OPAP INTERNATIONAL LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2006

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COMPANY INFORMATION

Directors	Efthimios Alexandris Glafkos Harmandas Ioannis Charalambides Christos Karkasis Matheos Manoulodakis
Company Secretary	Ektoras Theotokatos (resigned 1 May 2006) Dimitris Frangoulis (appointed 1 May 2006)
Registered office	58 Lykavitos Street 2401 Egkomi Nicosia
Company legal form	Limited liability by shares
Country of incorporation	Cyprus
Company registration number	145913
Auditors	Grant Thornton Certified Public Accountants (Cy)

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2006

Principal activities
The Company was incorporated with the purpose of holding all of the investments of OPAP S.A. outside Greece. The Company has started providing services during the year.

Review of developments, position and performance of the Company's business
The current financial position as presented in the financial statements is considered satisfactory.

Principal risks and uncertainties
The Company is not facing any principal risk or uncertainty from its operations. Nevertheless, risks and uncertainties could arise from external economic or other factors.

Future developments
The Directors expect the Company to continue its research for investments in other markets.

Results and Dividends
The Company's results for the year are set out on page 6. The net loss for the year is carried forward.

Share capital
There were no changes in the share capital of the Company during the year.

Directors
The Directors of the Company as at the date of this report are shown on page 1. All of them were members of the Board throughout the year ended 31 December 2006.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office. On 1 May 2006 Mr Ektoras Theotokatos resigned as Secretary and was replaced on the same day with Mr Dimitris Frangoulis.

There were no significant changes in the distribution of responsibilities or compensation of the Board of Directors.

Post balance sheet events
There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Branches
The Company did not operate through any branches during the year.

Auditors
The auditors, Grant Thornton, have expressed their willingness to continue in office and a resolution that the Directors be authorised to fix their remuneration will be proposed at the Annual General Meeting.

On behalf of the Board of Directors,

Efthimios Alexandris
Director

Nicosia,
5 March 2007

REPORT OF THE AUDITORS TO THE MEMBERS OF OPAP INTERNATIONAL LIMITED

Report on the financial statements

We have audited the financial statements of Opap International Limited on pages 6 to 17 which comprise the balance sheet as at 31 December 2006, 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.

Board of Directors' Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (EU) and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Cyprus Companies Law, Cap 113. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 156 of the Companies Law, Cap.113 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.We conducted our audit in accordance with 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 judgement, 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 the Board of Directors, 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF OPAP INTERNATIONAL LIMITED (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Opap International Limited as of 31 December 2006, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU and International Financial Reporting Standards as issued by the IASB and the requirements of the Cyprus Companies Law, Cap. 113.

Report on Other Legal Requirements

Pursuant to the requirements of the Companies Law, Cap. 113, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors on pages 2 to 3 is consistent with the financial statements.

Grant Thornton
Certified Public Accountants (Cy)

Nicosia,
5 March 2007

INCOME STATEMENT

for the year ended 31 December 2006

	Note	2006 C£	2005 C£
Revenue		**250.000**	-
Operating and administrative expenses		**(362.330)**	(342.644)
Other expenses	4	**(1.157)**	-
Loss from operations	5	**(113.487)**	(342.644)
Finance income - net	7	**105.331**	122.958
Loss before taxation		**(8.156)**	(219.686)
Taxation	8	**(10.704)**	(12.426)
Net loss		**(18.860)**	(232.112)

The notes on pages 10 to 17 form part of these financial statements.

OPAP INTERNATIONAL LIMITED

BALANCE SHEET

at 31 December 2006

	Note	2006 C£	2005 C£
ASSETS			
Non-current assets			
Property, plant and equipment	9	**12.971**	11.266
Intangible assets	10	**1.880**	2.530
		14.851	13.796
Current assets			
Trade and other receivables	11	**252.200**	-
Cash at bank and in hand		**2.260.366**	2.522.354
		2.512.566	2.522.354
Total assets		**2.527.417**	2.536.150
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12	**3.000.000**	3.000.000
Accumulated losses		**(488.536)**	(469.676)
		2.511.464	2.530.324
Current liabilities			
Trade and other payables	13	**15.953**	5.826
		15.953	5.826
Total equity and liabilities		**2.527.417**	2.536.150

These financial statements were approved by the Board of Directors on 5 March 2007 and were signed on its behalf by:

....	....
Efthimios Alexandris	Glafkos Harmandas
Director	Director

The notes on pages 10 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2006

	Share capital C£	Accumulated losses C£	Total C£
At 1 January 2005	3.000.000	(237.564)	2.762.436
Net loss	-	(232.112)	(232.112)
At 1 January 2006	3.000.000	(469.676)	2.530.324
Net loss	-	(18.860)	(18.860)
At 31 December 2006	**3.000.000**	**(488.536)**	**2.511.464**

As from 1 January 2003, companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 15% will be payable on such deemed dividend to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer are Cyprus tax residents. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the shareholders.

CASH FLOW STATEMENT

for the year ended 31 December 2006

	Note	2006 C£	2005 C£
Cash flows from operating activities			
Loss before taxation		**(8.156)**	(219.686)
Adjustments for:			
Depreciation of property, plant and equipment	9	**4.423**	3.118
Amortisation of computer software		**2.221**	1.667
Other Adjustments		**(31)**	-
Loss from the sale of property, plant and equipment		**1.157**	-
Interest income		**(107.044)**	(124.258)
Interest expense		**28**	154
Loss from operations before working capital changes		**(107.402)**	(339.005)
Changes in working capital:			
Trade and other receivables		**(252.200)**	-
Trade and other payables		**10.127**	(25.737)
Cash used in operations		**(349.475)**	(364.742)
Tax paid		**(10.704)**	(12.426)
Net cash used in operating activities		**(360.179)**	(377.168)
Cash flows from investing activities			
Purchase of intangible assets		**(1.571)**	(117)
Purchase of property, plant and equipment	9	**(7.254)**	(2.139)
Interest received		**107.044**	124.258
Net cash from investing activities		**98.219**	122.002
Cash flows from financing activities			
Interest paid		**(28)**	(154)
Net cash used in financing activities		**(28)**	(154)
Net decrease in cash and cash equivalents		**(261.988)**	(255.320)
Cash and cash equivalents at beginning of the year		**2.522.354**	2.777.674
Cash and cash equivalents at end of the year		**2.260.366**	2.522.354

The notes on pages 10 to 17 form part of these financial statements.

1. Adoption of new and revised International Financial Reporting Standards ('IFRS')

In the current year the Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC') that are relevant to its operations and effective for accounting periods beginning on 1 January 2006.

This adoption did not result in substantial changes to the Company's accounting policies.

At the date of authorisation of these financial statements the following standards and interpretations were in issue but not yet effective:

(i) Adopted by the European Union (EU):

- IFRS7, Financial Instruments and a complementary amendment to IAS1, Presentation of Financial Statements Capital Disclosures (effective from 1 January 2007)
- IFRIC7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006)

(ii) Not adopted by the EU:

- IFRS8, Operating Segments (effective from 1 January 2009)
- IFRIC9, Reassessment of Embedded Derivatives (effective 1 June 2006)
- IFRIC10, Interim Financial Reporting and Impairment (effective from 1 November 2006)
- IFRIC11, IFRS 2 Group and Treasury Share Transactions (effective from 1 March 2007)
- IFRIC12, Service Concession Arrangements (effective from 1 January 2008)

The Directors anticipate that the adoption of theses standards and interpretations in future periods will have no material impact on the financial statements of the Company.

2. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with IFRSs as adopted by the European Union ('EU') and IFRSs as issued by the IASB. The financial statements comply with both these reporting frameworks because at the time of their preparation all applicable IFRSs issued by the IASB have been adopted by the EU through the endorsement procedure established by the European Commission. In addition, the financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap.113.

The preparation of financial statements in conformity with the IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2. Principal accounting policies (continued)

The financial statements of the Company are presented in Cyprus pounds (C£), which is the currency of the primary economic environment in which the Company operates (its functional currency).

The principal accounting policies adopted are set out below:

Revenue recognition
Revenue comprises the fair value for the services rendered net of Value Added Tax, rebates and discounts.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at the balance sheet date.

Other revenues earned by the Company are recognised on the following bases:

- Interest income - on a time-proportion basis using the effective interest method.

Employee benefits
The Company and the employees contribute to the Government social insurance fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs.

Taxation
Provision is made for corporation tax on the taxable profit for the year at the appropriate rates in force.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset over its estimated useful life. The annual depreciation rates used are as follows:

	%
Furniture, fixtures and office equipment	20

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the income statement of the year in which they were incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing selling price with carrying amount and are included in operating profit.

Computer software
Costs that are directly associated with identifiable and unique computer software products controlled by the Company and that will probably generate economic benefits exceeding costs beyond one year are

2. Principal accounting policies (continued)

recognised as intangible assets. Subsequently computer software is carried at cost less any accumulated amortisation and any accumulated impairment losses. Expenditure, which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the computer software. Costs associated with maintenance of computer software programmes are recognised as an expense when incurred. Computer software costs are amortised using the straight-line method over their useful lives, not exceeding a period of 3 years. Amortisation commences when the computer software is available for use and is included within administrative expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Comparative figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Fair values

The nominal value less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year, is assumed to approximate their fair value.

3. Critical accounting estimates and judgements

Estimates and judgements 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3. Critical accounting estimates and judgements (continued)

- **Taxation**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial instruments**

The fair value of financial instruments that are not traded in an active market is determine by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each balance sheet date.

4. Other expenses

	2006 C£	2005 C£
Loss on disposal of property, plant and equipment	1.157	-
	1.157	-

5. Loss from operations

Loss from operations is stated after charging the following:

	2006 C£	2005 C£
Amortisation of computer software	2.221	1.667
Depreciation of property, plant and equipment	4.423	3.118
Staff costs (Note 6)	197.015	223.159
Auditors' remuneration	1.265	1.150
Loss on disposal of property, plant and equipment	1.157	-

6. Staff costs

	2006 C£	2005 C£
Directors' remuneration	112.600	109.950
Staff salaries	77.699	105.300
Contribution to social insurance and other funds	6.716	7.909
	197.015	223.159
Number of employees at the end of the year	6	3

7. Finance income - net

	2006	2005
	C£	C£
Interest income	107.044	124.258
Interest expense	(28)	(154)
Sundry finance expenses	(1.685)	(1.146)
	105.331	122.958

8. Taxation

	2006	2005
	C£	C£
Current taxation:		
Defence contribution - current year	10.704	12.426
	10.704	12.426

The Company is subject to corporation tax on its taxable profits at the rate of 10%.

Interest receivable from investment activities is subject to Special Contribution for Defence Fund at the rate of 10%. In such a case 50% of this interest is not subject to corporation tax. In addition, in some cases, dividends from abroad are subject to Special Contribution for Defence Fund at the rate of 15%.

Due to tax losses incurred in the year, no tax liability arises on the Company. Under the current income tax legislation, tax losses may be carried forward and be set off against future taxable profits. As at 31 December 2006, the balance of tax losses which is available for offset against future taxable profits amounts to C£551.495.

No provision for deferred tax has been made since the temporary differences between the tax base of assets and liabilities and the corresponding carrying amounts in the financial statements are not material.

9. Property, plant and equipment

	Furniture, fixtures and office equipment C£
Cost	
At 1 January 2006	16.040
Additions	7.254
Disposals	(1.780)
At 31 December 2006	21.514
Depreciation	
At 1 January 2006	4.774
Charge for the year	4.423
Disposals	(654)
At 31 December 2006	8.543
Net book value	
At 31 December 2006	**12.971**
At 31 December 2005	11.266

10. Intangible assets

	Computer software C£
Cost	
At 1 January 2006	5.094
Additions	1.571
At 31 December 2006	6.665
Amortisation and impairment	
At 1 January 2006	2.564
Amortisation during the year	2.221
At 31 December 2006	4.785
Net book value	
At 31 December 2006	**1.880**
At 31 December 2005	2.530

11. Trade and other receivables

	2006	2005
	C£	C£
Due from Directors (Note 14)	2.000	-
Due from shareholders (Note 14)	250.000	-
Deposits and prepayments	200	-
	252.200	-

12. Share capital

	2006		2005	
	Number of shares	C£	Number of shares	C£
Authorised, issued and fully paid				
Shares of C£1 each	3.000.000	3.000.000	3.000.000	3.000.000
	3.000.000	3.000.000	3.000.000	3.000.000

13. Trade and other payables

	2006	2005
	C£	C£
Accruals	14.944	4.062
Due to related companies (Note 14)	1.009	1.764
	15.953	5.826

14. Related party transactions

The Company is controlled by Opap S.A., incorporated in Greece, which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

Services rendered

	2006	2005
	C£	C£
Opap S.A.	250.000	-
	250.000	-

The services to the related party were given under normal trading terms and conditions.

14. Related party transactions (continued)

Services and rent

	2006	2005
	C£	C£
Opap (Cyprus) Limited	**11.096**	10.197
	11.096	10.197

The services and rent to the related party were under normal market terms and conditions.

Debit balances

		2006	2005
Name	Nature of balance	**C£**	C£
Opap S.A.	Trading	**250.000**	-
		250.000	-

The balance with the related company does not bear interest nor does it have any fixed repayment terms.

Credit balances

		2006	2005
Name	Nature of balance	**C£**	C£
Opap (Cyprus) Limited	Trading	**1.009**	1.764
		1.009	1.764

The balance with the related company does not bear interest nor does it have any fixed repayment terms.

Directors' current accounts - debit balances

	Remuneration for the year	**Balances**	
		2006	2005
	C£	**C£**	C£
Efthimios Alexandris	57.600	**2.000**	-
	57.600	**2.000**	-

The balance with the Director represents a prepaid salary.

15. Commitments

The Company has no capital or other commitments as at 31 December 2006.

16. Post balance sheet events

There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.