



OPAP

Company Presentation

Capital Link, December 7th, 2011



Agenda



1. Company Overview
2. Financial Overview
3. Recent Developments
4. Strategy
5. Summary



Company Overview



- The leading Greek gaming company
- Presence in Cyprus
- Market cap on Athens Exchange c. €2bn (November 2011)
- Exclusive concession recently extended up until 2030
- 59% of the total Greek legal gaming market (2009)
- Largest on-line retail network in Greece
- 2010 revenues of €5,140m and EBITDA of €911.3m
- High dividend pay-out policy
- Current free-float: 66%
- Hellenic Republic ownership: 34%



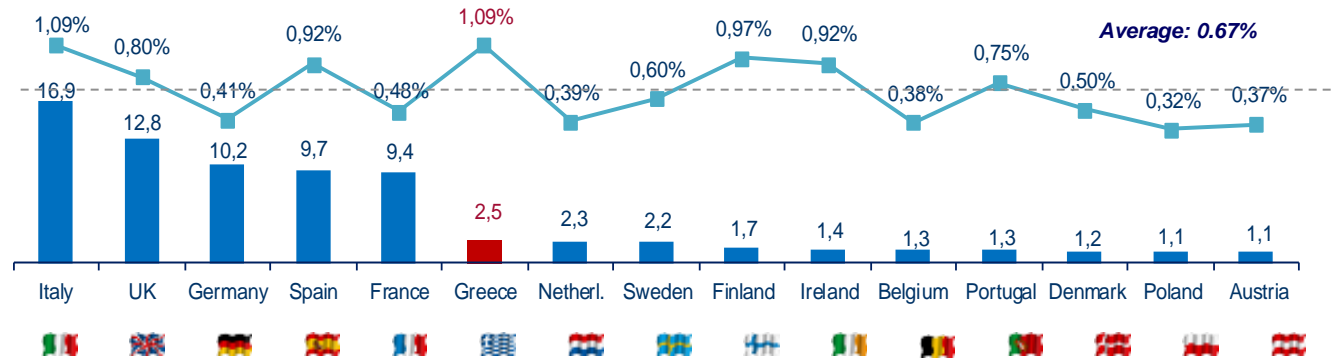
The Greek Gaming Market Remains Fundamentally Attractive...

The Greek gaming market is one of the most buoyant gaming markets in Europe

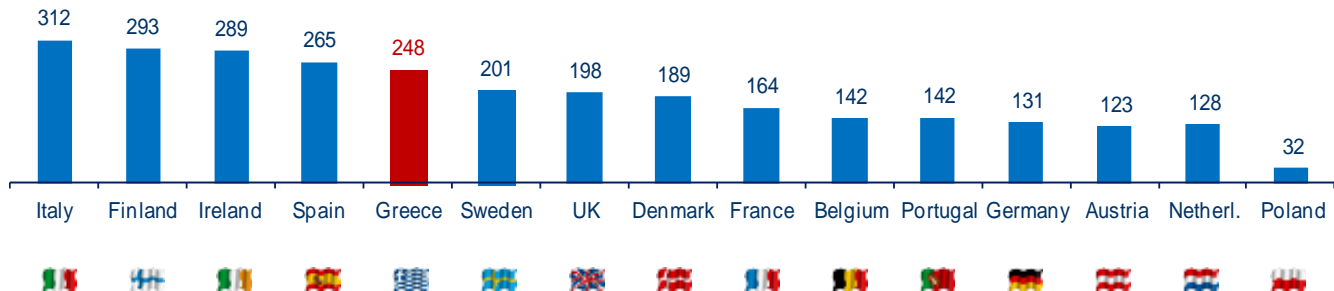
**2010
GROSS GAMING
YIELD
(€BN AND % OF
GDP⁽¹⁾)**

In €bn

In % of
2010 GDP



**2010 OFFLINE
GROSS GAMING
YIELD PER
ADULT⁽²⁾(€)**



- ❖ Highest gross gaming yield (along with Italy) ahead of all European countries representing 1.09% of GDP in 2010
- ❖ 6th largest gaming market in the European Union
- ❖ 5th highest 2010 gross gaming yield per adult in Europe (€248)

Sources: H2 Gambling Capital for gross gaming yield (Italy (28/07/2011), United Kingdom (01/08/2011), France (26/07/2011), Greece (30/09/2011), other countries (05/08/2011)), IMF World Economic Outlook (April 2011) for GDP

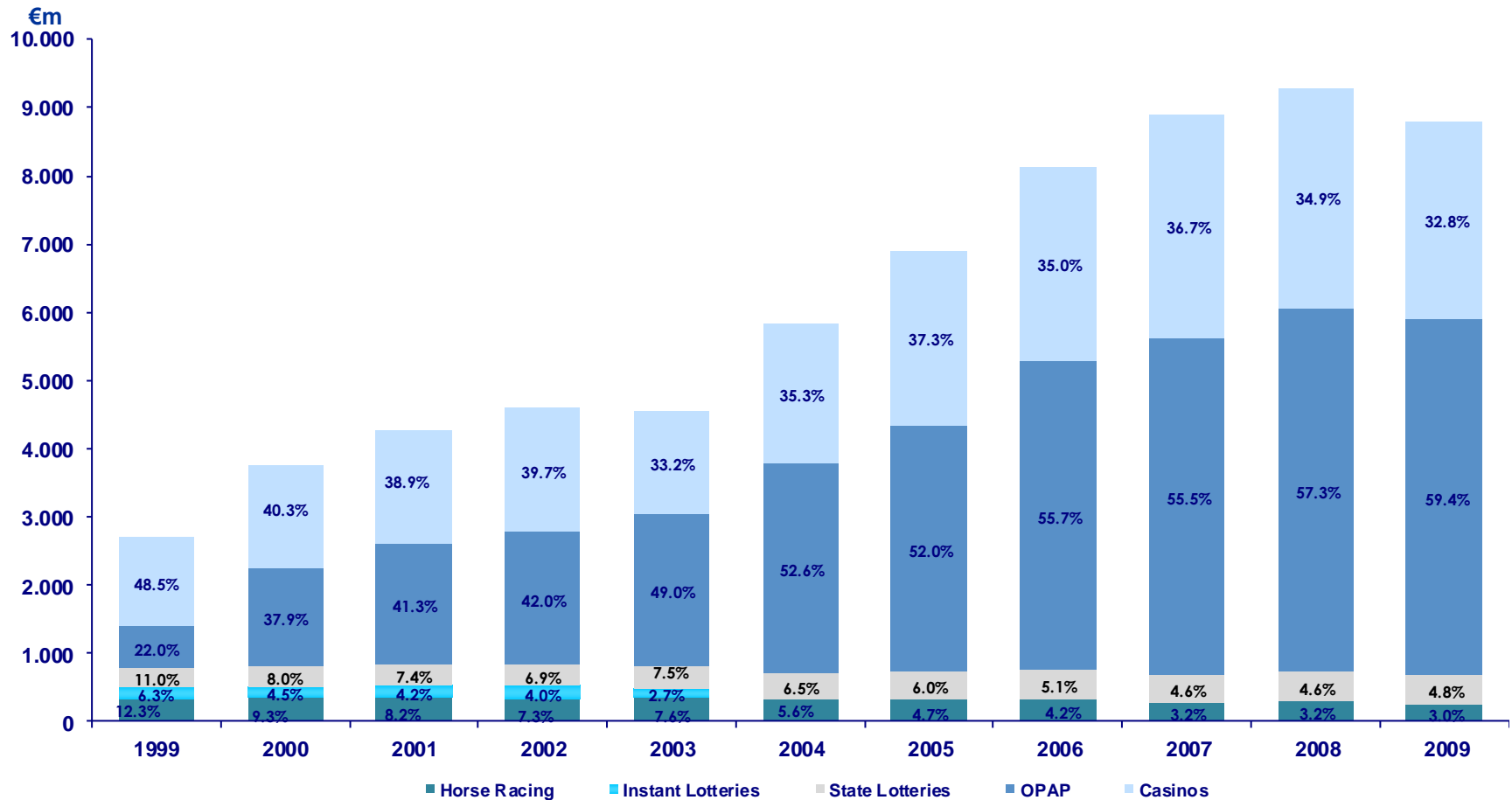
Notes: gross gaming yield including offline and online (onshore and offshore) gaming

(1) Current price GDP

(2) Inhabitants over 18 years old



Greek Legal Market Revenue Overview



Source: 1998-2003 OPAP; 2004-2009 Greek National Statistics Services

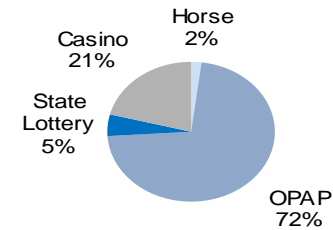


OPAP is the Undisputed Leader of the Greek Gaming Market

OVERVIEW OF THE GREEK GAMING MARKET

- ❖ **The Greek regulated gaming market comprises of three sectors:**
 - Lottery: OPAP and the State Lottery Division
 - Casinos: includes all games played within casinos
 - Betting: dominated by sports betting (OPAP) but also includes domestic horserace betting (ODIE)
- ❖ **Like most other European lottery markets, the Greek gaming market is regulated and controlled by the government**
 - Ethniko, Kratiko and Laiko, the state lottery-style games, generated €119m of gross win in 2010 and represent c. 5% of the market
 - All other lottery games are operated by OPAP, yielding €1,046m of gross win in 2010
 - Scratch games, which used to be supplied by a subsidiary of Intralot until 2003, are missing from the current offer and are expected to be re-introduced
- ❖ **The Greek casino market consists of 9 licensed casinos and is strongly dominated by Regency. It generated €484m of gross win with more than 50% attributed to gaming machines**
- ❖ **Pari-mutuel horserace betting is exclusively operated by Greek Organization for Horseracing (ODIE)**
 - Generated €49m of gross win in 2010
- ❖ **Fixed odds sports betting is solely organized by OPAP, yielding €608m of gross win in 2010**

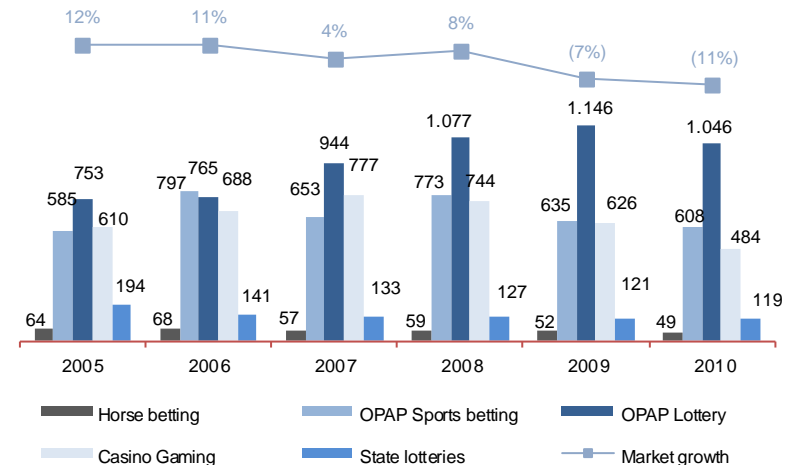
2010 LEGAL GREEK GAMING MARKET



Market size: €2.3bn

Source: H2 Gambling Capital (30/09/2011)

GREEK REGULATED GAMING MARKET GROSS GAMBLING YIELD EVOLUTION (€m)



Source: H2 Gambling Capital (30/09/2011)



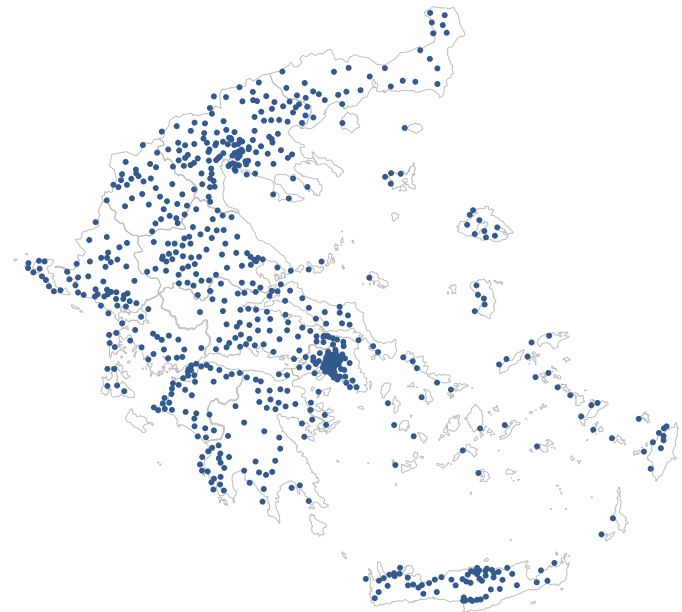
OPAP's Competitive Advantage is Based on a Diversified Product Offering and a Widespread Network

OPAP GAME OFFERING

			% OF 2010 REVENUE	% OF 2010 GROSS PROFIT
SPORTS GAMES	STIHIMA	❖ Introduced in 2000 ❖ 2010 Revenues: €2,052m	40%	33%
	PROPO	❖ Introduced in 1959 ❖ 2010 Revenues: €31m	1%	1%
	PROPO- GOAL	❖ Introduced in 1996 ❖ 2010 Revenues: €1m	0.01%	0.01%
	MONITOR	❖ Introduced in 2011 ❖ -	-	-
NUMERICAL GAMES	KINO	❖ Introduced in 2003 ❖ 2010 Revenues: €2,583m	50%	50%
	JOKER	❖ Introduced in 1997 ❖ 2010 Revenues: €307m	6%	11%
	LOTTO	❖ Introduced in 1990 ❖ 2010 Revenues: €73m	1%	3%
	PROTO	❖ Introduced in 1992 ❖ 2010 Revenues: €41m	1%	1%
	SUPER 3	❖ Introduced in 2002 ❖ 2010 Revenues: €42m	1%	1%
	EXTRA 5	❖ Introduced in 2002 ❖ 2010 Revenues: €11m	0.2%	0.2%
	GO LUCKY	❖ Introduced in 2011 ❖ -	-	-

Source: Company

A WIDESPREAD NETWORK OF AGENTS



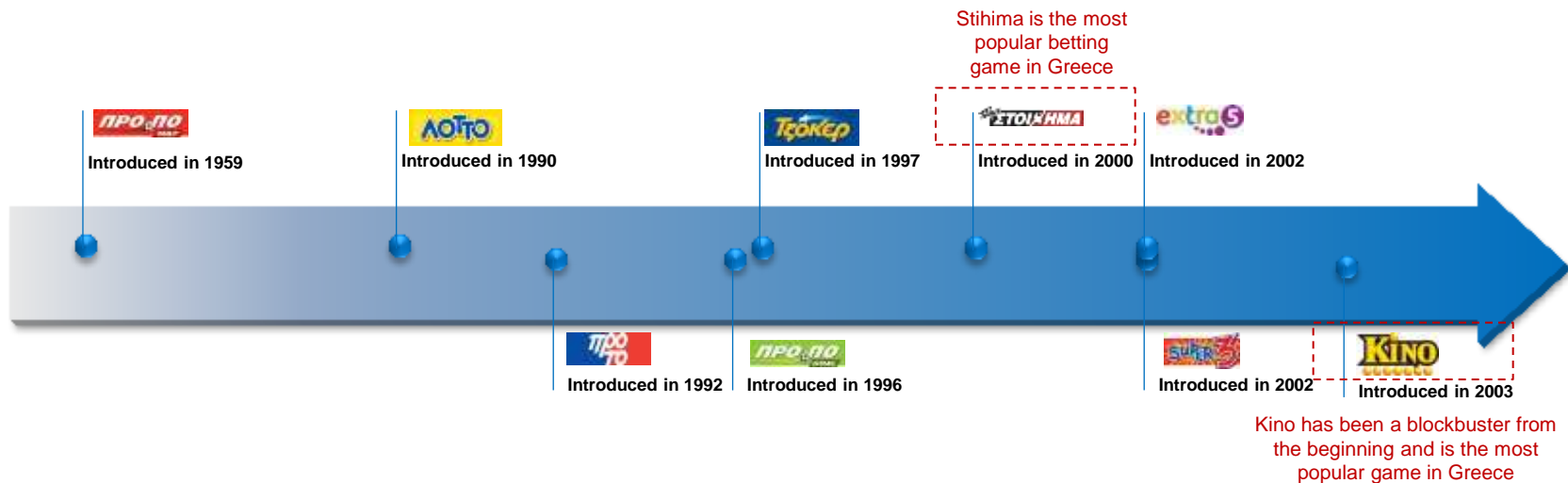
- ❖ Network of c. 5,000 agents under license agreement
- ❖ Cyprus accounts for c.4% of revenues

Source: Company



OPAP Has Proven its Capacity to Launch and Develop New Games

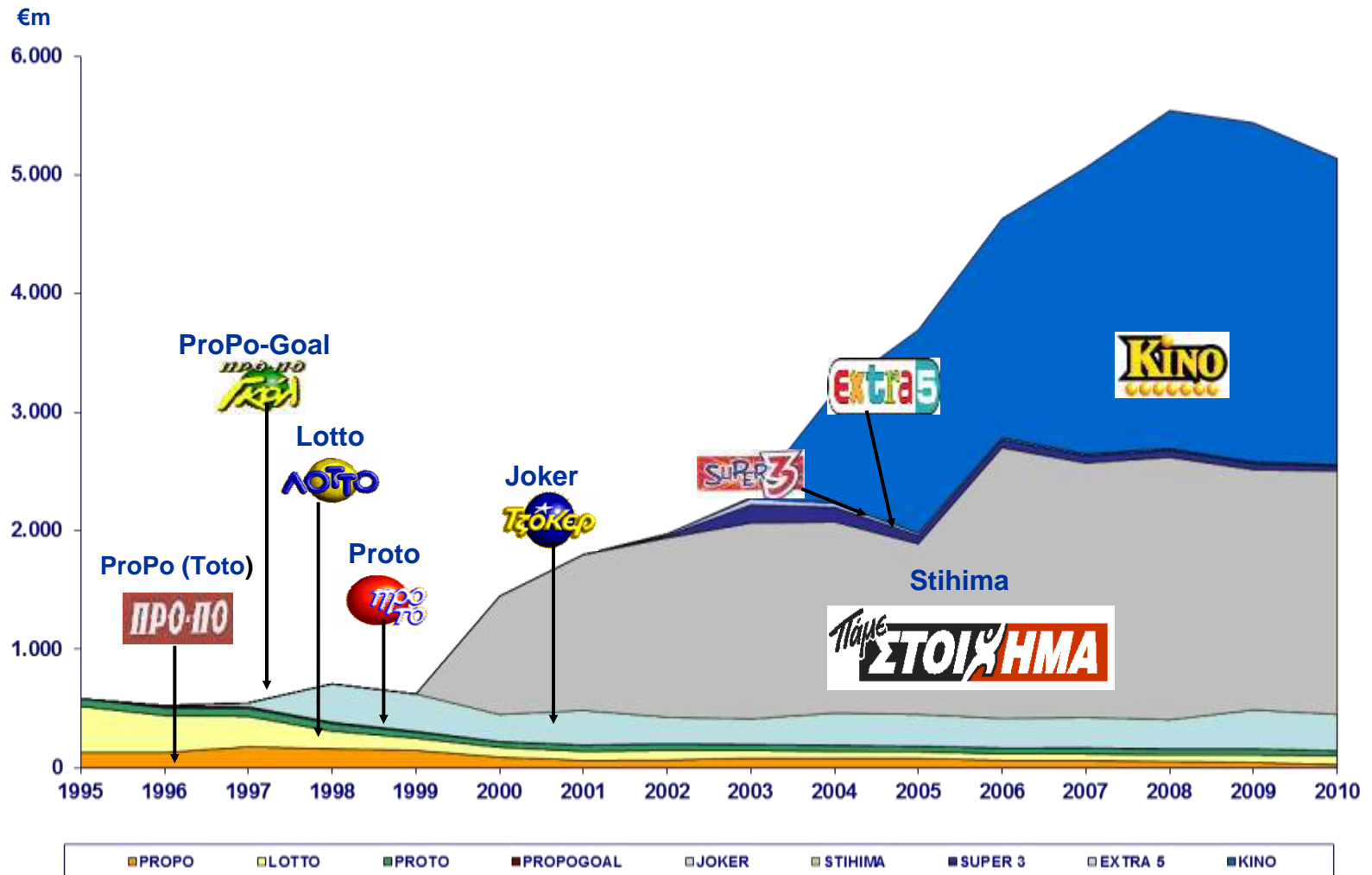
- ❖ OPAP has recently introduced Monitor Games and Go Lucky, illustrating its capacity to enhance existing games and to launch new successful ones



- ❖ OPAP can rely on its network of c. 5,000 agents to further extend its offer range with new products such as Bingo, Super 4, online versions of existing games and Video Lotteries Terminals (VLTs)
- ❖ OPAP has developed a strong portfolio of games in Greece and Cyprus and currently offers a wide range of gaming products from traditional lottery to sports betting (fixed odds / mutual)



OPAP's Revenue Breakdown





Games Overview



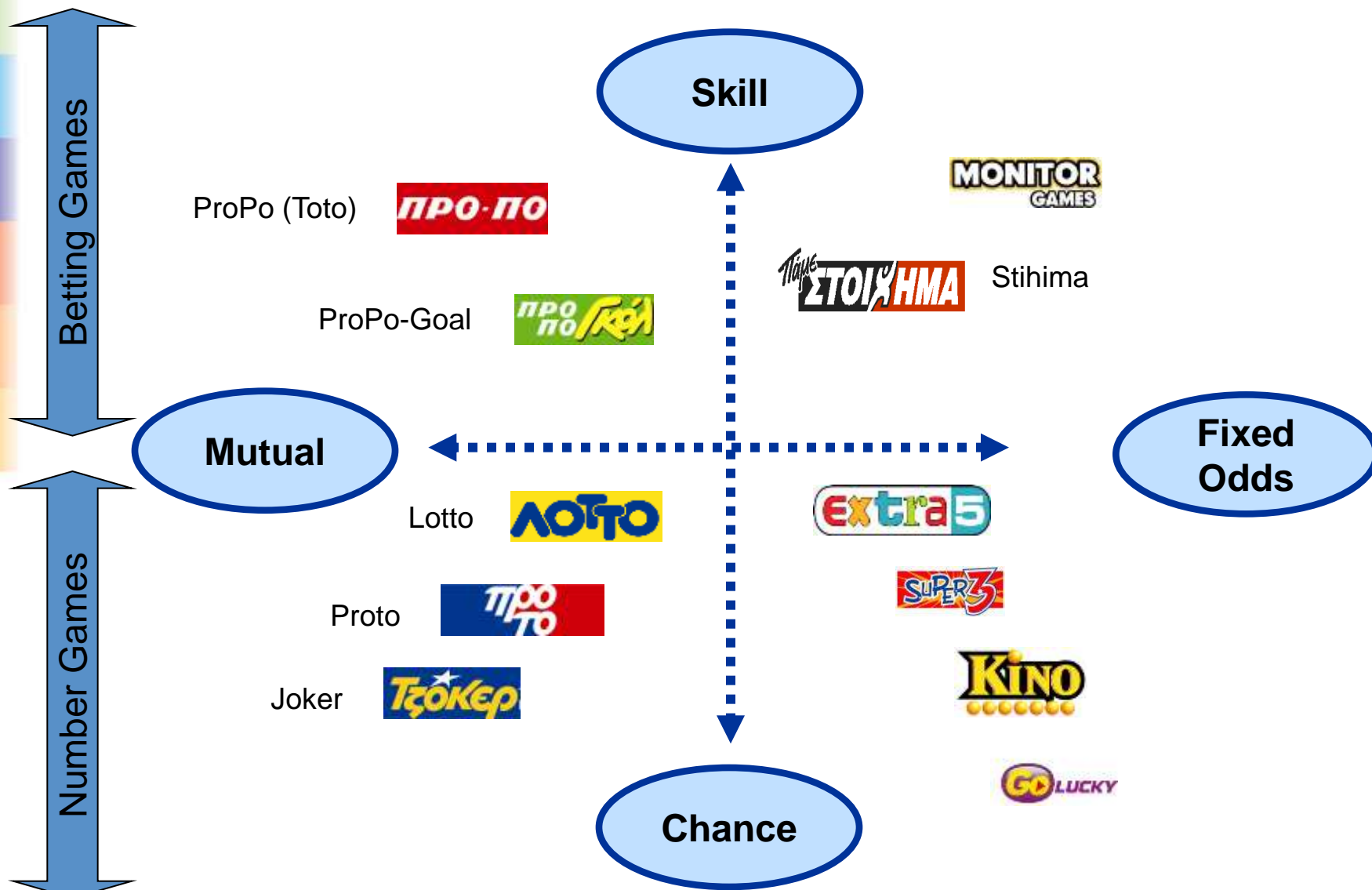
Game	Stihima	Joker	Lotto	Propo	Proto	Super 3	Extra 5	Propo-Goal	Kino	Go Lucky	Monitor Games
Type of Game	Sports	Numerical	Numerical	Sports	Numerical	Numerical	Numerical	Sports	Numerical	Numerical	Sports
Fixed / Mutual	Fixed-odds	Mutual	Mutual	Mutual	Mutual	Fixed-odds	Fixed-odds	Mutual	Fixed-odds	Fixed-odds	Fixed-odds
2010 Revenues	€2,051.8m	€307.1m	€73.3m	€30.6m	€40.7m	€41.7m	€10.9m	€0.7m	€2,583.0m	-	-
2010 Gross Profit	€339.3m	€112.0m	€28.6m	€11.1m	€13.0m	€12.5m	€2.5m	€0.1m	€522.8m	-	-
OPAP Share of Revenues ⁽¹⁾	22%	41.2%	46.3%	40.1%	36.6%	32.7%	32.3%	40.6%	22.0%	~14% ⁽²⁾	~14% ⁽²⁾
Year of Introduction	2000	1997	1990	1959	1992	2002	2002	1996	2003	2011	2011
Agent Commission	8%	12%	12%	12%	12%	8%	12%	12%	8%	8%	8%
Frequency of play	Daily	Twice weekly	Twice weekly	Three times weekly	Twice weekly	Three draws daily	One draw daily	Once a week	108 draws daily / 132 draws weekend	On going - Daily	On going - Daily

(1) Sales minus the pay out ratio minus the agents' commission ratio

(2) Sales minus the pay out ratio minus the agents' commission ratio minus Intralot's commission



Games Product Matrix





It's all about
numbers



OPAP Has Historically Delivered an Outstanding Financial Performance

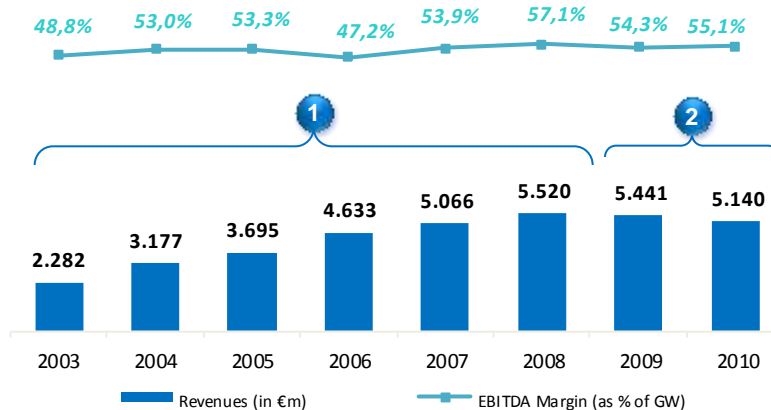
OPAP FINANCIAL OVERVIEW

In €m, 31-12-N	2003	2004	2005	2006	2007	2008	2009	2010
Revenues	2,282	3,177	3,695	4,633	5,066	5,520	5,441	5,140
Growth	n.a.	39.2%	16.3%	25.4%	9.3%	9.0%	(1.4%)	(5.5%)
Gross Win	969	1,242	1,338	1,562	1,597	1,852	1,781	1,654
Growth	n.a.	28.2%	7.7%	16.7%	2.2%	16.0%	(3.8%)	(7.1%)
EBITDA	473	659	714	738	860	1,057	967	911
Margin (% of rev.)	20.7%	20.7%	19.3%	15.9%	17.0%	19.2%	17.8%	17.7%
Margin (% of GW)	48.8%	53.0%	53.3%	47.2%	53.9%	57.1%	54.3%	55.1%
Free Cash Flow⁽¹⁾	202	625	473	447	494	863	690	459
Net Financial Debt / (Cash)	(211)	(377)	(412)	(384)	(493)	(706)	(700)	(657)

Source: Company reports

Note: (1) FCF = EBT + D&A - Tax - Change in Working Capital - Capex

REVENUES AND MARGIN EVOLUTION SINCE 2003



Source: Company reports

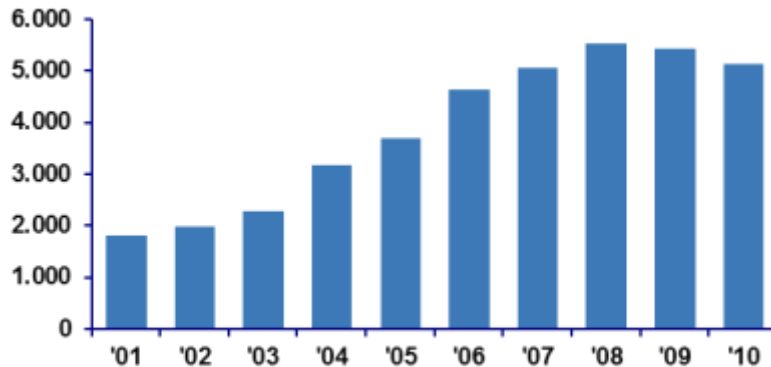
COMMENTS

- OPAP has recorded strong top line growth since 2003, mainly driven by:**
 - 2003: Introduction of Kino
 - 2007: Stihima risk management operation was taken in-house
 - 2005-2008: Development of betting portfolio events through introduction of new features in Stihima and increase of Kino daily playing hours
- Recent performance has been impacted by the adverse economic environment:**
 - Overall performance affected by decrease in Kino revenues while Stihima is affected by cyclicity of major football events every 2 years
 - Sustained profitability margins
- March 2011: Introduction of Monitor and Go Lucky games**

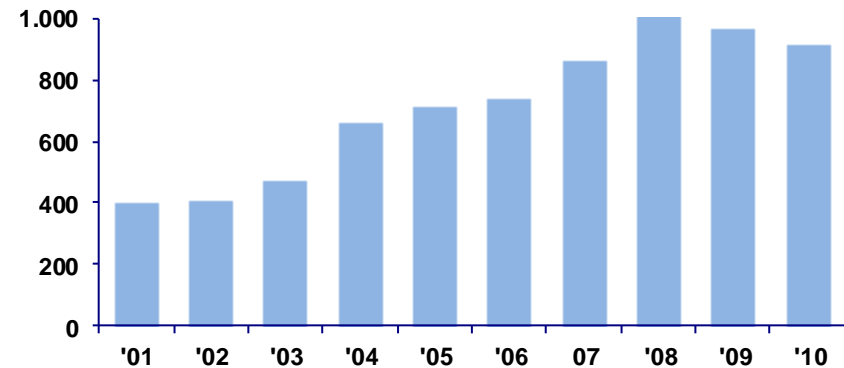


Financial Overview

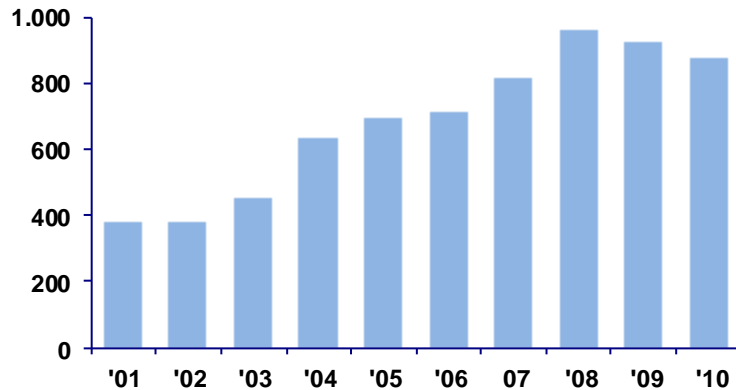
Revenue (€m) 2001 - 10



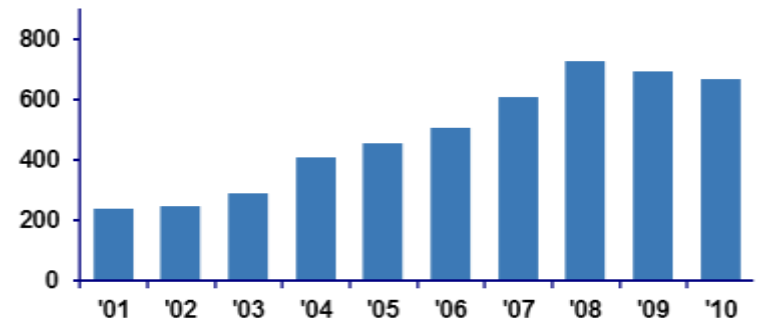
EBITDA (€m) 2001 - 10



EBIT (€m) 2001 - 10



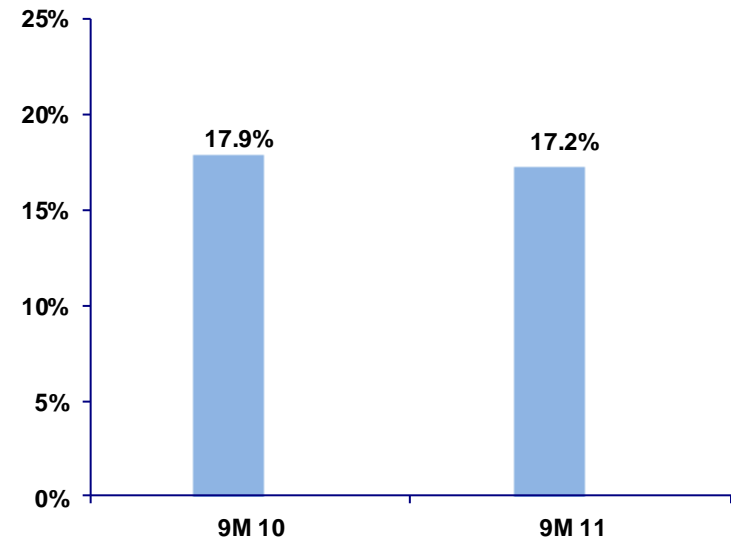
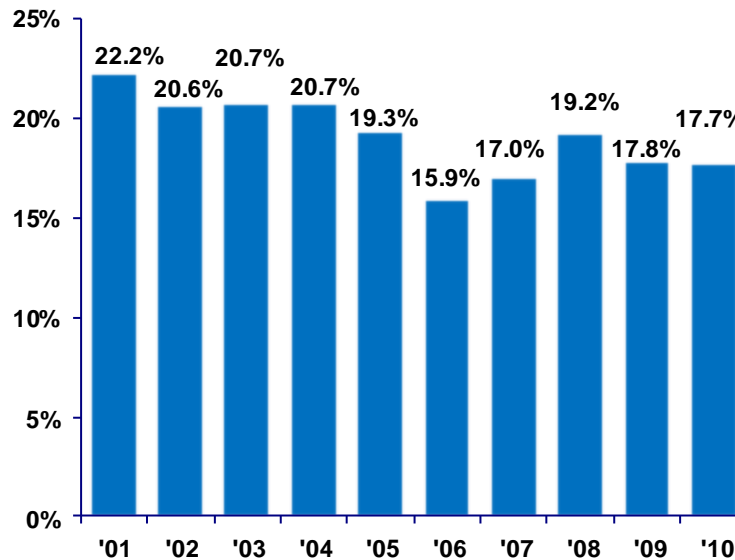
Adjusted Net Profit (€m) 2001 - 10





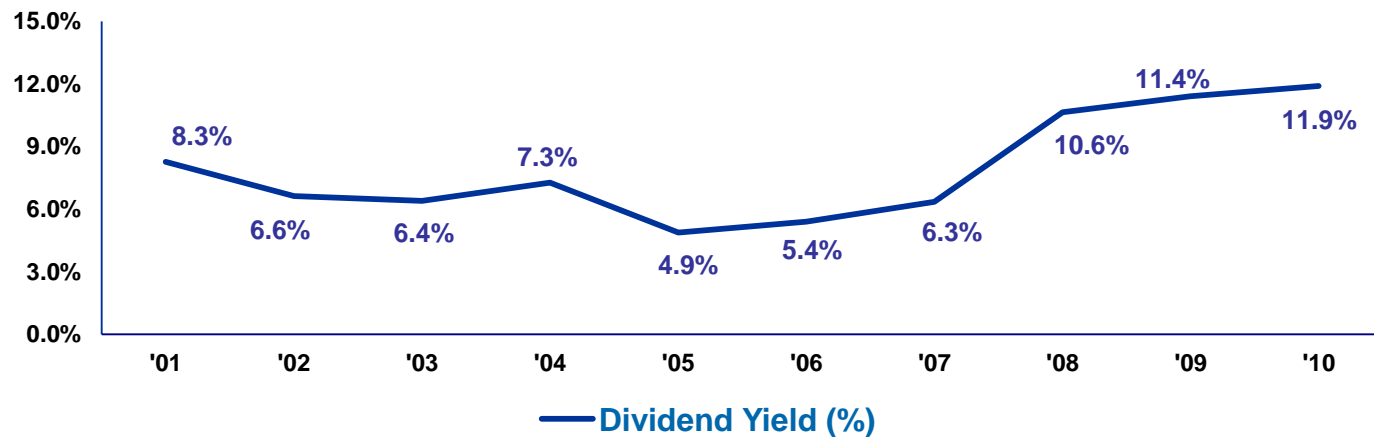
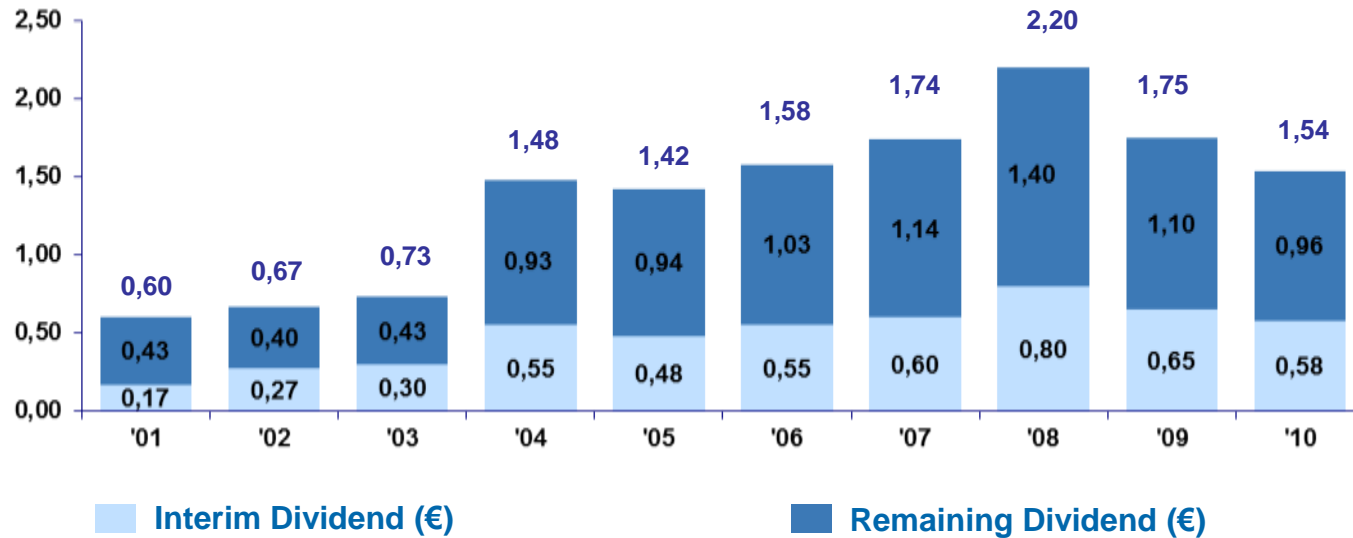
Margins

EBITDA Margin





Dividend Policy



Recent Developments



Extraordinary General Meeting Resolutions

OPAP's Extraordinary General Meeting (EGM) took place on November 3rd, 2011. Quorum stood at 70.36% and the entire agenda was approved; shareholders' support reached c. 98%

EGM resolutions refer to: i) The agreement with the Hellenic Republic (HR) for a 10-year extension (2020-2030) of OPAP's exclusive right as defined in the original 15.12.2000 concession agreement ii) HR's proposal for granting OPAP a license to install and operate 35,000 Video Lottery Terminals (VLTs) iii) Approval for raising debt up to €600m and authorization to the Board of Directors to negotiate and determine its relevant terms.

New gaming framework

The new gaming regulatory framework was enacted on August 22nd, 2011 through L.4002/2011. The law provides for the award of the only license for 35,000 VLTs to OPAP, out of which 16,500 to be operated by OPAP and 18,500 to be subcontracted to third parties.

Additionally, the law provides for the regulation of the online gaming market through the award of licenses to third parties. As the clear leader in the Greek Gaming sector, OPAP is keen to enter this segment of the market.



Land-Based Concession Extension Agreement

A unique opportunity for OPAP to support its leading position in Greece and strengthen visibility pertaining shareholder value up to 2030

Concession extension fee incorporates prepayment of gross win royalties as well as the license cost for the concession period

OPAP'S POSITIONING

- ❖ Extension of the current concession contract (ending in 2020) on lotteries and sports betting from 12.10.2020 to 12.10.2030, for the exclusive benefit of OPAP
- ❖ Exclusive operation of current games (incl. Super 4 and Bingo Lotto), by any technological means⁽¹⁾



OPAP to maintain its leading position in the Greek market

TRANSACTION ECONOMICS

- ❖ €375m payable following signing of the concession extension agreement and OPAP's EGM approval
- ❖ 5% royalties on gross win will be additionally paid on a yearly basis between 12.10.2020 and 12.10.2030
- ❖ Fair and equitable value sharing with the HR

EXPECTED RETURNS

- ❖ Concession extension fee paid in line with market expectations
- ❖ Expected payback period of approximately 5 years

⁽¹⁾ Excluding on-line sports betting



Video Lottery Terminals (VLTs) License Agreement

VLT license adds a “growth engine” to OPAP’s performance potential

The status of a “sole license owner” enhances performance optimization across the full spectrum of games offered by OPAP

TRANSACTION SCOPE

❖ **One License for 35,000 VLTs:**

- 16,500 will be directly operated by OPAP within 12 months
- 18,500 will be operated by sub-contractors within 24 months
 - OPAP will receive an upfront payment as well as royalties
 - In case of unsuccessful subcontracting process for part or all the 18,500 VLTs, OPAP will have the right to operate the remaining VLTs

❖ **OPAP to control pricing policy**

- Identical pricing for all VLTs

❖ **License also includes on-line Random Number Generator (“RNG”) Games**

❖ **The duration of the license is set at 10+1 years from the license issue.**

❖ **Based on the law, HR to receive 30% of gross win in the form of royalties**

TRANSACTION ECONOMICS FOR THE 35,000 VLTs

❖ **€474m payable upon signing of the license**

❖ **€86m payable in two years**

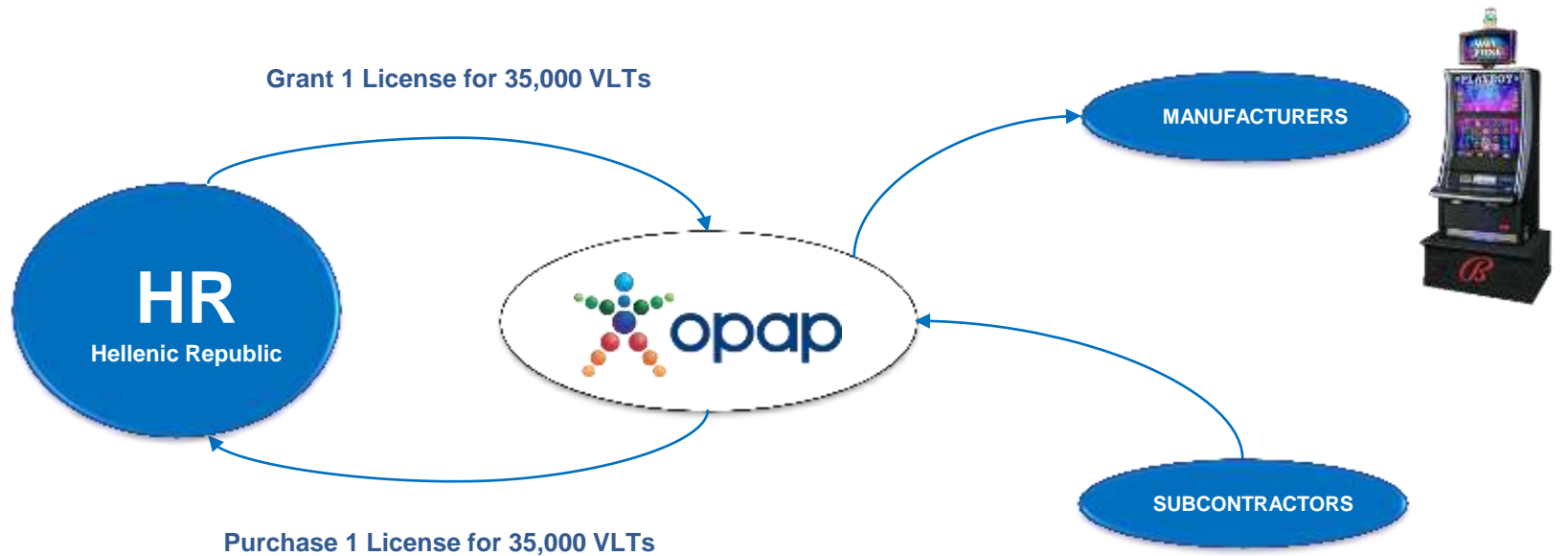
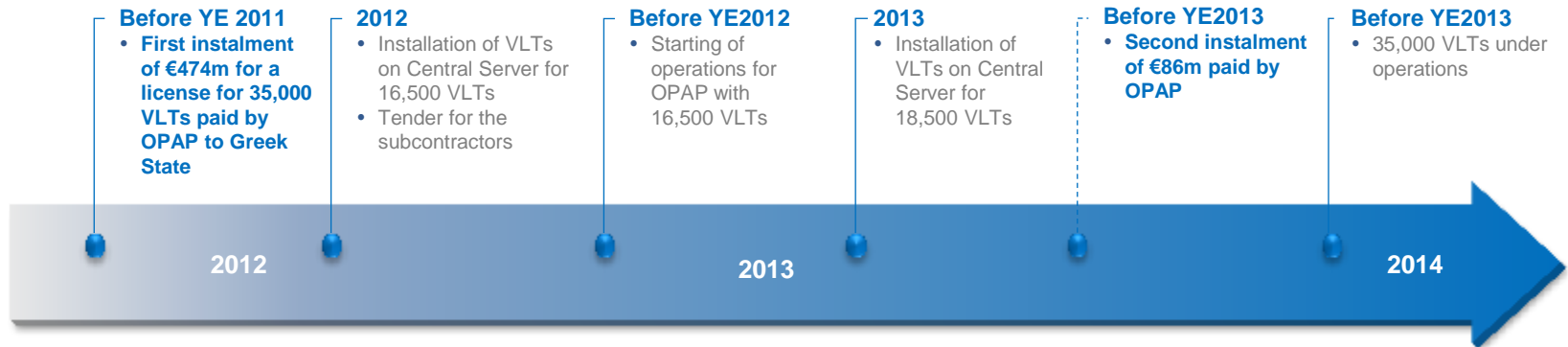
EXPECTED RETURNS

❖ **Highest contributor to OPAP’s EBITDA by 2015**

❖ **Expected to be EPS accretive from the first year of full deployment of the 16,500 machines**



OPAP will be the Sole License Holder of the 35,000 VLTs in Greece





OPAP Strategy



- Leverage OPAP's expertise and experience to become a Pan-European leader in gaming
 - Utilize strong cash position to capitalize on development opportunities
 - Introduce new platforms and games to take advantage of impending liberalization of Greek gaming market
- Continue to invest in OPAP's brand to drive market share
- Strengthen existing network by increasing content and gaming options across agencies
- Optimise OPAP's cost base and improve operational efficiencies
- Continuous improvement of OPAP's existing product portfolio



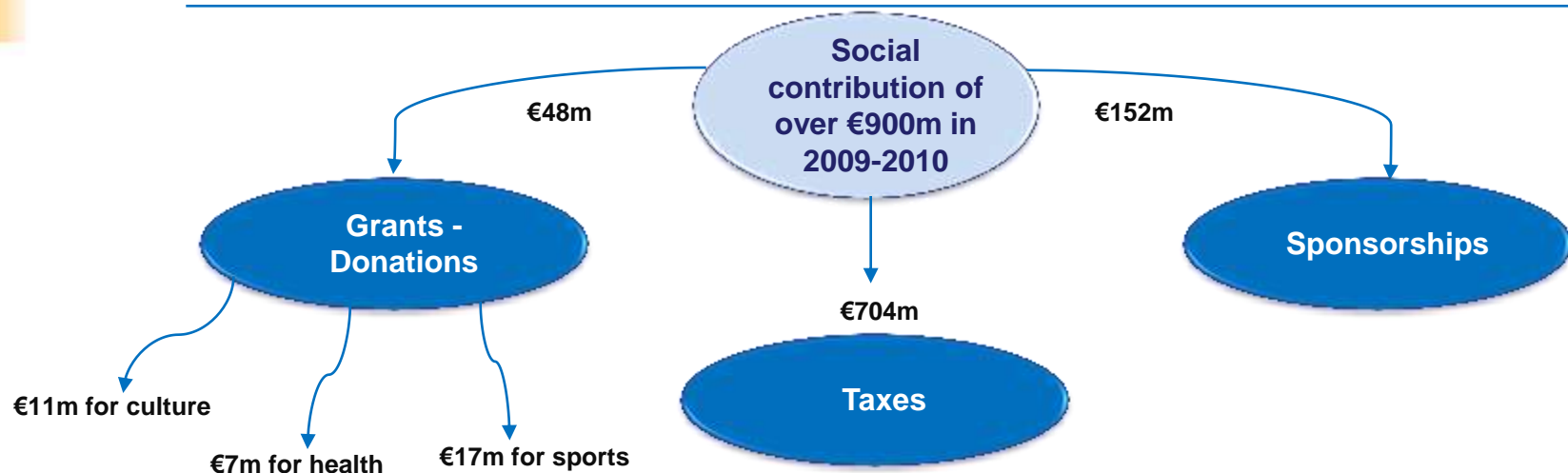
Social Responsibility

Both concession extension and VLTs license have been granted on the ground of OPAP's social sustainability

- ❖ The largest social contributor in Greece measured in overall expenditure and variety of actions.
- ❖ **Responsible Game:** OPAP is offering entertainment and recreation while preventing participation of minors.
- ❖ POS **exclusive** to gaming activities.
- ❖ **European Responsible Gaming Standards** and **Sports betting Code of Conduct** have been adopted and OPAP will be certified by year end.
- ❖ Excessive gaming **hotline support**.



- ❖ OPAP transforms business profit into social dividends, through an extensive **Corporate Social responsibility (CSR)** program.
- ❖ OPAP achieved **significant recognition and awards** by a number of independent agencies & bodies.



"OPAP is a member of European Lotteries (EL) and World Lotteries Association (WLA), independent unions composed of state or state-licensed lottery companies. In 2010, EL's members generated €22.4 billion for the public benefit".



OPAP in Summary



↳ **Sole Concession until 2030**

Permits OPAP to enjoy the growth of the Greek Gaming Market

↳ **Sales Network**

Largest retail network in Greece

↳ **Significant Cash Flows**

Secure & stable Dividend efficiency and effective Investment Policy

↳ **Strong Fundamentals**

Favourable Market Dynamics, Credibility and Growth

↳ **Solid Management Team**

Possesses Experience, Knowledge, and proven successful introduction of new games

↳ **Sizeable Growth Opportunities**

Well positioned to capitalize on impending liberalization of Greece's gaming market, due to strength of brand and market expertise

