

OPAP INVESTMENT LIMITED

Report and financial statements 31 December 2012

Contents

	Page
Board of Directors and other officers	1
Report of the Board of Directors	2 - 4
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 19
Additional information to the statement of comprehensive income	20

OPAP INVESTMENT LIMITED

Board of Directors and other officers

Board of Directors

Constantinos Louropoulos (President) (appointed 7 August 2012)
Constantinos Alexopoulos (appointed 23 November 2011)
Panagiotis Koliopanos (appointed 15 October 2012)
Stefanos Pantzopoulos (appointed 15 October 2012)
Ioannis Spanoudakis (appointed 23 November 2011, resigned 7 August 2012)
Giorgos Ganotis (appointed 23 November 2011, resigned 8 October 2012)

Company Secretary

Xenia Photiou

59, Metochiou
Office 502
1101, Nicosia
Cyprus

Registered office

59, Metochiou
Office 502
1101, Nicosia
Cyprus

Auditors

PricewaterhouseCoopers Limited
Julia House
3 Themistocles Dervis Street
CY-1066 Nicosia
P O Box 21612
CY-1591 Nicosia, Cyprus
Telephone: + 357 - 22555000
Facsimile: + 357 - 22555001
www.pwc.com/cy

OPAP INVESTMENT LIMITED

Report of the Board of Directors

1 The Board of Directors presents its report together with the first audited financial statements of the Company for the period from 23 November 2011 (date of incorporation) to 31 December 2012.

Incorporation

2 The Company was incorporated on 23 November 2011.

Principal activities

3 The principal activities of the Company are the organisation, operation and management of any kind of gambling, instant tickets and fixed odds or mutual betting. During the period the Company had contributed with a share of 66,99999% in a partnership which made an offer for the grant of an exclusive license of production, operations, marketing, promotion and overall management of the Greek State Lotteries for 12 years.

Review of developments, position and performance of the Company's business

4 The loss of the Company for the period ended 31 December 2012 was €196.657. On 31 December 2012 the total assets of the Company were €214.974 and the net liabilities were €191.657. The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties

5 The principal risks and uncertainties faced by the Company are disclosed in Note 3 of the financial statements.

Future developments of the Company

6 The Board of Directors estimates that the offer submitted by the partnership in which the Company participates, with a 66,99999% share relating to the granting of an exclusive license for production, operation, marketing, promotion and overall management of the Greek State Lotteries for 12 years, will have a positive outcome and thus will bring significant positive changes on the financial position and performance of the Company in the foreseeable future.

Results

7 The Company's results for the period are set out on page 7. The loss for the period is carried forward.

OPAP INVESTMENT LIMITED

Report of the Board of Directors (continued)

Share capital

8 On 23 November 2011 (date of incorporation), the Company issued 5.000 shares with a par value of €1 per share amounting to €5.000.

Board of Directors

9 The members of the Board of Directors at 31 December 2012 and 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 2012, except Mr Constantinos Louropoulos, who was appointed as President on 7 August 2012, Mr Panagiotis Kolopianos, who was appointed as Director on 15 October 2012 and Mr Stefanos Pantzopoulos, who was appointed as Director on 15 October 2012. Mr Ioannis Spanoudakis who was President on 23 November 2011, resigned on 12 August 2012. Mr Giorgos Ganotis, who was President on 23 November 2011, resigned on 8 October 2012. All members of the Board of Directors attended all meetings that were held during their service.

10 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

11 There being no requirement in the Company's Articles of Association for retirement of Directors by rotation, all the Directors remain in office.

Events after the balance sheet date

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

Branches

13 The Company did not operate through any branches during the period.

OPAP INVESTMENT LIMITED

Report of the Board of Directors (continued)

Independent Auditors

14 The Board of Directors appointed PricewaterhouseCoopers as Independent Auditors of the Company. The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

Constantinos Louropoulos
President

Nicosia,
13 June 2013



Independent auditor's report

To the Members of OPAP INVESTMENT LIMITED

Report on the financial statements

We have audited the accompanying financial statements of OPAP INVESTMENT LIMITED (the "Company"), which comprise the balance sheet as at 31 December 2012, and the statements of comprehensive income, changes in equity and cash flows for the period from 23 November 2011 (date of incorporation) to 31 December 2012, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 of financial statements that give a true and fair view 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.

PricewaterhouseCoopers Ltd, Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com/cy

PricewaterhouseCoopers Ltd is a member firm of PricewaterhouseCoopers International Ltd, each member firm of which is a separate legal entity. PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). A list of the company's directors including for individuals the present name and surname, as well as any previous names and for legal entities the corporate name, is kept by the Secretary of the company at its registered office at 3 Themistocles Dervis Street, 1066 Nicosia and appears on the company's web site. Offices in Nicosia, Limassol, Larnaca and Paphos.



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of OPAP INVESTMENT LIMITED as at 31 December 2012, and of its financial performance and its cash flows for the period from 23 November 2011 (date of incorporation) to 31 December 2012 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, 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 Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 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.

Loizos A. Markides
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 13 June 2013

OPAP INVESTMENT LIMITED

Statement of comprehensive income for the period from 23 November 2011 (date of incorporation) to 31 December 2012

		For the period from 23 November 2011 to 31 December 2012 €
	Note	
Administrative expenses		(196.686)
Other income	4	<u>34</u>
Loss before income tax		(196.652)
Income tax expense	7	<u>(5)</u>
Loss for the period		<u>(196.657)</u>
Other comprehensive income for the period, net of tax		<u>-</u>
Total comprehensive income for the period		<u>(196.657)</u>

The notes on pages 11 to 19 are an integral part of these financial statements.

During the period there was no revenue.

OPAP INVESTMENT LIMITED

Balance sheet at 31 December 2012

	Note	2012 €
Assets		
Current assets		
Cash and cash equivalents	10	<u>214.974</u>
Total assets		<u>214.974</u>
Equity and liabilities		
Share capital	11	5.000
Accumulated losses		<u>(196.657)</u>
Total equity		<u>(191.657)</u>
Current liabilities		
Trade and other payables	12	<u>406.631</u>
Total equity and liabilities		<u>214.974</u>

On 13 June 2013 the Board of Directors of OPAP INVESTMENT LIMITED authorised these financial statements for issue.

Constantinos Louropoulos, President

Constantinos Alexopoulos, Director

Stefanos Pantzopoulos, Director

The notes on pages 11 to 19 are an integral part of these financial statements.

OPAP INVESTMENT LIMITED

Statement of changes in equity for the period from 23 November 2011 (date of incorporation) to 31 December 2012

	Note	Share capital €	Accumulated losses €	Total €
Comprehensive income				
Loss for the period		<u>-</u>	<u>(196.657)</u>	<u>(196.657)</u>
Transactions with owners				
Issue of shares	11	<u>5.000</u>	<u>-</u>	<u>5.000</u>
Total transactions with owners		<u>5.000</u>	<u>-</u>	<u>5.000</u>
Balance at 31 December 2012		<u><u>5.000</u></u>	<u><u>(196.657)</u></u>	<u><u>(191.657)</u></u>

The notes on pages 11 to 19 are an integral part of these financial statements.

OPAP INVESTMENT LIMITED

Statement of cash flows for the period from 23 November 2011 (date of incorporation) to 31 December 2012

		For the period from 23 November 2011 to 31 December 2012 €
	Note	
Cash flows from operating activities		
Loss before income tax		(196.652)
Adjustments for:		
Interest income	4	<u>(34)</u>
		(196.686)
Changes in working capital:		
Trade and other payables		<u>406.631</u>
Cash generated from operations		209.945
Income tax paid		<u>(5)</u>
Net cash generated from operating activities		<u>209.940</u>
Cash flows from investing activities		
Interest received		<u>34</u>
Net cash from investing activities		<u>34</u>
Cash flows from financing activities		
Proceeds from issuance of ordinary shares	11	<u>5.000</u>
Net cash from financing activities		<u>5.000</u>
Net increase in cash and cash equivalents		<u>214.974</u>
Cash and cash equivalents at end of period	10	<u><u>214.974</u></u>

The notes on pages 11 to 19 are an integral part of these financial statements.

OPAP INVESTMENT LIMITED

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 59, Metochiou, Office 502, 1101, Nicosia, Cyprus.

Principal activities

The principal activities of the Company are the organisation, operation and management of any kind of gambling, instant tickets and fixed odds or mutual betting. During the period the Company had contributed with a share of 66,99999% in a partnership with the following companies INTRALOT LOTTERIES LIMITED, SCIENTIFIC GAMES GLOBAL GAMING S.a.r.l. and LOTTOMATICA GIOCHI E PARTECIPAZIONI s.R.L., which made an offer for the grant of an exclusive license of production, operation, marketing, promotion and overall management of the Greek State Lotteries for 12 years.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Basis of Preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 23 November 2011 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. There were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

OPAP INVESTMENT LIMITED

2 Summary of significant accounting policies (continued)

Going concern

In assessing the Company's status as a going concern the Directors considered the current intentions and financial position of the Company. Although the Company had net liabilities at 31 December 2012, the Directors have considered a letter of support obtained from the Company's parent company, OPAP S.A.

OPAP S.A. has committed to provide the Company, if necessary, with financial and other support so as to enable the Company to operate and meet its obligations as they become due. As a result, the Directors believe that the Company will continue as a going concern and the financial statements have been prepared on a going concern basis.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 23 November 2011. This adoption did not have a material effect on the accounting policies of the Company.

Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

Current and deferred income tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Share capital

Ordinary shares are classified as equity.

OPAP INVESTMENT LIMITED

2 Summary of significant accounting policies (continued)

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include deposits held at call with banks with original maturity of three months or less.

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk and liquidity risk.

The susceptibility of the Company to financial risks such as credit risk and liquidity risk is monitored as part of its daily management of the business.

- **Credit risk**

Credit risk arises from cash and cash equivalents.

See Note 9 for further disclosure on credit risk.

- **Liquidity risk**

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months, with the exception of borrowings, equal their carrying balances as the impact of discounting is not significant.

At 31 December 2012
Trade and other payables

Less
than 1
year
€

407.631

As mentioned in Note 2, OPAP S.A. has committed to provide the Company, if necessary, financial and other support so as to enable the Company is able to operate and to meet its obligations as they become due.

OPAP INVESTMENT LIMITED

4 Other income

	For the period from 23 November 2011 to 31 December 2012 €
Interest income:	
Bank balances	<u>34</u>

5 Expenses by nature

	For the period from 23 November 2011 to 31 December 2012 €
Auditors' remuneration charged by the statutory audit firm	5.000
Staff costs (Note 6)	28.500
Other expenses	7.100
Legal fees	84.231
Bank charges	69.355
Secretarial fees	<u>2.500</u>
Total cost of administrative expenses and other expenses	<u>196.686</u>

6 Staff costs

	For the period from 23 November 2011 to 31 December 2012 €
Salaries	<u>28.500</u>

7 Income tax expense

	For the period from 23 November 2011 to 31 December 2012 €
Current tax:	
Defence contribution	<u>5</u>
Income tax expense	<u>5</u>

OPAP INVESTMENT LIMITED

7 Income tax expense (continued)

The tax on the Company's (loss)/profit before tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	For the period from 23 November 2011 to 31 December 2012 €
(Loss)/profit before tax	<u>(196.652)</u>
Tax calculated at the applicable corporation tax rate of 10%	(19.665)
Tax effect of expenses not deductible for tax purposes	552
Special contribution for defence	5
Tax effect of tax losses for which no deferred tax asset was recognised	<u>19.113</u>
Income tax charge	<u>5</u>

The Company is subject to income tax on taxable profits at the rate of 10% until 31 December 2012 and 12,5% from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be transferred and utilised against taxable profits.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011; increased to 30% as from 29 April 2013.

In certain cases dividends received from abroad may be subject to special contribution for defence at the rate of 15%; increased to 17% as from 31 August 2011; increased to 20% from 1 January 2012 to 31 December 2013. In certain cases dividends received from 1 January 2012 onwards from other Cyprus tax resident companies may also be subject to special contribution for defence.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

8 Financial instruments by category

	Loans and receivables €
31 December 2012	
Assets as per balance sheet	
Cash and cash equivalents	<u>214.974</u>
	Other financial liabilities €
Liabilities as per balance sheet	
Trade and other payables (excluding statutory liabilities)	<u>406.631</u>

OPAP INVESTMENT LIMITED

9 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2012 €
Cash at bank	
Caa2	<u><u>214.974</u></u>

None of the financial assets that are fully performing has been renegotiated in the last year.

10 Cash and cash equivalents

	2012 €
Cash at bank	<u><u>214.974</u></u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	For the period from 23 November 2011 to 31 December 2012 €
Cash and cash equivalents	<u><u>214.974</u></u>

11 Share capital

	2012	
	Number of shares	€
Authorised		
Shares of €1 each	<u><u>200 000</u></u>	<u><u>200.000</u></u>
Issued and fully paid		
Shares of €1 each	<u><u>5 000</u></u>	<u><u>5.000</u></u>

On 23 November 2011 (date of incorporation), the Company issued 5.000 shares with a par value of €1 per share amounting to €5.000.

12 Trade and other payables

	2012 €
Payables to OPAP S.A. (Note 13(ii))	284.823
Accrued expenses	<u><u>121.808</u></u>
	<u><u>406.631</u></u>

OPAP INVESTMENT LIMITED

12 Trade and other payables (continued)

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

13 Related party transactions

The Company is controlled by OPAP S.A., registered in Greece, which owns 100% of the Company's shares. The shares of OPAP S.A. are listed in Athens Stock Exchange.

The following transactions were carried out with related parties:

(i) Directors' and key management personnel remuneration

The total remuneration of the Directors, who are the key management personnel, was as follows:

	For the period from 23 November 2011 to 31 December 2012 €
Emoluments in their executive capacity	<u>28.500</u>

(ii) Period-end balances

	2012 €
Payables to related parties (Note 12): OPAP S.A.	<u>284.823</u>

The above balances bear no interest and are payable on demand.

OPAP INVESTMENT LIMITED

13 Related party transactions (continued)

(iii) Guarantees from OPAP S.A.

The Company participates in a partnership with INTRALOT LOTTERIES LIMITED, SCIENTIFIC GAMES GLOBAL GAMING S.a.r.l. and LOTTOMATICA GIOCHI E PARTECIPAZIONI S.r.l. ("the Partnership"). The Partnership was proclaimed in December 2012, as the provisional successful bidder in the international tender for the concession of the exclusive right of production, operations, distribution, promotion and overall management of State Lotteries that was launched by the Hellenic Republic Asset Development Fund. The participation rates of the above companies in the Partnership are: OPAP INVESTMENT LIMITED 66,99999%, INTRALOT LOTTERIES LIMITED 16,5%, SCIENTIFIC GAMES GLOBAL GAMING S.a.r.l. 16,5% and LOTTOMATICA GIOCHI E PARTECIPAZIONI S.r.l. 0,00001%.

The financial bid submitted by the Partnership amounted to € 190 million. The payment schedule of the above consideration is:

1. 20% will be paid in escrow account within three (3) working days from the signing of the Concession Agreement,
2. 50% will be paid within three (3) working days from the date of ratification of the Concession by the Greek Parliament,
3. 30% will be paid within twelve (12) months from the date of ratification of the Concession by the Greek Parliament with interest of 14%.

The license relates to the exclusive right of production, operation, distribution, promotion and management of the Greek State Lotteries, which include the National, the People and the European Lottery, the Instant State or Scratch Lottery, the Housing State Lottery and the New Year's Lottery. The next steps for the Partnership are:

1. The establishment of a Special Purpose Entity (SPE) with the sole purpose of production, operation, distribution, promotion and overall management of State Lotteries,
2. The Concession Agreement between the SPE and Hellenic Republic Asset Development Fund,
3. Ratification of the Concession agreement by the Greek Parliament.

As part of the competition of State Lotteries, Alpha Bank issued the following letters to the Partnership:

1. A guarantee letter of participation in the competition amounting to €20 million. The Company's participation in the guarantee letter amounted to €13,4 million. For the issue of this guarantee letter OPAP S.A. pledged as security the amount of €6,6 million.
2. Three «Certain Funds Letters» for a total value equal to 20% of the consideration of €190 million, amount to €38 million. The Company's participation in these bonds amounted to €25,46 million. For the issue of these guarantee letters OPAP S.A. pledged as security the amount of €25,46 million.

OPAP INVESTMENT LIMITED

13 Related party transactions (continued)

(iii) Guarantees from OPAP S.A. (continued)

3. Three «Commitment Letters» for a total value equal to 50% of the consideration of €190 million, amount to €95 million. The Company's participation in these guarantees amounted to €63,65 million. For the issue of these guarantee letters OPAP S.A. pledged as security the amount of €63,65 million.

The total cash collateral of OPAP S.A. for the issue of the above ,from 1 to 3 letters, amounts to €95,71 million. As these letters will be returned to the Partnership the cash collateral of OPAP S.A. will be released within the year 2013.

14 Events after the balance sheet date

On 27 March 2013, the Hellenic Republic Asset Development Fund informed the Partnership in which the Company holds 66.99999% that it was declared as the ultimate success bidder.

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

Independent auditor's report on pages 5 to 6.

OPAP INVESTMENT LIMITED

Additional information to the statement of comprehensive income

Analysis of expenses for the period from 23 November 2011 (date of incorporation) to 31 December 2012

	For the period from 23 November 2011 to 31 December 2012 €
Administrative expenses	
Directors' remuneration	28.500
Auditors' remuneration	5.000
Legal fees	84.231
Secretarial fees (BoD)	2.500
Legalisation of documents	1.505
Formation expenses	5.523
Postages and courier	72
Bank charges	69.355
	<u>196.686</u>