



## **CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

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

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

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## Company information

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



## FINANCIAL STATEMENTS

### OPAP S.A.

#### Consolidated Income Statements

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

(Thousands of euro, except for per share amounts)

	Notes	2005		2004	
		01/01-30/09/2005	01/07-30/09/2005	01/01-30/09/2004	01/07-30/09/2004
Revenues	F	2,599,429	890,445	2,209,443	699,360
Cost of sales	G	(2,047,151)	(697,989)	(1,714,899)	(544,154)
<b>Gross profit</b>		<b>552,278</b>	<b>192,456</b>	<b>494,544</b>	<b>155,206</b>
Other operating income		3,779	1,582	2,173	306
Distribution costs		(59,130)	(19,272)	(38,526)	(13,164)
Administrative expenses		(27,450)	(9,799)	(21,200)	(6,240)
Other operating expenses		(2,025)	(828)	(1,798)	(958)
Income from provisions	J/H	0	0	148,012	0
Income from associates		0	0	133	15
Amortization of goodwill		0	0	(1,817)	(606)
<b>Profit from operations</b>		<b>467,452</b>	<b>164,139</b>	<b>581,521</b>	<b>134,559</b>
Net financing results		8,302	2,408	4,788	1,600
<b>Profit before tax</b>		<b>475,754</b>	<b>166,547</b>	<b>586,309</b>	<b>136,159</b>
Tax expense	I	(159,576)	(53,154)	(210,906)	(49,211)
<b>Profit after tax</b>		<b>316,178</b>	<b>113,393</b>	<b>375,403</b>	<b>86,948</b>
<b>Attributable to:</b>					
Equity holders		<b>316,181</b>	<b>113,391</b>	<b>375,464</b>	<b>86,977</b>
Minority interest		(3)	2	(61)	(29)
<b>Basic earnings per share</b>		<b>0.99</b>	<b>0.36</b>	<b>1.18</b>	<b>0.27</b>

Chairman of Board  
of Directors

Chief Executive  
Officer

Chief Financial  
Officer

Chief Accounting  
Officer

Kostakos Sotirios

Neidas Basile

Tsaousis Konstantinos

Tsilivis Konstantinos

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

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

	Notes	2005	2004
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		513,553	423,567
Inventories		276	482
Trade receivables		41,599	36,381
Other receivables		181,701	227,967
<b>Total current assets</b>		<b>737,129</b>	<b>688,397</b>
<b>Non - current assets</b>			
Intangible assets		231,935	244,704
Property, plant and equipment		37,123	40,350
Goodwill		21,196	21,196
Investments in associates		338	338
Other non current assets		11,436	11,526
Deferred tax assets		6,112	6,538
<b>Total non-current assets</b>		<b>308,140</b>	<b>324,652</b>
<b>TOTAL ASSETS</b>		<b>1,045,269</b>	<b>1,013,049</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings		15,852	21,574
Trade and other payables		128,354	117,179
Tax liabilities		325,963	340,771
Accrued liabilities		33,433	4,858
<b>Total current liabilities</b>		<b>503,602</b>	<b>484,382</b>
<b>Non - current liabilities</b>			
Borrowings		17,786	25,345
Employee benefit plans		23,249	23,369
Provisions		730	0
Other liabilities		5,567	5,277
<b>Total non current liabilities</b>		<b>47,332</b>	<b>53,991</b>
<b>Capital and reserves</b>			
Issued capital		95,700	95,700
Reserves		43,700	43,700
Dividends proposed		0	296,670
Exchange differences		192	41
Retained earnings		354,585	38,404
<b>Equity attributable to equity holders</b>		<b>494,177</b>	<b>474,515</b>
Minority interest		158	161
<b>Total equity</b>		<b>494,335</b>	<b>474,676</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,045,269</b>	<b>1,013,049</b>

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



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

	<b>2005</b>	<b>2004</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	475,754	586,309
<b>Adjustments for:</b>		
Depreciation & amortization	17,366	21,787
Net financing income	(9,471)	(6,830)
Employee benefit plans	1,175	672
Provisions for bad debts	1,600	3,797
Released provisions for contingent liabilities	0	(148,012)
Other non cash items	(307)	(1,062)
	<b>486,117</b>	<b>456,661</b>
Increase (decrease) in inventories	206	63
Increase (decrease) in trade & other receivable	49,074	(44,141)
Increase (decrease) in payables	51,557	5,446
Increase (decrease) in taxes payables	(4,350)	(796)
	<b>582,604</b>	<b>417,233</b>
Income taxes Paid	(183,999)	(101,094)
<b>Cash flow from operating activities</b>	<b>398,605</b>	<b>316,139</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of plant and equipment	0	118
Guarranties	(30)	0
Loans raised to personnel	(60)	(822)
Purchase of plant and equipment	(8,839)	(14,093)
Purchase of intangible assets	(195)	(1,156)
Interest received	9,471	6,830
<b>Cash flows from investing activities</b>	<b>347</b>	<b>(9,123)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of borrowings	(13,283)	(21,426)
Dividends returns (paid)	(295,683)	(138,456)
<b>Cash flow from financing activities</b>	<b>(308,966)</b>	<b>(159,882)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>89,986</b>	<b>147,134</b>
Cash and cash equivalents at beginning of year	423,567	294,806
<b>Cash and cash equivalents at end of year</b>	<b>513,553</b>	<b>441,940</b>

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



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

Equity attributable to equity holders of OPAP							
	Share capital	Exchange differences	Other reserves	Dividends proposed	Retained earnings	Minority interest	Total
<b>Balance as at December 31, 2003</b>	<b>95,700</b>	<b>(12)</b>	<b>43,060</b>	<b>137,170</b>	<b>5,531</b>	<b>252</b>	<b>281,701</b>
<b>Net profit for the period</b>	-	-	-	-	375,464	-	<b>375,464</b>
Exchange differences	-	121	-	-	-	-	<b>121</b>
Minority interest	-	-	-	-	-	(61)	<b>(61)</b>
Dividends proposed	-	-	-	(137,170)	-	-	<b>(137,170)</b>
<b>Balance as at September 30, 2004</b>	<b>95,700</b>	<b>109</b>	<b>43,060</b>	<b>0</b>	<b>380,995</b>	<b>191</b>	<b>520,055</b>
<b>Balance as at December 31, 2004</b>	<b>95,700</b>	<b>41</b>	<b>43,700</b>	<b>296,670</b>	<b>38,404</b>	<b>161</b>	<b>474,676</b>
<b>Net profit for the period</b>	-	-	-	-	316,181	-	<b>316,181</b>
Exchange differences	-	151	-	-	-	-	<b>151</b>
Dividends proposed	-	-	-	(296,670)	-	-	<b>(296,670)</b>
Minority interest	-	-	-	-	-	(3)	<b>(3)</b>
<b>Balance as at September 30, 2005</b>	<b>95,700</b>	<b>192</b>	<b>43,700</b>	<b>0</b>	<b>354,585</b>	<b>158</b>	<b>494,335</b>

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



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

### **General Information**

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

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

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

The Group 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 5,328 dedicated agents.

### **A. Basis of Preparation**

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

### **B. Accounting Policies**

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

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

#### **B.i. Adoption of I.A.S. No 1 (rev 2003)**

The application of I.A.S. 1 (rev 2003) led to an update of the presentation of financial statements. Minority interests are now included as a separate line item within equity. Profit and loss attributable to minority interests and that attributable to owners of the parent company is now presented as an allocation of the net result of the period.

### **B.ii. Adoption of I.F.R.S. No 3 (rev 2004)**

Following the transition to I.F.R.S. 3 (2004) on January 1, 2005, the amortization of goodwill has ceased. In accordance with the specific transitional provisions of I.F.R.S. 3 (2004), the accumulated amortization at 31 December, 2004 was eliminated against the original gross amount of goodwill. Goodwill is now subject only to periodic testing for impairment.

### **C. Main Developments**

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

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

### **D. Seasonality**

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

### **E. Reclassifications**

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

## F. Segment Information

Business Segments For the Nine-month Period Ended September 30, 2005

	PROPO	LOTTO	PROPO GOAL	PROTO	JOKER	STIHIMA	EXTRA 5	SUPER 3	KINO	TOTAL
<i>(Thousands of euro)</i>										
<b>Revenues</b>	57,072	42,977	973	32,779	200,857	946,634	15,316	52,990	1,249,831	<b>2,599,429</b>
<b>Gross profit</b>	20,728	19,293	145	10,367	71,086	142,875	3,053	15,846	268,885	<b>552,278</b>
Other information :										
Tangible and intangible assets	5,907	4,448	101	3,393	20,790	97,983	1,585	5,485	129,366	<b>269,058</b>
Current assets	16,184	12,187	276	9,295	56,958	268,440	4,343	15,027	354,419	<b>737,129</b>
Segment assets	<b>22,091</b>	<b>16,635</b>	<b>377</b>	<b>12,688</b>	<b>77,748</b>	<b>366,423</b>	<b>5,928</b>	<b>20,512</b>	<b>483,785</b>	<b>1,006,187</b>
Unallocated assets										<b>39,082</b>
<b>TOTAL ASSETS</b>										<b>1,045,269</b>
Segment liabilities	4,413	3,323	75	2,535	15,531	73,195	1,184	4,097	96,639	<b>200,992</b>
Unallocated liabilities										<b>349,942</b>
<b>TOTAL LIABILITIES</b>										<b>550,934</b>
Additions of tangible and intangible assets	36	27	1	20	125	590	10	33	779	<b>1,621</b>
Depreciation and amortization	381	287	7	219	1,342	6,324	102	354	8,350	<b>17,366</b>

Business Segments For the Nine-month Period Ended September 30, 2004

	PROPO	LOTTO	PROPO GOAL	PROTO	JOKER	STIHIMA	EXTRA 5	SUPER 3	KINO	TOTAL
<i>(Thousands of euro)</i>										
<b>Revenues</b>	54,534	46,790	1,352	35,226	185,283	1,234,544	27,849	101,096	522,769	<b>2,209,443</b>
<b>Gross profit</b>	20,208	20,820	476	10,819	64,147	238,064	8,046	28,256	103,708	<b>494,544</b>
Other information :										
Tangible and intangible assets	7,154	6,138	177	4,621	24,305	161,947	3,653	13,262	68,577	<b>289,834</b>
Current assets	16,208	13,907	402	10,470	55,070	366,930	8,277	30,047	155,377	<b>656,688</b>
Segment assets	<b>23,362</b>	<b>20,045</b>	<b>579</b>	<b>15,091</b>	<b>79,375</b>	<b>528,877</b>	<b>11,930</b>	<b>43,309</b>	<b>223,954</b>	<b>946,522</b>
Unallocated assets										<b>38,851</b>
<b>TOTAL ASSETS</b>										<b>985,373</b>
Segment liabilities	4,408	3,782	109	2,847	14,975	99,779	2,250	8,171	42,251	<b>178,572</b>
Unallocated liabilities										<b>286,746</b>
<b>TOTAL LIABILITIES</b>										<b>465,318</b>
Additions of tangible and intangible assets	376	323	9	243	1,279	8,520	192	698	3,609	<b>15,249</b>
Depreciation and amortization	538	461	13	347	1,827	12,174	275	997	5,155	<b>21,787</b>

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

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

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

## G. Cost of sales

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

Nine-Month Period Ending September 30,	2005	2004
	(Thousands of euro)	
Prize payouts to lottery and betting winners	1,675,073	1,332,806
Lottery agents' commissions	210,431	186,621
Betting commissions	97,673	125,975
Depreciation	3,022	5,375
Amortization	13,009	13,236
Repairs and maintenance expenditures	6,592	5,443
Third party outsourcing	7,869	8,837
Greek Professional Football Teams Association	4,612	4,115
Staff cost	10,135	9,537
Other expenses	16,339	18,466
Provisions for bad debtors	1,600	3,797
Retirement benefit costs	796	691
<b>Total cost of sales</b>	<b>2,047,151</b>	<b>1,714,899</b>

## H. Income from provisions

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

## I. Other Information

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

## J. Commitments and Contingencies

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



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

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

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

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

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

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

## **K. Subsequent Events**

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