactions.

The Standard is applied in the annual Financial statements starting as at or after 1.1.2009. Early application is permitted encouraged as long as this fact is disclosed. Reporting on operating segments of the comparative periods as starting from the initial year of application shall be modified in order to comply with the requirements of the standard unless the information is unavailable and the cost of its collecting is prohibiting.

Based on the existing structure and the accounting principles followed by it, the Management does not expect any material changes in the financial statements of the Group arising from the application of the aforementioned Standards and Interpretations when they become effective.

The effect of application of IAS 23 has not been defined yet. As mentioned above, the revised IAS 23 eliminates the option of immediately recognising as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. It is expected to affect the measurement of assets that are internally created within the framework of research and development operations of the Group. The policy applied till currently referred to immediate burdening of the results of the period with the total of financial expenses. The change in the expenses recognition accounting policy will mainly affect the time of recognition of the expenses as well as the way of its presentation (financial cost as against depreciation-amortization).

The Group does not intend to proceed to early application of any Standards or Interpretations.

6.2. Important accounting decisions, estimations and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

6.2.1. Judgements

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the Management that have the most significant effect on the amounts recognized in the financial statements. Mainly judgements relate to:

- **recoverability of accounts receivable**

Management examines annually the recoverability of the amounts included in accounts receivable, in combination with external information (such as creditability databases, lawyers, etc) in order to estimate the recoverability of accounts receivable.

- **classification of investments**

On investment acquisition, the Management decides on its classification as that in held-to-maturity assets, held for the purpose of being traded, instruments at fair value through profit or loss or available-for-sale assets. As far as held-to-maturity assets are concerned, the Management examines whether they are qualified under IAS 39 and, in particular, the extent to which the group has intention and ability to hold them to maturity. The Group classifies assets as those held for the purpose of being traded in case they were acquired mainly to create short term profit. The classification of assets as instruments at fair value through profit or loss depends on the way the Management monitors the return on such investments. In case they are not classified as those held for the purpose of being traded but there are available and reliable fair values and the changes in fair values are included in profit and loss accounts of the Management, they are classified as instruments at fair value through profit or loss. All the other investments are classified as available-for-sale assets.

- **Obsolescence of inventories and**
- **The extent to which a lease pertaining to exterior lease is classified as operating or financing.**

6.2.2. Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A "critical accounting estimate" is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The company evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also see note 7, "Summary of Significant Accounting Policies", which discusses accounting policies that we have selected from acceptable alternatives.

Estimated impairment of goodwill

The Group tests goodwill for impairment annually and whenever events or circumstances make it more likely than not that an impairment may have occurred, such as a significant adverse change in the business climate or a decision to sell or dispose of a reporting unit. Determining whether an impairment has occurred requires valuation of the respective reporting unit, which is estimated using a discounted cash flow method. When available and as appropriate, there can be used comparative market multiples to corroborate discounted cash flow results. In applying this methodology, a number of factors have been used, including actual operating results, future business plans, economic projections and market data. If this analysis indicates that goodwill is impaired, measuring the impairment requires a fair value estimate of each identified tangible and intangible asset. In this case supplement the cash flow approach discussed above with independent appraisals, as appropriate.

Other identified intangible assets are tested with defined useful lives and subject to amortization by comparing the carrying amount to the sum of undiscounted cash flows expected to be generated by the asset. Intangible assets with indefinite lives are tested annually for impairment using a fair value method such as discounted cash flows. The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 7.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Provisions

The Company establishes provisions for receivables equal to the amount of receivables from agents that management of the company estimates as doubtful. To determine the provisions necessary at a balance sheet date, guarantees paid by agents are taken into consideration in accordance with regulations governing the Company's relationship with its agents. These guarantees are used to offset bad debts from agents.

Management estimates that its provisions for credit risk, that amount to € 21,879 th. (2006: € 18,379 th.), are adequate due to its credit risk controls, the large volume and disparate nature of its receivables and the real-time credit control of the Company's agents through its on-line network.

Contingencies

The Group is involved in litigation and claims in the normal course of operations. Management is of the opinion that any resulting settlements would not materially affect the financial position of the Group as at December 31st, 2007. However, the determination of contingent liabilities relating to the litigation and claims is a complex process that involves judgments as to the outcomes and interpretation of laws and regulations. Changes in the judgments or interpretations may result in an increase or decrease in the company's contingent liabilities in the future.

7. Summary of accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. It should be noted that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

7.1. Basis of consolidation and investments in associates

The accompanying consolidated financial statements include the accounts of the company and its subsidiaries.

Subsidiaries: are companies in which OPAP S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise the power to exercise control over their operations. When assessing whether OPAP S.A. controls another entity potential voting rights the existence and effect of potential voting rights that are currently exercisable or convertible are considered. Subsidiaries are consolidated using the purchase method from the date on which effective control is transferred to the company and cease to be consolidated from the date on which control is transferred out of the company. In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement. All inter-company transactions have been eliminated. Where necessary, accounting policies for subsidiaries are revised to ensure consistency with those adopted by the company. The balance sheet of subsidiaries denominated in foreign currencies are translated in euro using the balance sheet date exchange rates, average exchange rates are used for the translation of the income statement and cash flow statement. Translation gains or losses arising are reported as a separate component of shareholders equity.

Associates: are those entities over which the Group is able to exert significant influence but which are neither subsidiaries nor interests in a consortium. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Significant influence normally exists when Grantor has 20% to 50% voting power through ownership or agreements. Investments in associates are initially recognised at cost and subsequently accounted for using the equity method.
Any goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Where a Group entity transacts with an associate of the Group, profit or losses are eliminated to the extent of the Group's interest in the relevant associated company. All subsequent changes to the share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are charged against "Results from equity investments" in OPAP's consolidated income statement and therefore affect net results of the Group. These changes include subsequent depreciation, amortization or impairment of the fair value adjustments of assets and liabilities. Items that have been directly recognised in the associate's equity, for example, resulting from the associate's accounting for available-for sale securities, are recognised in consolidated equity of the Group. Any non-income related equity movements of the

associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognised in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the financial statements of OPAP S.A. investments in subsidiaries are accounted for and presented at cost less any impairment of value. Dividends are recognized in the income statement when they are declared. Investments in associates are accounted for and presented at cost less any impairment of value. Dividends are recognized in the income statement when they are declared.

7.2. Foreign currency translation

OPAP's consolidated financial statements are presented in euro (€), which is also the functional currency of the parent company and the currency of presentation for the Company and all its subsidiaries.

Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the income statement under "other income" or "other expenses", respectively except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as assets held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as assets classified as available for sale are included in the available-for-sale reserve in equity.

In the consolidated financial statements, all separate financial statements of subsidiaries and jointly controlled entities, originally presented in a currency different from the Group's presentation currency (none of which has the currency of a hyperinflationary economy), have been converted into euro.

Assets and liabilities have been translated into euros at the closing rate at the balance sheet date.

7.3. Segment reporting

In order to recognize the presented operating segments, the Management is based on the business operating segments that mainly represent the goods and services provided by the Group.

The accounting principles used by the group for the purposes of segment reporting in compliance with IAS 14 are the same as those used for the preparation of the financial statements.

7.4. Income and expense recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received and is shown net of value-added tax, returns, discounts and after eliminating sales within the Group. The amount of revenue is considered to be reliably measurable when all contingencies relating to the sale have been resolved.

Revenues: Include revenues from games. The revenues recognition is as follows:

- **Revenues from games:**

Revenus from the games is recognized upon the completion of games, typically immediately before the announcement of the games' results, which occurs twice per week. Revenues from sports betting games that last longer than three or four days are recognized on a cash basis twice per week. Revenues from sports betting games, are typically recognized daily for "Stihima" and on a cash basis once and three times per week for the games "Propo-goal" and "Propo" respectively, as these games have a duration of more than three or four days.

Other revenue categories are recognized based on the following methods:

- **Sale of goods**:

Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods and the payment has been ensured.

- **Rendering of services:**

Revenue from fixed-price contracts is recognised by reference to the stage completion of the transaction at the balance sheet date. Under the percentage of completion method, revenue is generally recognised based on the cost of services activity and performance to date as a percentage of the total services to be performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable. The amount of the selling price associated with the subsequent servicing agreement is deferred and recognised as revenue over the period during which the service is performed. This deferred income is included in "Other liabilities".

- **Interest income**

Interest income is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When a receivable is impaired, the Group reduces the carrying amount to the amount expected to be recovered, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognized using the original effective interest rate.

- **Dividend income:**

Dividend income is recognized when there is finalized the shareholders' right to collect them.

Expenses: Expenses are recognized on an accrual basis. Borrowing costs are recognized as incurred.

7.5. Property, plant and equipment

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is booked in the results when such is realized.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is booked as profit or loss to the results. Expenditure on repairs and maintenance is booked as an expense in the period they occur.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Land	-
Buildings	20 years
Plant & Machinery	5 - 8 years
Vehicles	6.5 years
Equipment	5 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

7.6. Intangible assets

Intangible assets include software and concession rights.

Software: Software licenses are valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Concession right: The 20-year concession granted by the Hellenic Republic to the Company to operate numerical lottery and sports betting games has been stated at cost, which was determined by independent actuaries and depreciated during the 20 years period. Please refer to note 7.8 for the impairment test procedures.

7.7. Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The acquirer tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Refer to note 7.8 for a description of impairment testing procedures.

7.8. Impairment of assets

The Group's goodwill and assets with an indefinite useful life are not depreciated and are subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the value in use. An impairment loss is recognized by the company when the book value of these assets (cash generating unit- CGU) is greater than its recoverable amount. Net sales value is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

7.9. Leases

The groups enters into agreements that are not those of the legal type of a lease but pertain to the transfer of the right to use assets (property, plant and equipment) as against certain payments.

The consideration of whether as agreement contains an element of a lease is made at the inception of the agreement, taking into account all the available data and particular circumstances. After the inception of the agreement, there is conducted its revaluation concerning whether it still contains an element of a lease in case any of the below mentioned happen:

a. there is a change in the conditions of the leases apart from cases when the leases is simply prolonged or renewed,

b. there is exercised the right to renew the leases or a prolongation of the leases is decided apart from the cases when the terms of prolongation and renewal were initially included in the leasing period,

c. there is a change in the extent to which the realization depends on the defined assets and

d. there is a material change in the assets.

If a lease is reevaluated, the accounting treatment of leases is applied as starting from the date the changes qualify for those mentioned in (a), (c) or (d), and as starting from the date of prolongation and renewal in cases specified in (b).

The Group as the lessee

The ownership of a leased asset is transferred to the lessee in case all the risks and rewards of ownership of the leased assets have been transferred to the lessee irrespective of the legal type of the agreement. At the commencement of the lease term, lessees shall recognise finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent accounting treatment of assets acquired through finance leases is that the leased land and buildings are revalued at fair value. The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the lessee will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

All the remaining leases are treated as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Group as the lessor

The leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initially, the lease payment income less cost of services are charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

7.10. Other non-current assets

Non-current assets are recorded at their historical cost, without any present value discount from the date of their anticipated maturity or realization.

Guarantee deposits

Guarantee deposits are placed on deposit with certain suppliers to secure the company's obligations to those suppliers. Amounts remain as demands for their duration. Upon the maturity of these obligations, the amounts on deposit may be applied against all or a portion of the outstanding obligations according to the terms of the deposit, with any balance being returned to the Group.

Prepayments for retirement benefits

These amounts are paid to employees in accordance with the parent company's collective employment agreement. Since 31.12.2000 these amounts are paid to employees who have completed 17.5 years of service (prior to 31.12.2000 the requirement was 25 years of service). The amount given is the total retirement compensation for the service rendered to that date (until 31.12.2000 the amount given was 50% of the total retirement compensation for the service rendered). Prepaid amounts are deducted from the lump-sum retirement benefit payable to the employee upon termination. Interest on prepaid amounts accrued at the rate of 2%.

Housing loans to personnel

In accordance with the parent company's collective bargaining agreement, eligible full-time employees are entitled to housing loans. These loans have a term of 25 years with an initial two-year grace period on repayments of principal and interest. Interest accrued are calculated with a fixed rate of 2% annually.

There are three types of housing loans:

Acquisition	Until the amount of	€ 32,281.73
Construction	Until the amount of	€ 16,140.86
Repair	Until the amount of	€ 8,070.43

7.11. Financial assets

Financial assets include cash and financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets, other than hedging instruments, can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Regular way purchase or sale of financial assets is recognised on their settlement date. All financial assets that are not classified as at fair value through profit or loss are initially recognised at fair value, plus transaction costs.

The company determines whether a contract contains an embedded derivative in its agreement. The embedded derivative is separated from the host contract and accounted for as a derivative when the analysis shows that the economic characteristics and risks of the derivative are not closely related to the host contract.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The company assesses at each balance sheet date whether a financial asset or Group of financial assets is impaired.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortization process. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Trade receivables are provided against when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables in the balance sheet.

ii) Financial assets at fair value through profit or loss

These comprise assets that satisfy any of the following conditions:

- Financial assets that are held for trading purposes (including derivatives, except those that are designated and effective hedging instruments, those that are acquired or incurred for the purpose of sale or repurchase and finally those that are part of a portfolio of designated financial instruments).
- Upon initial recognition, it is designated by the company as an instrument valued at fair value, with any changes recognized through the income statement.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss. Financial assets originally designated as financial assets at fair value through profit or loss may not subsequently be reclassified.

iii) Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets.

All financial assets within this category are subsequently measured at fair value, unless otherwise disclosed, with changes in value recognised in equity, net of any effects arising from income taxes.

In the case of impairment, any cumulative loss previously recognised in equity is transferred to the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

At each balance sheet date, the Group assesses whether there are objective indications that lead to the conclusion that financial assets have been impaired. For company shares that have been classified as financial assets available for sale, such an indication

comprises a significant or extended decline in the fair value compared to the acquisition cost. If impairment is established, any accumulated loss in Equity, which is the difference between acquisition cost and fair value, is transferred to the results.
The Group did not own such investments.

iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and a fixed date of maturity. Investments are classified as held-to maturity if it is the intention of the Group's management to hold them until maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method. The amortised cost is the amount initially recognised less principal repayments, plus or less the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any provisions for impairment. The calculation includes all fees and points paid or received between parties to the contract. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in the income statement.

v) Fair value

The fair values of financial assets that are traded in active markets, are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.

7.12. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the yearly weighted average cost formula.

7.13. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less. Money market instruments are financial assets carried at fair value through profit or loss.

7.14. Equity

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Additional paid-in capital includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Preference shares that provide characteristics of a liability are recognised in the balance sheet as a financial liability, net of transaction costs. The dividend payments on shares wholly recognised as liabilities are recognised as interest expense in the income statement.

The components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity are recognised separately and classified separately as financial liabilities, financial assets or equity instruments.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, with all the related expenses included, is deducted from equity attributable to the Company's equity holders. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own share capital. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

7.15. Income tax & deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to Equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences. This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with goodwill.

No deferred taxe is recognised from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss. No deferred taxes are recognised to temporary differences associated with shares in subsidiaries and joint ventures if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a part of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity. Deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. The Group recognises previously unrecognised deferred tax asset are reassessed at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

7.16. Other provisions, contingent liabilities and contingent assets

Other provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are not recognised for future operating losses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision. The expense relating to a provision is presented in the income statement, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost in the income statement.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised unless assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is very small.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

7.17. Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, trade and other payables and finance leasing liabilities. They are included in balance sheet line items "Long-term borrowings", "Short-term borrowings", "Long-term liabilities from financial leases", "Short-term liabilities from financial leases" and "Trade and other payables".

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and derecognised when the obligation under the liability is discharged or cancelled or expires. All interest related charges are recognised as an expense in "Finance cost" in the income statement.

Finance lease liabilities are measured at initial value less the capital element of lease repayments.

Trade payables and other liabilities are recognised initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortization process.

Where an existing financial liability is exchanged by another or the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as extinguishment of the original liability and recognition of a new liability. Any difference in the respective carrying amounts is recognised in the income statement.

Borrowings

Loans are recorded as liabilities at the date funds are received. Loan issuance expenses are included in the results of operations. At a subsequent balance sheet dates, loans are shown at their unpaid principal amount. Interest expenses are recognized when paid and at the balance sheet date, to the extent that these expenses are accrued and unpaid. Loans are classified as long-term if they mature in more than one year and short-term if they mature in one year or less.

7.18. Retirement benefits costs

Pursuant to the collective bargaining agreement between the company and its employees, the company is obliged to pay its employees retirement benefits following the completion of the requisite service period. The cost of these benefits, determined periodically on an actuarial basis, is recognized as an expense in the year that the service was rendered. A portion of this benefit may be paid to an employee prior to his/her retirement.

Actuarial gains and losses that exceed 10 per cent of the greater of the present value of the Group's defined benefit obligation and the fair value of plan assets are amortized over the expected average remaining working lives of the participating employees.

7.19. Investment property

In this category the Group classifies property held for long-term rental yields which is not occupied by the companies. These investments are initially recognized at their cost, increased by the expenses related to the acquisition transaction. After the initial recognition they are valued at their cost less the accumulated depreciation and the possible accumulated losses from the reduction of their value. Expenses for the maintenance and repairing of the invested upon property, plant and equipment, are recognized in the income statement. For the calculation of depreciation, their useful life has been defined equal to that of owner occupied property.

8. Structure of the Group

The structure of OPAP Group on December 31st, 2007 is the following:

COMPANY'S NAME	OWNERSHIP INTEREST	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
Consolidation			
OPAP S.A.	Parent Company	Greece	Numerical lottery games and sports betting
OPAP (CYPRUS) LTD	100%	Cyprus	Numerical lottery games
OPAP GLORY LTD	90%	Cyprus	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Holding company
OPAP SERVICES S.A.	100%	Greece	Sports events- Promotion
Equity method			
Glory Technology Ltd	20%	Cyprus	Software

The effective date of first consolidation for both OPAP (CYPRUS) LTD and OPAP GLORY LTD companies was October 1st, 2003 for OPAP INTERNATIONAL LTD it was February 24th, 2004 and for OPAP SERVICES S.A. it was September 15th, 2004. All subsidiaries have same reporting date to parent company.

9. Dividend distribution

Dividend distribution to the shareholders of the parent company and the Group is recognized as a liability named "Trade and other payables", at the date at which the distribution is approved of by the Shareholders' General Meeting.

10. Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The management recognizes business segment as primary and reports separately revenues from each game.

10.1. Business segments of OPAP Group of companies, for the years that ended on December 31st, 2007 and 2006 respectively

1.1-31.12.2007	PROPO	LOTTO	PROTO	STIHIMA	PROPOGOAL	JOKER	EXTRA 5	SUPER 3	KINO	UNALLOCATED ITEMS	TOTAL
(Amounts in thousand of euro)											
Revenues	63,746	54,987	50,288	2,145,952	1,673	256,536	13,915	60,564	2,418,090	-	**5,065,751**
Gross profit	20,553	24,632	16,047	384,792	254	90,362	4,270	17,742	463,241	-	**1,021,893**
Profit from operations	17,123	21,391	12,308	272,292	166	67,802	3,632	14,966	352,395	-	**762,075**
Profit before tax	17,123	21,391	12,308	272,292	166	67,802	3,632	14,966	352,395	14,547	**776,622**
Profit after tax	12,599	15,739	9,056	200,348	122	49,887	2,672	11,012	259,286	10,703	**571,424**
Other information :											
Tangible & intangible assets	5,593	4,825	4,413	188,298	147	22,510	1,221	5,314	212,177	-	**444,498**
Current assets	8,627	7,441	6,805	290,408	226	34,717	1,883	8,196	327,235	-	**685,538**
Other assets	14,220	12,266	11,218	478,706	373	57,227	3,104	13,510	539,412	-	**1,130,036**
Unallocated assets										36,887	**36,887**
TOTAL ASSETS	14,220	12,266	11,218	478,706	373	57,227	3,104	13,510	539,412	36,887	**1,166,923**
Segment liabilities	4,162	3,590	3,284	140,121	109	16,751	909	3,955	157,891	-	**330,772**
Unallocated liabilities										267,070	**267,070**
TOTAL LIABILITIES	4,162	3,590	3,284	140,121	109	16,751	909	3,955	157,891	267,070	**597,842**
Additions of tangible & intangible assets	1,009	871	796	33,973	26	4,061	220	959	38,281	-	**80,196**
Depreciation & amortization	603	520	476	20,304	16	2,427	132	573	22,878	-	**47,929**

1.1-31.12.2006	PROPO	LOTTO	PROTO	STIHIMA	PROPOGOAL	JOKER	EXTRA 5	SUPER 3	KINO	UNALLOCATED ITEMS	TOTAL
(Amounts in thousand of euro)											
Revenues	64,733	54,210	48,716	2,282,983	1,491	248,764	16,396	65,711	1,850,425	-	**4,633,429**
Gross profit	23,487	24,892	16,027	282,613	461	89,798	5,439	18,497	397,332	-	**858,546**
Profit from operations	14,816	21,658	14,228	219,022	395	75,031	4,982	16,667	345,789	-	**712,588**
Profit before tax	14,816	21,658	14,228	219,022	395	75,031	4,982	16,667	345,789	12,929	**725,517**
Profit after tax	10,411	15,218	9,998	153,901	278	52,722	3,501	11,711	242,976	9,085	**509,801**
Other information :											
Tangible & intangible assets	3,582	3,000	2,696	126,350	83	13,768	907	3,637	102,410	-	**256,433**
Current assets	9,381	7,856	7,060	330,836	216	36,049	2,376	9,523	268,153	-	**671,450**
Other assets	12,963	10,856	9,756	457,186	299	49,817	3,283	13,160	370,563	-	**927,883**
Unallocated assets										32,045	**32,045**
TOTAL ASSETS	12,963	10,856	9,756	457,186	299	49,817	3,283	13,160	370,563	32,045	**959,928**
Segment liabilities	2,511	2,103	1,890	88,566	58	9,651	636	2,549	71,785	-	**179,749**
Unallocated liabilities										262,460	**262,460**
TOTAL LIABILITIES	2,511	2,103	1,890	88,566	58	9,651	636	2,549	71,785	262,460	**442,209**
Additions of tangible & intangible assets	257	215	193	9,048	6	986	65	260	7,334	-	**18,364**
Depreciation & amortization	358	300	269	12,625	8	1,376	91	363	10,233	-	**25,623**

10.2. Business segments of OPAP S.A., for the years that ended on December 31st, 2007 and 2006 respectively

1.1-31.12.2007	PROPO	LOTTO	PROTO	STIHIMA	PROPOGOAL	JOKER	EXTRA 5	SUPER 3	KINO	UNALLOCATED ITEMS	TOTAL
(Amounts in thousand of euro)											
Revenues	63,124	50,146	44,305	2,137,982	1,628	235,200	13,007	55,471	2,328,845	-	**4,929,708**
Gross profit	20,326	22,768	14,537	383,477	236	84,368	4,069	16,617	453,244	-	**999,642**
Profit from operations	16,819	19,666	10,998	267,782	148	62,393	3,451	13,982	342,611	-	**737,850**
Profit before tax	16,819	19,666	10,998	267,782	148	62,393	3,451	13,982	342,611	16,170	**754,020**
Profit after tax	12,364	14,458	8,085	196,854	109	45,867	2,537	10,278	251,863	11,887	**554,302**
Other information :											
Tangible & intangible assets	5,681	4,513	3,987	192,410	146	21,167	1,171	4,992	209,587	-	**443,654**
Current assets	7,657	6,083	5,374	259,344	198	28,531	1,578	6,728	282,496	-	**597,989**
Other assets	13,338	10,596	9,361	451,754	344	49,698	2,749	11,720	492,083	-	**1,041,643**
Unallocated assets										77,923	**77,923**
TOTAL ASSETS	13,338	10,596	9,361	451,754	344	49,698	2,749	11,720	492,083	77,923	**1,119,566**
Segment liabilities	4,238	3,367	2,975	143,545	109	15,792	873	3,724	156,360	-	**330,983**
Unallocated liabilities										264,318	**264,318**
TOTAL LIABILITIES	4,238	3,367	2,975	143,545	109	15,792	873	3,724	156,360	264,318	**595,301**
Additions of tangible & intangible assets	1,024	814	719	34,688	26	3,816	211	900	37,785	-	**79,983**
Depreciation & amortization	609	484	427	20,620	16	2,269	125	535	22,461	-	**47,546**

1.1-31.12.2006	PROPO	LOTTO	PROTO	STIHIMA	PROPOGOAL	JOKER	EXTRA 5	SUPER 3	KINO	UNALLOCATED ITEMS	TOTAL
					(Amounts in thousand of euro)						
Revenues	64,035	48,940	42,510	2,272,825	1,447	227,444	15,430	60,942	1,790,532	-	**4,524,105**
Gross profit	23,247	22,951	14,562	281,210	444	84,160	5,242	17,521	391,301	-	**840,638**
Profit from operations	14,569	19,843	12,918	216,941	403	69,891	4,804	15,798	340,670	-	**695,837**
Profit before tax	14,569	19,843	12,918	216,941	403	69,891	4,804	15,798	340,670	17,696	**713,533**
Profit after tax	10,231	13,935	9,072	152,352	283	49,082	3,374	11,094	239,243	12,427	**501,093**
Other information :											
Tangible & intangible assets	3,615	2,763	2,400	128,315	82	12,841	871	3,440	101,086	-	**255,413**
Current assets	8,622	6,590	5,724	306,034	195	30,625	2,078	8,206	241,094	-	**609,168**
Other assets	12,237	9,353	8,124	434,349	277	43,466	2,949	11,646	342,180	-	**864,581**
Unallocated assets										70,200	**70,200**
TOTAL ASSETS	12,237	9,353	8,124	434,349	277	43,466	2,949	11,646	342,180	70,200	**934,781**
Segment liabilities	2,606	1,991	1,730	92,488	59	9,255	628	2,480	72,862	-	**184,099**
Unallocated liabilities										260,749	**260,749**
TOTAL LIABILITIES	2,606	1,991	1,730	92,488	59	9,255	628	2,480	72,862	260,749	**444,848**
Additions of tangible & intangible assets	258	197	171	9,151	6	916	62	245	7,210	-	**18,216**
Depreciation & amortization	355	271	236	12,595	8	1,260	85	338	9,922	-	**25,070**

There are no sales transactions between 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 deferred tax, long term investments and goodwill.

Segment liabilities comprise operating liabilities and exclude items such as taxation, employee benefit plans and provisions. Administrative expenses, other operating income and expenses plus a portion of cost of sales and a portion of the distribution expenses, was allocated to business segments according to the revenues of each business segment.

10.3. Geographical segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the parent company.

Year that ended on December 31st, 2007	Greece	Cyprus	Total
	(Amounts in thousand of euro)		
Revenues	4,929,708	136,043	5,065,751
Gross Profit	999,642	22,251	1,021,893
Total assets	1,119,566	47,357	1,166,923

Year that ended on December 31st, 2006	Greece	Cyprus	Total
	(Amounts in thousand of euro)		
Revenues	4,524,105	109,324	4,633,429
Gross Profit	840,638	17,908	858,546
Total assets	934,781	25,147	959,928

Revenues are based on the country where the client is located. There are no sales among geographical segments.

11. Notes on the financial statements

11.1. Cash and cash equivalents

Cash and cash equivalents analyzed as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	(Amounts in thousand of euro)			
Cash in hand	194	117	143	104
Cash at bank	438,536	329,123	404,682	323,940
Short term Bank deposits	54,130	54,886	-	-
Total cash & cash equivalents	**492,860**	**384,126**	**404,825**	**324,044**

The average interest rate earned on bank deposits was 4.08% in 2007 and 2.95% in 2006. The average duration of short-term bank deposits was 17 calendar days in 2007 and 23 in 2006.

11.2. Inventories

The analysis of inventories is as follows:

GROUP	31.12.2007	31.12.2006
	(Amounts in thousand of euro)	
Raw materials	31	15
Consumable materials	672	593
Total inventories	**703**	**608**

COMPANY	31.12.2007	31.12.2006
	(Amounts in thousand of euro)	
Raw materials	31	15
Consumable materials	672	593
Total inventories	**703**	**608**

Inventories consist mainly of paper and printing material used for the printing of lottery tickets and athletic events prognoses games, coupons for Pame Stihima game, slips, etc.

11.3. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	(Amounts in thousand of euro)			
Receivables from lottery agencies (receivables from lottery and betting games)	24,026	88,021	21,751	82,853
Receivables from lottery agencies (accounts under arrangement)	10,995	12,854	10,995	12,854
Bad and doubtful debts	21,175	17,870	21,175	17,870
Prepayments to suppliers	1,229	782	1,229	782
Other receivables	1,293	902	4,942	4,148
Sub total trade receivables	**58,718**	**120,429**	**60,092**	**118,507**
Less provisions for bad and doubtful debts and for accounts under arrangement	(21,879)	(18,379)	(21,879)	(18,379)
Total trade receivables	**36,839**	**102,050**	**38,213**	**100,128**

Receivables from lottery agencies refer to receivables from lottery and betting games that took place at the end of December 2007 and were collected at the beginning of January 2008.

Management considers that the company's main credit risk arises from bad and doubtful debts of agents. As on December 31st, 2007 this debt amounted to € 21,174,848 (€ 17,869,551 in 2006) while the accounts under arrangement amounted to € 11,594,717 (2006: € 12,853,548). To cover this risk the company established a provision of €

21,878,926 (€ 18,378,926 in 2006). A collective warranty and warranty interest deposit fund that jointly secures the agents' obligations to the parent company, amounting to € 5,342,640 on December 31st, 2007, is also available to cover bad debts (€ 5,158,908 in 2006). This amount is also available to cover the bad and doubtful agents. Management considers these provisions to be adequate. (See note 11.18, 11.19)

On the company's financial statement of 31.12.2007, receivables from agents in check are analyzed as follows:

	Total trade receivables	Not belated receivables and not amenable in provision	Belated unimpaired receivables but not amenable in provision			
			< 3 months	3 - 6 months	6 - 12 months	> 12 months
	(Amounts in thousand of euro)					
2007	38,213	27,218	2,872	2,111	2,487	3,525
2006	100,128	87,274	3,358	2,467	2,908	4,121

The part of interest bearing regulations, non-covered by provision, was carried at the current value at discount rate of 4.54%, based on which there was created financial cost amounting to € 600,000, lowering as by this amount the initial value of the asset.

Expected inflow phases of the total trade receivables are presented below:

	COMPANY	
	31.12.2007	31.12.2006
	(Amounts in thousand of euro)	
Expected inflow phases:		
< 3 months	32,823	92,710
3 - 6 months	154	168
6 - 12 months	425	552
> 12 months	4,811	6,698
Total	**38,213**	**100,128**

11.4. Other assets

The analysis of Other Assets is as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	(Amounts in thousand of euro)			
Amounts due from the operator of Stihima	1,436	29,143	1,436	29,143
Housing loans to personnel	103	108	103	108
Prepayments of retirement compensation	477	229	477	229
Other	4,262	4,946	4,258	4,952
Prepaid expenses – revenue receivable	15,880	13,680	15,567	13,485
Deferred income tax expense	132,978	136,560	132,407	136,471
Total other assets (current)	**155,136**	**184,666**	**154,248**	**184,388**

Amounts due from the operator of Stihima for the years that ended on December 31st, 2007 and 2006 were calculated in accordance with the terms of the contract signed on 25.6.2005 with its operator and refer to the two year period from 30.1.2005 to 29.1.2007.

Housing loans to personnel are secured with mortgages on the property purchased.

Prepaid expenses – revenue mainly consist of: a) prepayments made to the Superleague and football clubs for advertising and sponsoring services according to the terms of separate contracts signed with each of those associations, b) revenue from deposit interest.

Deferred income tax expense refers to an advance payment of the parent company for the next year's profit. According to Greek tax law, companies are obliged to calculate an additional amount of 65% of the current year's income tax charge. On the balance sheet date an equal liability to the deferred income tax is recognized. The amount of deferred income tax is offset with the next year's income tax.

11.5. Intangible assets

Intangible assets refer to Software, concession Rights and Know-how and analyzed as follows:

GROUP	Software	Rights	Know-how	Software & Rights of financial lease	Fixed assets under construction	Total
(Amounts in thousand of euro)						
Year that ended on December 31st, 2006						
Opening net book amount	**1,684**	**225,971**	-	-	-	**227,655**
Additions	14,465	-	-	-	-	**14,465**
Amortization charge	(3,618)	(16,141)	-	-	-	**(19,759)**
On December 31st, 2006						
Acquisition cost	24,094	322,817	-	-	-	**346,911**
Accumulated amortization	(11,563)	(112,987)	-	-	-	**(124,550)**
Net Book Amount	**12,531**	**209,830**	**-**	**-**	**-**	**222,361**
Year that ended on December 31st, 2007						
Opening net book amount	**12,531**	**209,830**	**-**	**-**	**-**	**222,361**
Additions	704	-	77,350	38,314	39,297	**155,665**
Amortization charge	(4,857)	(16,141)	(20,258)	(391)	-	**(41,647)**
On December 31st, 2007						
Acquisition cost	24,798	322,817	77,350	38,314	39,297	**502,576**
Accumulated amortization	(16,420)	(129,128)	(20,258)	(391)	-	**(166,197)**
Net Book Amount	**8,378**	**193,689**	**57,092**	**37,923**	**39,297**	**336,379**

COMPANY	Software	Rights	Know-how	Software & Rights of financial lease	Fixed assets under construction	Total
(Amounts in thousand of euro)						
Year that ended on December 31st, 2006						
Opening net book amount	**1,623**	**225,971**	**-**	**-**	**-**	**227,594**
Additions	14,432	-	-	-	-	**14,432**
Amortization charge	(3,576)	(16,141)	-	-	-	**(19,717)**
On December 31st, 2006						
Acquisition cost	23,893	322,817	-	-	-	**346,710**
Accumulated amortization	(11,414)	(112,987)	-	-	-	**(124,401)**
Net Book Amount	**12,479**	**209,830**	**-**	**-**	**-**	**222,309**
Year that ended on December 31st, 2007						
Opening net book amount	**12,479**	**209,830**	**-**	**-**	**-**	**222,309**
Additions	666	-	77,350	38,314	39,297	**155,627**
Amortization charge	(4,814)	(16,141)	(20,258)	(391)	-	**(41,604)**
On December 31st, 2007						
Acquisition cost	24,559	322,817	77,350	38,314	39,297	**502,337**
Accumulated amortization	(16,228)	(129,128)	(20,258)	(391)	-	**(166,005)**
Net Book Amount	**8,331**	**193,689**	**57,092**	**37,923**	**39,297**	**336,332**

Intangible assets are currently unencumbered. Amortization of the 20-year concession, software, lease rights and know-how is totally included in cost of sales, whereas amortization of software is allocated among cost of sales, administrative expenses and distribution costs. The remaining useful life of concession is twelve (12) years.

According to IAS 38, amortization of intangible assets is included in the results as shown below:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
	(Amounts in thousand of euro)			
Cost of sales	40,772	19,108	40,737	19,073
Distribution costs	730	543	722	536
Administrative expenses	145	108	145	108
Amortization	**41,647**	**19,759**	**41,604**	**19,717**

11.6. Property, plant and equipment

Plant, machinery mainly and machinery of financial lease include equipment for lottery agents. All property, plant and equipment are currently unencumbered.

GROUP	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery of financial lease	Fixed assets under construction	Total
	(Amounts in thousand of euro)					
Year that ended on December 31st, 2006						
Opening net book amount	**18,643**	**13,394**	**4,001**	**-**	**-**	**36,038**
Additions	183	2,543	1,173	-	-	**3,899**
Disposals / Transfers	-	(5)	(75)	-	-	**(80)**
Depreciation of disposals	-	2	77	-	-	**79**
Depreciation charge	(1,158)	(2,745)	(1,961)	-	-	**(5,864)**
On December 31st, 2006						
Acquisition cost	21,435	43,755	17,390	-	-	**82,580**
Accumulated amortization	(3,767)	(30,566)	(14,175)	-	-	**(48,508)**
Net Book Amount	**17,668**	**13,189**	**3,215**	**-**	**-**	**34,072**
Year that ended on December 31st, 2007						
Opening net book amount	**17,668**	**13,189**	**3,215**	**-**	**-**	**34,072**
Additions	720	134	1,288	16,076	61,829	**80,047**
Disposals / Transfers	-	282	-	-	-	**282**
Depreciation charge	(1,208)	(2,546)	(1,784)	(744)	-	**(6,282)**
On December 31st, 2007						
Acquisition cost	22,155	44,171	18,678	16,076	61,829	**162,909**
Accumulated amortization	(4,975)	(33,112)	(15,959)	(744)	-	**(54,790)**
Net Book Amount	**17,180**	**11,059**	**2,719**	**15,332**	**61,829**	**108,119**

COMPANY	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery of financial lease	Fixed assets under construction	Total
	(Amounts in thousand of euro)					
Year that ended on December 31st, 2006						
Opening net book amount	**18,380**	**12,766**	**3,517**	**-**	**-**	**34,663**
Additions	135	2,543	1,106	-	-	**3,784**
Disposals / Transfers	-	-	(53)	-	-	**(53)**
Depreciation of disposals	-	-	63	-	-	**63**
Depreciation charge	(1,143)	(2,503)	(1,707)	-	-	**(5,353)**
Ont December 31st, 2006						
Acquisition cost	21,111	42,345	16,347	-	-	**79,803**
Accumulated amortization	(3,739)	(29,539)	(13,421)	-	-	**(46,699)**
Net Book Amount	**17,372**	**12,806**	**2,926**	**-**	**-**	**33,104**
Year that ended on December 31st, 2007						
Opening net book amount	**17,372**	**12,806**	**2,926**	**-**	**-**	**33,104**
Additions	680	134	1,153	16,076	61,829	**79,872**
Disposals / Transfers	-	288	-	-	-	**288**
Depreciation charge	(1,190)	(2,428)	(1,580)	(744)	-	**(5,942)**
On December 31st, 2007						
Acquisition cost	21,791	42,767	17,500	16,076	61,829	**159,963**
Accumulated amortization	(4,929)	(31,967)	(15,001)	(744)	-	**(52,641)**
Net Book Amount	**16,862**	**10,800**	**2,499**	**15,332**	**61,829**	**107,322**

11.7. Goodwill

The analysis of goodwill presented in the consolidated financial statements, arisen from the acquisition of Opap Glory Ltd (subsidiary) is as follows:

GROUP	OPAP Glory LTD
(Amounts in thousand of euro)	
Goodwill at the acquisition date	14,231
Accumulated depreciation	(1,779)
Net book value as of 1.1.2005	**12,452**
Impairment	-
Net book value as of 31.12.2005	**12,452**
Impairment	-
Net book value as of 31.12.2006	**12,452**
Impairment	(4,780)
Net book value as of 31.12.2007	**7,672**

Goodwill is subject to periodic testing for impairment. The management of OPAP S.A. assigned to an independent firm the valuation of subsidiaries in Cyprus OPAP Glory Ltd on 31.12.2005. In the year 2005, was not recognised as impairment loss of goodwill.

According to the results of the subsidiary Opap Glory Ltd for the year 2006 OPAP's Management decided to assign to an independent firm the valuation of the subsidiary OPAP Glory Ltd for the specific year. According to this valuation, no further impairment was necessary.

In the year 2007, OPAP's Management decided to assign anew to an independent firm the valuation of the subsidiary OPAP Glory Ltd, according to which an amount of € 4.780.000 was recognised as impairment loss of goodwill.

11.8. Investments in subsidiaries of OPAP S.A.

The subsidiary companies included in the financial statements of the parent company, are the following:

Consolidated subsidiary	Ownership Interest	Acquisition cost (in thousand of €)	Country of incorporation	Principal activities
OPAP (CYPRUS) LTD	100%	1,704	Cyprus	Numerical lottery games
OPAP GLORY LTD	90%	16,000	Cyprus	Sports betting Company
OPAP INTERNATIONAL LTD	100%	5,173	Cyprus	Holding Company
OPAP SERVICES S.A.	100%	20,000	Greece	Sports events- Promotion
Total		**42,877**		

The value of OPAP Glory LTD has been impaired by € 1.30 million in the year 2005 and € 5.95 million in the year 2007.

There are no significant restrictions on the ability of the above subsidiary to transfer funds to the company in the form of cash dividends, or repayment of loans or advances.

Investments in subsidiaries are analyzed as follows:

(Amounts in thousand of euro)	31.12.2007	31.12.2006	31.12.2005
Opening balance	**41,577**	**41,577**	**42,877**
Acquisitions	-	-	-
Impairment losses recognised in P&L	(5,950)	-	(1,300)
Closing balance	**35,627**	**41,577**	**41,577**

11.9. Investments in associates

There are no significant restrictions on the ability of the associate Glory Technology Ltd to transfer funds to the parent company in the form of cash dividends, or repayment of loans or advances.Investments in associates are analyzed as follows:

1. In the consolidated financial statements:

In the current year profit from the associate Glory Technology Ltd has been recognised to the amount of € 414 th.

	(Amounts in thousand of euro)
Share acquisition cost	10,000
Depreciation & Amortization and Impairment of goodwill	(8,806)
Closing balance 31.12.2006	**1,194**
Share of profit / (loss)	414
Closing balance 31.12.2007	**1,608**

2. In the financial statements of OPAP S.A.:

(Amounts in thousand of euro)	31.12.2007	31.12.2006
Opening balance	**1,200**	**1,200**
Acquisitions	-	-
Impairment losses recognised in P&L	-	-
Closing balance	**1,200**	**1,200**

11.10. Other non-current assets

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	(Amounts in thousand of euro)			
Guarantee deposits	1,148	1,063	1,132	1,054
Prepayments of retirement benefits	10,844	11,339	10,844	11,339
Capital Investments under construction	1,512	1,589	1,512	1,589
Housing loans to personnel	2,188	2,489	2,188	2,489
Total other non-current assets	**15,692**	**16,480**	**15,676**	**16,471**

The current portion of "Other non-current assets" is included in other current assets and deferred expenses.

11.11. Deferred tax assets

Deferred tax assets and liabilities are offset when there is the legal right to offset current tax assets with current tax liabilities and these assets and liabilities concern the same tax authorities.

The analysis of deferred tax assets and liabilities is the following:

GROUP		
	Deferred tax (income statement)	Deferred tax assets
	(Amounts in thousand of euro)	
Deferred taxes on December 31st, 2006		**1,919**
Deferred depreciation cost	(2,292)	(2,292)
Deferred staff retirement benefits' cost	491	491
Contingent liabilities provision cost	2,040	2,040
Other deferred tax deductible expenses	10,053	10,053
Other deferred contingent taxes	(296)	(296)
	9,996	**9,996**
Deferred taxes on December 31st, 2007		**11,915**

COMPANY		
	Deferred tax (income statement)	Deferred tax assets
	(Amounts in thousand of euro)	
Deferred taxes on December 31st, 2006		**10,952**
Deferred depreciation cost	(2,281)	(2,281)
Deferred staff retirement benefits' cost	491	491
Contingent liabilities provision cost	2,040	2,040
Other deferred tax deductible expenses	14,514	14,514
Other deferred contingent taxes	(296)	(296)
	14,468	**14,468**
Deferred taxes on December 31st, 2007		**25,420**

The tax rate used for the calculation of the deferred taxes is the effective tax rate of the Group in the next financial years.

The retirement benefit cost is deducted in order to calculate the financial results. However, in order to calculate the taxable profit, this cost is removed, when the benefits are actually paid by the company. This difference, results in the recording of deferred tax assets, as an economic benefit arises for the company from the deduction of the benefits from the taxable profit.

Deferred taxes from the cost of contingent liabilities mainly arise from the provisions pertaining to lawsuits as against OPAP S.A. and the deferred taxes from non-recognized expenses arise from the payment of the second installment amounting to € 25 million of financial aid to those suffered from fires as well as other donations payable in the year 2008 and income and expenses for the subsidiary OPAP Services S.A.

11.12. Borrowings

OPAP S.A. took up the outstanding loans at the end of 2006, without extra charges or penalties.

11.13. Trade and other payables

The analysis of trade and other payables is as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
	(Amounts in thousand of euro)			
Suppliers (services, assets, etc.)	36,821	38,332	44,996	58,148
Prize payouts to the lottery and betting winners	70,399	98,439	70,008	88,974
Dividends – interim dividends payable	1,223	5,776	1,223	5,776
Other payables (salaries – subsidies)	17,306	18,382	14,143	14,730
Total trade and other payables	**125,749**	**160,929**	**130,370**	**167,628**

11.14. Financial lease

According to the three year agreement dated 31.7.2007 between OPAP S.A. and the INTRALOT consortium, the infrastructure (hardware), the license to use the Source Code of the games' software, the central IT system and the agent terminals, the license to use the applications software for the provision of added value services, the license to use the games' software of the agent terminals until 31.12.2016 are recognised by the Group in the financial statements of 31.12.2007.

OPAP S.A. has assigned to an independent firm, the valuation of the three year Agreement starting 31.7.2007, for the fair value estimation of the assets included in the Agreement. The minimum lease payments present value has been recognized on the lease' s payables. The lease's discount rate is 5.85%.

The accounting treatment of the financial lease in the present financial statements is in line with the requirements of IFRS 17 regarding leases. Therefore, the technological infrastructure and the licenses noted in the Agreement dated 31.7.2007 are recognized to assets of company and Group (tangible and intangible assets that are presented in tables 11.5 and 11.6.)

The future minimum payment for the financial lease has as follows:

GROUP				
The future minimum lease payments on December 31st, 2007	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	66,965	87,967	0	**154,932**
Finance charge	(5,571)	(3,538)	0	**(9,109)**
Present value	**61,394**	**84,429**	**0**	**145,823**

The future minimum lease payments on December 31st, 2006	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	18	62	0	**80**
Finance charge	(2)	(5)	0	**(7)**
Present value	**16**	**57**	**0**	**73**

COMPANY				
The future minimum lease payments on December 31st, 2007	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	66,965	87,967	0	**154,932**
Finance charge	(5,571)	(3,538)	0	**(9,109)**
Present value	**61,394**	**84,429**	**0**	**145,823**

The future minimum lease payments on December 31st, 2006	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	18	62	0	**80**
Finance charge	(2)	(5)	0	**(7)**
Present value	**16**	**57**	**0**	**73**

11.15. Tax liabilities

The analysis of tax liabilities is as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
	(Amounts in thousand of euro)			
Tax on income liabilities	223,713	228,087	222,701	228,087
Other tax liabilities	13,632	14,468	11,892	12,757
Total tax liabilities	**237,345**	**242,555**	**234,593**	**240,844**

11.16. Accrued liabilities

Accrued liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
	(Amounts in thousand of euro)			
Other accrued liabilities	52,444	12,879	48.159	10,651
Total accrued liabilities	**52,444**	**12,879**	**48.159**	**10,651**

The amount is referred to accrued expenses and sponsoring payables in year 2007 (prize payouts to the lottery and betting winners, third party expenses) as well as to grants, financial aid and donations (especially it refers to the second installment, which amounts to 25,000,000 €, of the total financial aid of € 50,000,000 as contribution of the company to the problems and consequences that arose from the fires that took place on August, 2007) payables in the year 2008.

11.17. Employee benefit plans

The company offers two specific pension plans. The subsidiaries do not offer relevant pension plans. Each plan's analysis is as follows:

Retirement compensation

By the termination of an employee's service, a lump sum is paid, that is equal to the 1/14 of the total salary of the employee in the last year of service in the company, for each year of service, plus the analogy of overtime and benefit payable, based on the accumulated years of service. The liabilities for these benefit plans are not financed unless the company prepays retirement benefits to the employee according to the Accounting policies. The company periodically hires actuarials, aiming at defining the liabilities arising from the program.

For services until the December 31st, 2007 and 2006, the present value of the retirement benefits, based on the mandatory benefits, according to the plan terms and the predicted salary levels is € 20,080,185 and € 17,927,488 respectively.

The amount of € 5,904,083 is the current cost of the period, proportionally allocated to the cost of sales, administrative and distribution expenses, while the cost for 2006 was € 2,190,240.

Benefits based on the pension contract

The pension plan of the company that was adjusted in February 2003, commencing since the January 1st, 2003, significantly increased the benefits of the employees. An actuarial carried out a study in order to calculate benefits. In addition, the company decided to recognize this program as a definite contribution and not as benefit, as it had occurred in the past because of the restricted amount of the liability.

The analysis of the plans in the Balance Sheet (of the Group and the company) as of December 31st, 2007 is as follows:

	Retirement plan	Pension plan	Total
(Amounts in thousand of euro)			
Balance as of December 31st, 2005	**21,407**	**2,084**	**23,491**
Payments	**(5,669)**	**(861)**	**(6,530)**
Cost of Service	1,246	332	1,578
Interest cost	696	199	895
Amortization of unrecognized actuarial (gain)/loss	248	29	277
Expected return on assets	-	(107)	(107)
Total cost recognized in the income statement	**2,190**	**453**	**2,643**
Balance as of December 31st, 2006	**17,928**	**1,676**	**19,604**
Payments	**(3,752)**	**(831)**	**(4,583)**
Cost of service	1,990	625	2,615
Interest cost	1,380	164	1,544
Amortization of unrecognized actuarial (gain)/loss	791	(25)	766
End of service benefits	1,743	-	1,743
Expected return on assets	-	(123)	(123)
Total cost recognized in the income statement	**5,904**	**641**	**6,545**
Balance as of December 31st, 2007	**20,080**	**1,486**	**21,566**

The main actuarial assumptions that took place as at December 31st, 2007 and 2006 are:

	2007	2006
Discount rate	4.80%	4.30%
Expected salary increase percentage	5.00%	5.00%
Average service in the company	14.17	15.16
Inflation rate	2.50%	2.50%

11.18. Provisions

Group's and company's provisions are analyzed as follows:

Date	Provisions for bad debts	Other provisions	Total
	(Amounts in thousand of euro)		
Balance as of December 31st, 2005	**13,379**	**301**	**13,680**
Additional provisions	5,000	-	**5,000**
Used during the year	-	-	**-**
Balance as of December 31st, 2006	**18,379**	**301**	**18,680**
Additional provisions	3,500	8,000	**11,500**
Used during the year	-	(142)	**(142)**
Balance as of December 31st, 2007	**21,879**	**8,159**	**30,038**

According to the legal adviser of the company, the amount of € 8,158,881 refers to provisions made against losses from lawsuits (from third parties, agents and company's employees)

11.19. Other long - term liabilities

Other long - term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2007	31.12.2006	31.12.2007	31.12.2006
	(Amounts in thousand of euro)			
Guarantee deposits from lottery agents	3,676	3,640	3,551	3,519
Interests on guarantees - Penalties against agents	3,080	2,228	3,080	2,228
Total other long - term liabilities	**6,756**	**5,868**	**6,631**	**5,747**

Guarantee deposits from lottery agents represent amounts placed on deposit to jointly secure agents' obligations.

These guarantees are paid back to the agents if and only if they cease to act as agents.

11.20. Share capital

When the company was organized as a societe anonyme in 1999, its articles of association provided that a valuation committee should value its assets within one year. In accordance with that requirement, the committee valued the company's assets at € 33,778,000. Of that amount, € 29,347,000 was capitalized through the issuance of one million shares. The rest amount was entered to the revaluation reserve account within shareholders' equity.

On December 15th, 2000, the common shares of the company were split to increase the number of shares outstanding to 100,000,000. Consequently, the company's share capital was increased by € 64,270,000 to € 93,617,000 through the issuance of 219,000,000 new shares. The € 64,270,000 increase consisted of (a) retained earnings, (b) an amount released from the revaluation reserve account and (c) a portion of the concession (€ 29,347,000).

In 2001, the par value of the company's shares was increased from € 0.29 to € 0.30 through the capitalization of special reserves.

All the shares issued by the company are common shares.

The total authorized number of common shares was 319,000,000 on December 31st, 2007 with a par value of € 0.30 / share (€ 0.30 in 2006). All issued shares are fully paid.

There was no movement in the share capital of the company during the twelve- month period ended on December 31st, 2007.

11.21. Reserves

Reserves are analyzed as follows:

GROUP	Other reserves	Statutory reserves	Untaxed reserves	Total
	(Amounts in thousand of euro)			
As of December 31st, 2007	3,455	31,900	8,345	**43,700**

COMPANY	Other reserves	Statutory reserves	Untaxed reserves	Total
	(Amounts in thousand of euro)			
As of December 31st, 2007	2,815	31,900	8,345	**43,060**

The nature and purpose of each reserve account within shareholders' equity is as follows:

Other reserves reflect amounts deducted from the previous years' earnings. After taxation they are available for distribution to shareholders.

Statutory reserves reflect the addition of a minimum of 5% of the annual net profit of parent company added each year, subject to a maximum balance of 1/3 of the outstanding share capital. This amount is not available for distribution. After the allocation of net profit of 2003 this reserve has reached the statutory amount and further addition is not obligatory.

Untaxed reserves are drawn from untaxed earnings. Any portion of this reserve distributed to shareholders becomes subject to income tax. The intention of the company is not to distribute these reserves.

11.22. Proposed dividends

The management aims to propose to the Shareholders' General Meeting of 2008 the distribution of a dividend equal to € 1.74 / share for 2007, against € 1.58 / share for 2006.

We also note that the Board of Directors of the company - by decision num. 38/21.11.2007 approved of the interim dividend distribution for 2007 using the nine month period results of the company. The cutting off date has been decided to be the 13th of December 2007 and the starting payment date has been decided to be the 21st of December 2007. Based on after tax profit of the nine month period, the BoD approved of the payment of € 0.60 / share to the shareholders. Total amount distributed as interim dividend, was € 191,400,000.

11.23. Exchange differences

Exchange differences that derived during the year and exchange differences that derived from foreign currency balances at the balance sheet date, are analyzed as follows:

	GROUP		COMPANY	
Year ended on December 31st,	2007	2006	2007	2006
	(Amounts in thousand of euro)			
Conversions exchange differences recognized directly in equity	(8)	84	-	-
Negative exchange differences	(1,547)	(1,492)	(1,547)	(1,492)
Positive exchange differences	2,480	1,223	145	245
Total exchange differences	**925**	**(185)**	**(1,402)**	**(1,247)**

The company has no risk management policy for currency risks because the cash and cash equivalents from the operations in Cyprus are sufficient enough to cover its operating needs and therefore, the operations in Cyprus do not require exchange conversion transactions that would expose the company to a significant foreign currency risk. The exchange differences derived from the conversion of the financial statements of subsidiaries in foreign countries, are directly deducted from the equity.

11.24. Cost of sales

The analysis of cost of sales classified by nature of expense is as follows:

	GROUP		COMPANY	
Year ended on December 31st,	2007	2006	2007	2006
	(Amounts in thousand euro)			
Prize payouts to the lottery and betting winners	3,469,147	3,071,421	3,381,752	3,002,879
Lottery agents' commissions	424,754	373,539	410,673	362,518
Betting Commissions	9,863	233,007	9,341	232,341
Depreciation	4,813	3,943	4,658	3,701
Amortization	40,772	19,108	40,737	19,073
Repairs and maintenance expenditures	15,402	13,100	14,665	12,476
Third party outsourcing	17,500	10,826	16,943	10,410
Subsidies to Greek Professional Football Teams Association	4,503	5,185	4,503	5,185
Staff cost	17,730	15,054	17,682	14,946
Other expenses	32,933	23,632	22,671	13,870
Provisions for bad debts	3,500	5,000	3,500	5,000
Retirement benefit costs	2,941	1,068	2,941	1,068
Total cost of sales	**4,043,858**	**3,774,883**	**3,930,066**	**3,683,467**

Prize payouts to lottery and betting winners as the main account of the cost of sales, represent the pr-ofit of the games' winners of the company according to the rules of each game. The payout percentage of sales on 31.12.2007 was: a) for Stihima 71.21% (2006: 66.77% and b) for KINO 70.05% (2006: 70.23%).

Lottery Agents' commissions are commissions accrued to the Company's dedicated sales agents and they are accounted for at a fixed rate of 8% on revenues which are generated by Stihima, KINO and Super 3 and 12% for the other games. The rate for the fixed odds organized in Cyprus is 10%.

Betting commissions are paid to the operator of Stihima for the services that this entity provides in relation to the operation of Stihima.

Since the private agreement pertaining to the game in question as at 25.6.2005 with the incoming company expired as at 29.1.2007, the amount of the commission referred to the period 1.1.2007 – 29.1.2007.

The item of intangible assets amortization includes the amount of € 20.258.333 that refers to the analogy of amortization of the examined period (February - December), technological know-how received, based on the six month private agreement as at 23.11.2006.

Distributions to the Greek Professional Football Association are related to the Propo and Propo-goal games.

11.25. Other operating income

The analysis of other operating income, is as follows:

	GROUP		COMPANY	
Year ended on December 31st,	**2007**	**2006**	**2007**	**2006**
	(Amounts in thousand euro)			
Management fees	-	-	12,807	9,917
Rents	504	480	504	480
Exchange differences	2,480	1,223	145	245
Other	628	842	632	843
Total	**3,612**	**2,545**	**14,088**	**11,485**

11.26. Administrative & Distribution expenses

The administrative and distribution expenses, are as follows:

Administrative expenses	**GROUP**		**COMPANY**	
Year ended on December 31st,	**2007**	**2006**	**2007**	**2006**
	(Amounts in thousand euro)			
Staff cost	26,880	21,675	24,540	19,954
Professional fees and expenses	7,099	7,847	4,872	5,774
Third party expenses	3,760	4,406	3,057	3,690
Taxes & duties	150	94	124	79
Other Expenses	4,298	3,926	3,946	3,561
Depreciation & amortization	2,081	2,333	1,892	2,068
Provisions	3,183	1,408	3,183	1,408
Total Administration Expenses	**47,451**	**41,689**	**41,614**	**36,534**

Distribution Expenses	GROUP		COMPANY	
Year ended on December 31st,	2007	2006	2007	2006
	(Amounts in thousand euro)			
Advertisement	53,583	34,595	51,090	32,625
Donations – financial aid	81,052	14,261	79,674	13,268
Exhibition and demonstration expenses	309	682	309	434
Grants	50,388	35,779	50,388	35,779
Sub total	**185,332**	**85,317**	**181,461**	**82,106**
Staff cost	2,926	2,375	2,926	2,375
Professional expenses	4,904	2,243	29,854	21,645
Not deductible V.A.T.	4,348	3,193	-	-
Other distribution expenses	3,324	2,777	3,297	2,721
Sub total	**15,502**	**10,588**	**36,077**	**26,741**
Total Distribution Expenses	**200,834**	**95,905**	**217,538**	**108,847**

Following the autonomous management of the game Stihima by OPAP S.A., the advertising cost includes the advertising expenses and promotion of the game for the period 29.1.2007 - 31.12.2007. Also, the cost of donations – financial aid is included in the distribution of the amount of € 50.000.000, as a contribution of the company in the attempt to face the problems and the consequences of fires as in August, 2007.

Disposal costs of OPAP S.A. include the amount of € 27.232.646 distributed by the parent company to its subsidiary OPAP Services S.A. that pertains to: a) the percentage of 1% on its income arising from KINO, with the aim of improvements (equipment, design, etc.) of the agency stores, b) the percentage of 5% of the aforementioned amount as management fee and c) compensation of the subsidiary's expenses. The VAT of € 4.348.070 included in the aforementioned amounts constitutes the distribution cost of the Group. The intercompany transaction between the companies amounted to € 22,884,576.

11.27. Other operating expenses

The analysis of other operating expenses, is as follows:

	GROUP		COMPANY	
Year ended on December 31st,	2007	2006	2007	2006
	(Amounts in thousand euro)			
Exchange differences	1,547	1,492	1,547	1,492
Retroactive payments to personnel	233	8,123	233	8,123
Prior year expenses	999	1,294	998	1,290
Provisions	8,000	-	8,000	-
Total	**10,779**	**10,909**	**10,778**	**10,905**

Based on the letter of the legal adviser of the company, there has been made a provision amounting to € 8.000.000 for third parties lawsuits as against OPAP S.A. (note. 11.34)

11.28. Impairment of assets

Impairment of Group's assets

The company, in the year 2005, recognized an impairment loss of goodwill of € 7,550,000 from the investment in the associated company Glory Technology LTD. The recoverable amount is based on the valuation of an independent firm and constitutes the investment value in use. The weighted average cost of capital used in order to calculate the discounted cash flows was 10.88%.

In the year 2005, significant losses were the main reason that led to an impairment loss recognition.

During the years 2006 and 2007, no new valuation of Glory Technology LTD took place, by an independent firm, as its financial statements of the year 2006 and its valuation of the year 2007, provide evidence that no extra impairment loss should be recognised.It is noted that the book value of goodwill is not recognized separately from the consolidated financial statements and is an element of book value of the associate company according to IFRS 28 "Investments on Associates"

The Group, in the year 2007, recognized an impairment loss of goodwill from the investment in subsidiary company OPAP Glory LTD total amount € 4.780.000. The recoverable amount is based on a valuation made by an independent firm and constitutes the investment value in use. The cash flows discount was calculated by the weighted average cost of capital that came up to 8.84%

In the year 2007, significant losses were the main reason that led to an impairment loss recognition.

The impairment loss of the year 2007 is analyzed as follows:

	Assets' value	Goodwill	Total
	(Amounts in thousand euro)		
Allocation of acquisition cost of OPAP Glory LTD	**1,769**	**14,231**	**16,000**
Analogy of assets value	(1,769)	-	(1,769)
Amortization of goodwill	-	(1,779)	(1,779)
Book value as 31.12.2006	-	12,452	**12,452**
Company value (90%)	-	-	7,672
Impairment loss			**4,780**

The Group will examine the estimates of the model on annual basis.

Impairment of company's assets

The company, in the year 2005, recognized an impairment loss of investments in subsidiaries and associates amounting to € 10,100,000. The impairment loss is analyzed in € 8,800,000 from the investment in the associated company Glory Technology LTD and an amount of € 1,300,000 concerning the investment in the subsidiary company OPAP GLORY LTD. The recoverable amount is based on a valuation made by an independent firm and constitutes the investment value in use. The cash flows discount was calculated by the weighted average cost of capital that came up to 10.88% while growth has been estimated to 3% after the five years period.

According to the study that took place in the year 2006, no extra impairment loss should be recognised concerning the subsidiary company OPAP Glory LTD. The weighted average cost of capital used in order to calculate current's year discounted cash flows was 11.88%.

According to a new study taking place in the year 2007 for the subsidiary company OPAP GLORY LTD, recognized a further impairment loss of investments in subsidiary company amounting to € 5,950,000. The recoverable amount is based on a valuation made by an independent firm and constitutes the investment value in use. The cash flows discount was calculated by the weighted average cost of capital that came up to 8,84% while growth has been estimated to 3% after the five years period.

In order to estimate future cash flows a basic assumption was made, that players' tax imposition of 25% on coupon value ceases at the Cypriot market on 10.12.2007. Since 10.12.2007, a tax of 10% on the revenues minus winners' profit, burdening the company is in effect. Under the new status, the growth of the revenue of subsidiary is estimated at 102% for 2008, 20% for 2009, 15% for 2010, 10% for 2011 and 5% for 2012.

During the current year no evaluation of an independent firm took place for the associate company Glory Technology Ltd because there is no reason of impairment according to IASB 3 "Business Combination".

The impairment loss for the year 2007 is analyzed as follows:

	Book Value OPAP Glory	Book Value Glory Technology	Total
	(Amounts in thousand euro)		
Book Value 31.12.2005	**16,000**	**10,000**	**26,000**
Company Value	9,722	6,000	15,722
Value proportion (%)	90%	20%	
Value portion	8,750	1,200	9,950
Impairment Value 31.12.2005	**1,300**	**8,800**	**10,100**
Impairment Value 31.12.2007	**5,950**	**0**	**5,950**

The management of the company examine the evaluation assertions of the model on an annual basis.

11.29. Financial results, net

	GROUP		COMPANY	
Year ended on December 31st,	**2007**	**2006**	**2007**	**2006**
	(Amounts in thousand euro)			
Interest expense from financial lease	**(3,767)**	**(924)**	**(3,748)**	**(896)**
Interest income				
Bank deposits	17,685	13,343	16,702	12,501
Personnel loans	291	249	291	249
Other interest income	338	261	338	261
Total interest income	**18,314**	**13,853**	**17,331**	**13,011**
Net Financial results	**14,547**	**12,929**	**13,583**	**12,115**

The weighted average interest rate on the borrowings (which were repaid on 29.12.2006) of the Group was 4.08% in 2006. The average interest rate earned on short-term bank deposits was 4.08% in 2007 and 2.95% in 2006.

The financial results of the Group include the interest rates arising from finance lease in compliance with the private agreement as at 31.7.2007 as well as the financial discount cost of the item of claims – regulations of agents.

11.30. Income and deferred tax

	GROUP		COMPANY	
Year that ended on December 31st,	**2007**	**2006**	**2007**	**2006**
	(Amounts in thousand euro)			
Income tax expense	-	-	(214,186)	(211,902)
From domestic activities	(214,815)	(211,925)	-	-
From foreign activities	(379)	(355)	-	-
Total income tax	**(215,194)**	**(212,280)**	**(214,186)**	**(211,902)**
Deferred taxes	9,996	(3,436)	14,468	(538)
Total tax expense	**(205,198)**	**(215,716)**	**(199,718)**	**(212,440)**

The income tax payable was calculated with a rate of 25% (29% in 2006). The company's tax on profit before tax is different from the theoretical amount arising based on the company's effective tax rate.

The reconciliation of income tax is as follows:

	GROUP	
Year that ended on December 31st,	**2007**	**2006**
	(Amounts in thousand euro)	
Profit before tax	**776,622**	**725,517**
Profit according to the tax coefficient of 25% (29% in 2006)	(194,156)	(210,400)
Tax effect from expenses that are not tax deductible	(7,410)	(2,170)
Tax effect from the use of different tax coefficients in the profit of subsidiaries in other countries	370	358
Current tax expense	**(201,196)**	**(212,212)**
Adjustments due to prior years' tax inspections	(4,002)	(3,504)
Income tax expense	**(205,198)**	**(215,716)**

	COMPANY	
Year that ended on December 31st,	**2007**	**2006**
	(Amounts in thousand euro)	
Profit before tax	**754,020**	**713,533**
Profit according to the tax coefficient of 25% (29% in 2006)	(188,505)	(206,925)
Tax effect from expenses that are not tax deductible	(7,858)	(3,629)
Tax effect from revenues that are tax deductible	647	1,618
Current tax expense	**(195,716)**	**(208,936)**
Adjustments due to prior years' tax inspections	(4,002)	(3,504)
Income tax expense	**(199,718)**	**(212,440)**

11.31. Earnings per share

Basic earnings per share are calculated as follows:

	GROUP		COMPANY	
Year that ended on December 31st,	**2007**	**2006**	**2007**	**2006**
Net profit attributable to the shareholders of the company (in thousand of €)	571,437	509,807	554,302	501,093
Weighted average number of ordinary shares	319,000,000	319,000,000	319,000,000	319,000,000
Basic earnings per share	**1.79**	**1.60**	**1.74**	**1.57**

The Group has no dilutive potential categories.

11.32. Personnel costs

Personnel costs of the Group and the company are analyzed as follows:

	GROUP		COMPANY	
Year that ended on December 31st ,	**2007**	**2006**	**2007**	**2006**
	(Amounts in thousand euro)			
Employee remuneration	37,908	31,235	35,938	29,669
Social security costs	6,171	5,071	5,978	4,904
Retirement benefit costs	6,545	2,643	6,545	2,643
Other remuneration	3,457	2,799	3,232	2,702
Total personnel costs	**54,081**	**41,748**	**51,693**	**39,918**

The average number of the Group's and the company's personnel is analyzed as follows:

	GROUP		COMPANY	
Year that ended on December 31st ,	**2007**	**2006**	**2007**	**2006**
Full-time employees	338	316	282	269
Part-time personnel	562	497	560	495
Total	**900**	**813**	**842**	**764**

11.33. Related party disclosures

The term related parties includes not only Group's companies but also companies whereas the parent participate with a significant percentage in their share capital, companies that belong to parent's main shareholders, companies controlled by members of the BoD or key management personnel, as well as, close members of their family.

Group's and company's sales and purchases for the current period as also year end balances of receivables and payables that have arisen from related parties' transactions, as these defined by IAS 24, as well as their comparatives for the previous year are analyzed as follows:

(Amounts in thousand euro)	GROUP		COMPANY	
Sales of goods and services				
	2007	**2006**	**2007**	**2006**
Parent	-	-	-	-
Subsidiaries	-	-	12,829	9,958
Associates	-	-	-	-
Board of directors and key management personnel	-	-	-	-
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**-**	**-**	**12,829**	**9,958**

(Amounts in thousand euro)	GROUP		COMPANY	
Purchases of goods and services				
	2007	**2006**	**2007**	**2006**
Parent	-	-	-	-
Subsidiaries	-	-	23,640	17,242
Associates	641	786	-	-
Board of directors and key management personnel	-	-	-	-
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**641**	**786**	**23,640**	**17,242**

(Amounts in thousand euro)	GROUP		COMPANY	
Receivables				
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent	-	-	-	-
Subsidiaries	-	-	3,703	3,271
Associates	-	-	-	-
Board of directors and key management personnel	-	-	-	-
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**-**	**-**	**3,703**	**3,271**

(Amounts in thousand euro)	GROUP		COMPANY	
Payables				
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent	-	-	-	-
Subsidiaries	-	-	9,234	20,433
Associates	201	172	-	-
Board of directors and key management personnel	-	-	-	-
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**201**	**172**	**9,234**	**20,433**

1. The subsidiary OPAP (Cyprus) LTD pays 10% of its revenues to the parent company, according to the last interstate agreement effective from 1.1.2003. This fee amounted to € 12,807 th. during the current period (2006: € 9,917 th.). For the year that ended on 31.12.2006, the parent company sold paper to its subsidiary which amounted to € 41 th. The outstanding balance due to the company, as of 31.12.2007 was € 3,681 th. (2006: € 3,271 th.).
2. The subsidiary OPAP Services S.A. pays OPAP S.A. the amount of € 22 th. paid by the parent company for the tenancy joint expenses of the sixth floor of the building (Panepistimiou 25) that houses the subsidiary. The balance as at 31.12.2007 was € 22 th.
3. The parent company during the year 2007, paid:

a) to its subsidiary OPAP Services S.A. the amount of € 22,885 th. (2006: € 16,808 th.). This amount refers to a) 1% of its total revenues gained from the game Kino. This amount will be used for the improvement of the agent’s outlets (equipment, design etc), b) a 5% of the aforementioned 1% as management fee, c) expenses relevant to the operations of the subsidiary. The relevant fees are a result of the contract signed between these two companies and the expenses are in accordance with the decisions 2/13.1.2005 and 42/11.10.2006 of OPAP’s BoD. The outstanding balance as of December 31st, 2007 was € 8,482 th. (2006: € 20,001 th.).

b) to its subsidiary OPAP International LTD the amount of € 755 th. (2006: € 434 th.), that refers to fees for research and studies made in Cypriot market for OPAP’s games. The outstanding balance as of 31.12.2007 was € 752 th.(2006: € 432 th.)

4. The subsidiary OPAP Glory LTD during the year 2007 paid the amount of € 641 th. (2006: €786 th.) to the associate Glory Technology LTD, as fees for the management of the on line UGS system and management fees. The outstanding balance as of December 31st, 2007 was € 201 th. (2006: € 172 th.).

5. The subsidiary OPAP International LTD paid to OPAP Cyprus LTD the amount of € 15 th. (2006: € 19 th.) for rent, electricity and telecommunication expenses. The outstanding balance as of December 31st, 2007 was € 5 th. (2006: € 2 th.).

(Amounts in thousand euro)	GROUP		COMPANY	
Management's renumeration & Board of directors' compensation				
	2007	**2006**	**2007**	**2006**
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Board of directors and key management personnel	12,934	9,526	10,928	7,801
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**12,934**	**9,526**	**10,928**	**7,801**

The renumeration of the BoD and key management's personnel of the Group, is analyzed as follows:

a) Group's BoD compensation , amounted to € 2,690 th. for the year 2007 and € 2,399 th. for the year 2006,

b) Group's key management's personnel renumeration amounted to € 10,244 th. for the year 2007 and € 7,127 th. for the year 2006.

The renumeration of the BoD and key management's personnel of the company, is analyzed as follows:

a) Company's BoD compensation , amounted to € 1,450 th. for the year 2007 and € 1,432 th. for the year 2006,

b) Company's key management's personnel renumeration amounted to € 9,478 th. for the year 2007 and € 6,369 th. for the year 2006.

(Amounts in thousand euro)	GROUP		COMPANY	
Due from related parties				
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-		-
Board of directors and key management personnel	2,329	2,774	2,329	2,769
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**2,329**	**2,774**	**2,329**	**2,769**

Group's and company's receivables from related parties refer mainly to prepayments of retirement benefits and housing loans that have been distributed to key management personnel in accordance with the company's collective employment agreement (see note 7.8) and analysed as follows:

a) balance of General Directors' and parent company's Directors' housing loans amounted to € 344 th. for the year 2007 and € 451 th. for the year 2006,

b) balance of General Directors' and parent company's Directors' prepayments of retirement benefits amounted to € 1,985 th. for the year 2007 and € 2,318 th. for the year 2006,

c) balance of OPAP CYPRUS LTD Directors' housing loan amounted to € 1 th. for the year 2006 and

d) balance of OPAP International LTD Directors' prepayments of renumeration amounted to € 4 th. for the year 2006.

(Amounts in thousand euro)	GROUP		COMPANY	
Balances at the end of the year from management's renumeration and Board of directors' compensation				
	31.12.2007	**31.12.2006**	**31.12.2007**	**31.12.2006**
Parent	-	-	-	-
Subsidiaries	-	-	-	-
Associates	-	-	-	-
Board of directors and key management personnel	3,566	2,922	3,566	2,922
Joint Ventures	-	-	-	-
Other related parties	-	-	-	-
Total	**3,566**	**2,922**	**3,566**	**2,922**

Group's and company's balances from management's renumeration and Board of directors' compensation refers to:

a) Board of Directors' renumeration and compensation amounted to € 130 th. for the year 2007 and € 324 th. for the year 2006

b) Key management's personnel renumeration and compensation amounted to € 3,436 th. for the year 2007 and € 2,598 th. for the year 2006.

All the above inter-corporate transactions and balances have been eliminated in the consolidated financial statements. Except for the amounts presented above, there are no other transactions or balances between related parties.

11.34. Other disclosures

Contingent liabilities

A) The parent company OPAP S.A. has been inspected by tax authorities until 2006 inclusive.

The fiscal years that have not been inspected by the tax authorities for each of the Group's companies are as follows:

COMPANY'S NAME	FISCAL YEARS NOT INSPECTED BY TAX AUTHORITIES
OPAP S.A.	-
OPAP (CYPRUS) LTD	2003 - 2006
OPAP GLORY LTD	2002 - 2006
OPAP INTERNATIONAL LTD	2004 - 2006
OPAP SERVICES S.A.	2006
Glory Technology Ltd	2002 - 2006

B) Liabilities for untoward events:

In compliance with the letter of the legal adviser of the company, the lawsuits of the third parties as against OPAP S.A. are analyzed as follows:

1) lawsuits filed by third parties requested an amount of € 37,636,842, the outcome of which is expected to be in favour of the company according to the Legal Department,

2) lawsuits for which there has been made provision in the financial statements of 2007, burdening the company's results, such as:

a) Lawsuits of the lawyers totally amounting to € 4,289,907 that pertain to the fees for provided services at the company's lawsuits.

b) Labor differences between the permanently and seasonably employed staff as well as those concerning the retired employees of the company, amounting to € 2,464,984.

c) Insurance benefits provisions imposed by the Creek Electro-technicians Subsidiary Pension Fund and Social Security Foundation totally amounting to € 241,914.

d) Lawsuits of private individuals, amounting to € 978,030 that pertain to financial differences arising from the Stihima and other betting games coupons payments as well as the fess for rendered services.

Further than those aforementioned, there are no other pending or outstanding differences as concerning the company or the Group as well as court and legal institutions decisions that might have a material effect on the financial statements or operation of the company and its subsidiaries.

Commitments

a) Contract for maintenance – technical support of information technology systems

The central data processing system is maintained by operator company pursuant to Agreements periodically entered into (the major ones being those in 1997 and 2005). Under the aforementioned agreements, the operator is required to provide and maintain hardware, central system software of all OPAP S.A. games, the LOTOS (Lottery Operating System) lottery software platform which was developed by the Operator, agency terminals, and to develop operational procedures relating to the data processing system. The term of the agreement varies with the service provided.

The new contract as at 31.7.2007 regulates all the above mentioned contracts of the Group INTRACOM apart from the following:

A) As starting from 28.7.2008 there is not effective ANY OTHER CONTRACT EXCEPT THE LATTER.

As until Jule 2008, there is in effect the contract with INTRACOM on the operation of compute centre.

B) As starting from 29.1.2008, there expires the contract on maintenance of the terminal devices with INTRACOM and all the devices (coronis) are maintained by INTRALOT based on the new contract.

C) As starting from 30.11.2007, INTRALOT maintains all the equipment of the computer centers based on the new contract. The maintenance includes new equipment prescribed by the new contract as well as the old equipment prescribed by the contract of 2005. For the aforementioned reason, the corresponding price prescribed by the contract of 2005 with INTRACOM is subtracted from corresponding total of the new contract with INTRALOT.

Other commitments undertaken by the company are as follows:

b) Obligation for the supply of printing paper and coupons.

OPAP S.A. has signed contracts for the purchase of paper for printing coupons for games and a contract for the purchase of paper coupons for specific games.

c) Development and Maintenance of ERP software

The Operator has undertaken the obligation to provide and maintain ERP related to management and financial services. The project is at the last realization stage and maintenance is extended to a period of five years following the final delivery realization.

d) Contracts for operating Stihima in Cyprus:

On April 2nd 2003, Glory Leisure Ltd (OPAP's subsidiary since October 1st, 2003) signed an agreement with Glory Technology Limited regarding the use rights of UGS (Universal Game System INTERGRATED TURN-KEY SOLUTION) system of Glory Technology Ltd which automate the on line betting operation. The duration of the agreement is seven years with the right of three years renewal. The annual charge for the use of the system is calculated at 5% of the total annual turnover (plus value – added tax). An annual fee for the service of maintenance that Glory Technology Ltd will provide was also agreed upon. The maintenance fee is 14 % (plus value –added tax) of the annual use charge.

e) As of December 31st, 2007, OPAP S.A. is a part to an operating leasing agreement relating to transporting vehicles. Future minimum payments under this agreement are as follows:

	31.12.2007	31.12.2006
Less than 1 year	204	746
From 1 to 5 years	103	281
More than 5 years	-	-

Leases for transporting vehicles, that haven been charged to the P&L accounts, amounted to € 722 th. (2006: € 718 th.).

f) As of December 31st, 2007, OPAP S.A. is a part to an operating lease agreement, relating to administration building as well as lease agreements relating to other buildings housing the company services. Future minimum payments under this agreement are as follows:

	31.12.2007	31.12.2006
Less than 1 year	4,597	4,254
From 1 to 5 years	15,674	4,723
More than 5 years	6,670	-

The administration building leases, that haven been charged to the P&L accounts, ammounted to € 3,115 th. (2006: € 3,056 th.)

g) The future minimum payments for the Group's financial leasing are as follows:

GROUP				
The future minimum lease payments on December 31st, 2007	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	66,965	87,967	-	**154,932**
Finance charge	(5,571)	(3,538)	-	**(9,109)**
Present value	**61,394**	**84,429**	**-**	**145,823**

The future minimum lease payments on December 31st, 2006	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	18	62	-	**80**
Finance charge	(2)	(5)	-	**(7)**
Present value	**16**	**57**	**-**	**73**

and the company respectively,

COMPANY				
The future minimum lease payments on December 31st, 2007	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	66,965	87,967	-	**154,932**
Finance charge	(5,571)	(3,538)	-	**(9,109)**
Present value	**61,394**	**84,429**	**-**	**145,823**

The future minimum lease payments on December 31st, 2006	**(Amounts in thousand euro)**			
	< 1 year	1<5 years	>5 years	**Total**
Future lease payments	18	62	-	**80**
Finance charge	(2)	(5)	-	**(7)**
Present value	**16**	**57**	**-**	**73**

11.35. Financial risk factors

We state the risks to which the Group is exposed.

Price risk

The revenues from games have fixed prices and no changes are expected.

Exchange risk

The Group operates abroad. Nevertheless it faces no substantial exchange risk, because cash and cash equivalents from foreign operations (particularly in Cyprus), are sufficient to cover its operational needs, and therefore, no currency exchange transaction is required.

Credit risk

The Group has no important accumulations of credit risk. The sales occur via an extended network of agents. The average time of accumulating receivables is approximately three days. Also, the company applies particular policies of credit risk management, the most important of which, is the establishment of the debit balance per agent, which should not be exceeded.

Liquidity risk

The method of profit distribution to the winners of the betting games, secures the sufficiency of cash and cash equivalents, preserving the liquidity risk at low levels:

1. KINO, a predefined return game, statistically distributes the 70% of the net receivables to the winners. It is however possible at the game lotteries, that the distributable profit exceed or are less than the amount above. During the whole duration of the specific game however, (cumulatively but also in the periods of three-day account renderings), the returns range around the average objective.

2. Stihima is a defined return game based on the results of athletic and non-athletic events included in the coupon. Theoretically, there is liquidity risk and the following aspects are to be taken into consideration:

- The economic results of the betting product certify the fact that the objectives of the Company for every annual period as pertaining to the distributed profits, have been achieved.
- Good management and design of the betting product can make a material contribution to the achievement of the objectives that pertain to the company's profit distribution strategy. Another factor, reinforcing the objectives achievement, is the big number of bets received as well as the modification of the players' behavior (professionals, experts, amateurs etc.).

Stihima is based on the statistical verification of the events and the gains are ensured by the kitty (theoretical gain margin of the game as concerning every event).

Distributed profits can surpass the income in certain contests, though, as time goes by, the kitty will always be verified. The product design (coupon), whose main features are: a) the choice of the events, b) the kitty, c) the correct attitude to returns and d) the offer of the events in units/double units/triple units greatly affects the relationship between the turnover and distributed profits and constitutes the basis of risk management.

It is implied that the constant monitoring of the bets is essential for timely intervention should it be necessary as well as the design of the betting product carried out by experienced and able professionals.

Finally, as far as OPAP S.A. is concerned and as long as all the necessary measures are taken, the liquidity risk that theoretically exists, is, in practice, impossible to be verified.

In any case, the company shall move within the framework of estimating the annual profit distribution as at the highest variance of +/- 5%. The variance can be verified in the following year through estimating the average of two year payout.

3. Lottery tickets of pre-specified return - SUPER 3 and EXTRA 5, possess a small percentage of the total sales of the Group, and as for this, they do not affect its liquidity significantly enough.

4. Other games and particularly PROPO, PROPOGOAL, LOTTO, JOKER and PROTO, have a particular profit distribution percentage that should not be exceeded.

Cash flows risk and fair value change risk due to interest changes

There is no risk.

11.36. Subsequent events

There are no material events subsequent to the period ended on December 31st, 2007.