

OPAP



Tax considerations and economic strain burden medium-term profitability

Investment Rating

(Overweight - Medium Risk - High Yield)

O - 2 - 3

Price €12.30
Target Price (Old: €20.17) New: €15.41
Upside/Downside +25.3%

Key Data

BBG - RIC	OPAP GA / OPAr.AT
Shares o/s	319.00mn
Market Cap	3,993.9mn
Free Float	66%
52wk Range	€12.03 - €21.6
Av. Daily Vol.	948K shares
St. deviation	43.3%

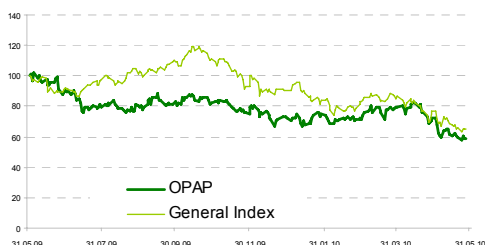
Financial Highlights

Financial Highlights	2009a	2010e	2011f	2012f
TOTAL ASSETS	1,302,781	1,165,577	1,213,298	1,268,781
Cash	699,587	513,612	594,147	621,466
Total Current Liabilities	607,701	640,568	653,915	674,917
Total Liabilities	684,369	706,665	722,486	746,069
Total Equity	618,412	490,812	490,812	522,712
Total Turnover	5,483,472	5,418,451	5,337,174	5,422,569
Gross Profit	1,172,216	1,168,450	1,166,006	1,185,528
EBITDA	989,446	925,010	904,193	941,029
EAT after minorities	593,789	476,407	477,165	512,053
EPS (after tax)	1.86	1.49	1.50	1.61
DPS	1.75	1.35	1.35	1.45

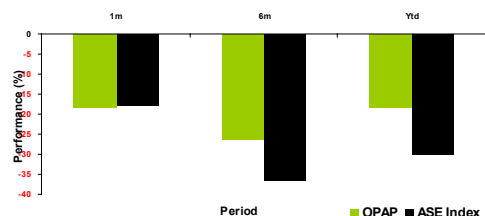
Valuation Metrics

Valuation Ratios (x)	2009a	2010e	2011f	2012f
P/E	6.6	8.2	8.2	7.7
EPS Growth	-18%	-20%	0%	7%
PEG	-0.3	-0.3		1.1
EV/EBITDA	4.6	4.8	5.0	4.8
P/BV	6.3	8.0	8.0	7.5

Relative Graph (52wk)



Absolute Performance



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Please refer to important disclosures at the end of the report
The full valuation report is available upon request

INVESTMENT SUMMARY

We reiterate an O-2-3 rating (Overweight, Medium Risk, High Yield); however, with a lower target price which implies a +25.3% upside from current levels. According to our estimates, the stock trades on a P/E10e of 8.2x and P/BV10e of 8.0x, with its relative valuation appearing to be attractive against its European peers. Our combined valuation exercise generates a price of €15.41, with an expected dividend of €1.35 for 2010 yielding 11% to current price.

New corporate tax considerations and domestic economic unrest bears a heavy burden in OPAP's medium-term results

In line to the latest tax bill, the government has decided to reduce the nominal tax rate by 1% per annum (to 20% by 2014 from 25% in FY2009) and replace a 10% withholding tax on dividends with a corporate tax rate of 40%. This action is bound to have an adverse effect on earnings and cash flows for high dividend-payout companies like OPAP, while in addition the government also announced one-off tax charges for profitable companies in 2010-2012 (estimated at €86mn per annum). All in, we expect an effective tax rate at 47% for 2010, 45% for 2011 and 43% for 2012. The rate should smooth down in the following years to 36%, as the one-off taxation will be abolished. According to management, the new tax regime is not expected to change the dividend policy. The Company's fundamentals support a highly respected dividend policy, with distributable income reaching more than 90% of annual net profit and offering an outstanding dividend yield. We expect the Company to retain its strong distribution of dividend in the following years, as opportunities for large highly valued acquisitions are rather limited.

... nevertheless, Fundamentals remain solid - costs can be further contained - and new games potential is still alive.

OPAP has a consistent track record of strong cash flow generation, for the time being not particularly sensitive to the economic cycle. Given the Company's thin debt position, this consistent free cash flow provides OPAP with considerable flexibility to invest, particularly in respect to new games and foreign penetration.

Management expects VLTs to begin entering the market in one year's time (4-6 months for legislative approval and another 6 for the tender process). Assumptions involve 2-4 licenses of 50,000 terminals at a cost of €10,000 each with a 1/4 to 1/3 of gross win as royalties to the state and a similar stake attributed to PoS of operation. Online regulations are also vital and need to be firmly imposed in order for the state to proceed with a tender for VTLs.

In addition, OPAP remains focused on cost efficiencies, targeting a 10% reduction in opex for FY 2010. Marketing initiatives have been launched in Q2 with positive results for the lead games of Stihima and Kino, while the extension of working hours for Kino (partly implemented in January and being helpful) is under negotiation with agents. Although agents' union already decided for a strike on 11 and 12 June mainly on taxation reasons, management believes that such action during the world cup can be avoided.

Valuation

We conducted an update to our valuation models, using some basic valuation assumptions including a risk-free rate of 7% (previously 5.5%), a market risk premium at 6%, a beta of 0.5 (previously 0.6), and a FCF growth rate at 0%. Accordingly, our Weighted Average Cost of Equity (Ke) results in 10%.

Our current scenario results in PE10e and PE11e of 8.2x, while PBV10e comes to 8.0x. Accordingly, we assign a new target price of €15.41, which implies a 25.3% upside from current levels. Meanwhile, we now expect a total dividend of €1.35 for 2010 yielding 11% to the current price.

Risks

OPAP faces substantial market challenges in the medium-term such as a) the impact of 10% taxation in players' gains that eventually result to a further shrink in payouts, b) the impact of the smoking ban that was implemented in July and yet has to be quantified for the coming years, c) the impact of a rather distressed domestic economic environment with negative implications for both companies & households, d) possible developments on the regulatory front to derive from EC initiatives, e) the impact of intensified competition from internet betting, f) the impact of one-off taxation until 2012, g) the outcome of OPAP's efforts to expand abroad although not appearing to be a priority thus far, and h) the medium-term impact of the domestic market's opening to new games and the firmer control over internet.

All the above factors can provide for negative or positive risk reassessment of our estimates, and sustain a rather difficult to predict operating environment of the stock.

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Note:
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refer to the full valuation report

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Company Profile

OPAP is the leading gaming company in Greece, enjoying the sole concession to operate and manage six numerical and three sports betting games until 2020. In addition, OPAP holds the sole concession to operate and manage any new sports betting games in Greece as well as the right of first refusal to operate and manage any new lottery games permitted by the Hellenic Republic.

Investment Positives

- Dominant franchise in Greece
- Licence for athletic bets valid until 2020
- Commitment of agents through the gradual signing of new agreements
- High and sustainable dividend yield
- Strong fundamentals with a ample cash position, robust operating cash flow and clean balance sheet
- New games opportunities (VLTs, internet).

Profit & Loss

PROFIT & LOSS (€'000)	2009a	2010e	2011f	2012f
Total Turnover	5,483,472	5,418,451	5,337,174	5,422,569
Gross Profit	1,172,216	1,168,450	1,166,006	1,185,528
Operating Expenses	-208,467	-248,223	-266,571	-249,231
EBITDA	989,446	925,010	904,193	941,029
Depreciation Exp.	-42,540	-44,029	-45,570	-47,165
Operating Income	946,906	880,981	858,623	893,865
EBT	946,906	898,880	867,573	898,339
EAT	593,789	476,407	477,165	512,053
EAT after minorities	593,789	476,407	477,165	512,053

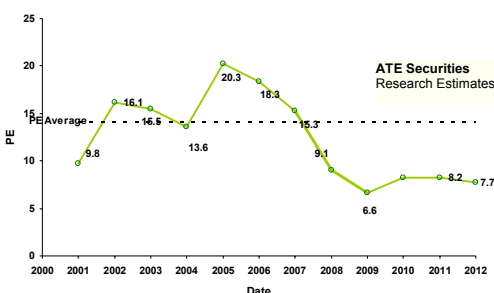
Balance Sheet

BALANCE SHEET (€'000)	2009a	2010e	2011f	2012f
Net Fixed Assets	86,932	96,932	106,932	116,932
Intangible Assets & Goodwill	233,305	211,994	190,795	171,715
Total Non-current Assets	369,053	356,389	344,494	336,098
Other Receivables	232,975	294,367	273,527	309,971
Cash	699,587	513,612	594,147	621,466
Total Current Assets	933,728	809,188	868,804	932,683
Taxes Payable	397,554	405,957	420,165	434,871
Total Current Liabilities	607,701	640,568	653,915	674,917
Total Non-current Liabilities	76,668	66,097	68,570	71,153
Total Liabilities	684,369	706,665	722,486	746,069
Proposed Dividends	350,900	223,300	223,300	255,200
Total Equity	618,412	490,812	490,812	522,712
TOTAL LIAB. & EQUITY	1,302,781	1,197,477	1,213,298	1,268,781

Cash flow Statement

CASH FLOW (€'000)	2009a	2010e	2011f	2012f
EAT	593,789	476,407	477,165	512,053
Plus: Depreciation	96,537	42,540	44,029	45,570
Less: Taxes	352,358	422,474	390,408	386,286
Cash Earnings	283,971	97,962	132,327	172,932
Change in Working Capital	42,482	-37,971	21,559	-30,765
Operating Cash Flow	315,101	69,414	169,510	156,932
Investment Cash Flow	-106,413	-127,600	0	31,900
Free Cash Flow	222,185	-68,424	171,263	190,672

PE Graph



Source: Historical PE values, Bloomberg

Shareholder Structure

Major Shareholders	
Greek State	34.37%
Capital Research & Management Group	13.39%
Free Float	52.24%
Total	100.00%

Financial Structure Data

Convertible Bond:
Stock Option Scheme:

Investment Risks-Challenges

- Challenging market environment and corporate taxation changes burden income
- EU-enforced regulatory change can alter future prospects
- Games slowdown may be persistent in 2010, also incorporating the new taxation on winnings
- Increasing competition from illegal gambling and internet betting due to higher payouts.

Management

Chairman of BoD: Charis Stamatopoulos
CEO: John Spanoudakis
Deputy CEO:
CFO:
IRO: Nikos Polymenakos

Events Calendar

June 14th 2010 - AGM

Index Weightings

ASE Index: 9.08% (31/05/2010)
FTSE/ASE 20: 10.42% (31/05/2010)

Notes

Ke : Cost of Equity
Kd : After-tax cost of debt
Rf : 10yr bond yield
ERP : Equity Risk Premium

Value - Margins

Value	2009a	2010e	2011f	2012f
Mkt Cap (€'000)	3,923,700	3,923,700	3,923,700	3,923,700
Enterprise Value (€'000)	4,590,868	4,403,893	4,485,928	4,512,747
Profit Margins	2009a	2010e	2011f	2012f
Gross Margin	21.4%	21.6%	21.8%	21.9%
EBITDA Margin	18.0%	17.1%	16.9%	17.4%
EBT Margin	17.3%	16.6%	16.3%	16.6%
EAT Margin	10.8%	8.8%	8.9%	9.4%

Key Ratios

Per share Data (€)	2009a	2010e	2011f	2012f
Share Num. (adj.)	319,000	319,000	319,000	319,000
EPS (after tax)	1.86	1.49	1.50	1.61
EPS (pre tax)	2.97	2.82	2.72	2.82
EBITDAPS	3.10	2.90	2.83	2.95
CFPS	1.99	1.63	1.64	1.75
DPS	1.75	1.35	1.35	1.45
BVPS	1.94	1.54	1.54	1.64
Valuation Ratios (x)	2009a	2010e	2011f	2012f
P/E	6.6	8.2	8.2	7.7
EPS Growth	-18%	-20%	0%	7%
PEG	-0.3	-0.3		1.1
EV/EBITDA	4.6	4.8	5.0	4.8
P/BV	6.3	8.0	8.0	7.5
P/S	0.7	0.7	0.7	0.7
EV/S	0.8	0.8	0.8	0.8
P/CF	6.2	7.5	7.5	7.0
Profitability Ratios (%)	2009a	2010e	2011f	2012f
ROE (avg)	91.6%	85.9%	97.2%	101.0%
ROCE (avg)	43.9%	38.1%	39.6%	41.5%
ROA (avg)	43.9%	38.1%	39.6%	41.5%
ROE - EBITDA (avg)	152.6%	166.8%	184.2%	185.7%
ROA - EBITDA (avg)	73.2%	74.0%	75.0%	76.3%
Liquidity Ratios	2009a	2010e	2011f	2012f
Current Liquidity	1.54	1.26	1.33	1.38
Acid Ratio	1.22	0.90	0.97	1.02
Gearing	90%	69%	68%	70%
Debt / EBITDA	0.03	0.04	0.04	0.03

Valuation

Value Assumptions

OPAP (IFRS-Cons-€'000)	
Basic Assumptions	
Raw Beta	0.500
Time-Adjusted Beta	0.660
Raw Beta (Levered)	0.500
Time-Adjusted Beta (Levered)	0.660
Long-Term risk free	7.00%
Market Risk Premium	6.00%
Cost of Debt (after tax)	7.13%
Cost of Equity (used for PV of FCF WACC)	10.00%
Cost of Equity (used for PV of Residual Value WACC)	10.96%
Expected Perpetual FCF growth	0.00%
TER=Total expected return	

Source: ATE Securities Research

Investment Case

Higher Tax charges until 2012 will pressure profitability

State efforts to gather additional revenues in order to overcome its fiscal discrepancies brought forward the latest tax bill, under which the government has decided to reduce the nominal tax rate by 1% per annum (to 20% by 2014 from 25% in FY2009) and replace a 10% withholding tax on dividends with a corporate tax rate of 40%. This action is bound to have an adverse effect on earnings and cash flows for high dividend-payout companies like OPAP, while in addition the government also announced one-off tax charges for profitable companies in 2010-2012 (estimated at an average of €86mn per annum). All in, we expect an effective tax rate at 47% for 2010, 45% for 2011 and 43% for 2012. The rate should smooth down in the following years to 36%, as the one-off taxation will be abolished.

Recessionary domestic economic environment threatens prospective revenues

Current year proves to be an even more difficult season for the Greek economy than 2009, as sovereign crisis should retain its negative impact for most companies.

The Greek government's Stability & Development program aims to gather additional revenues of €7.34bn (from which €4.46bn will derive from new tax measures and the remaining €3.68bn from cost cutting in the public sector). The program was approved by EU officials, while the government plans to cut public sector deficit to 2.8% of GDP by 2012 (a further slide is targeted for 2013 to 2% of GDP. For the current year, deficit is targeted at 8.7% of GDP while 2011 is planned to post a deficit of 5.6%. Public debt is due to jump this year to 120.4% of GDP, and stabilize in 2011 to 120.6% before starting to drop at 117.7% in 2012 and to 113.4% in 2013. Concerning growth, the program plans for a recovery in 2011 by +1.5%, while current year is seen to post a -0.3% contraction. GDP growth is due to further advance in 2012 by +1.9% and in 2013 by +2.5%.

Recessionary conditions in Greece with domestic GDP remaining in pressure during current year are seen to hamper OPAP's game revenues, as rising unemployment will eventually result in lower consumer spending. Further, the state's profound need for revenues may force the ministry to impose the currently frozen 10% taxation on gaming profit. Although the measure has not yet implemented, it is expected to add pressure on the Company's sales flow (albeit, the government may smooth down the effect of the law). Nevertheless, new sporting events in 2010, such as the World Football Cup, can contribute to the Company's income generation and help revitalize athletic bets during the year.

Agent Controversies & Market Opening Potential

Nonetheless, agents insist on their strike plans calling for two consecutive 48-hours strikes at the beginning of the World Cup (11th to 12th of June), as well as a blockage of OPAP's headquarters during the new AGM (June 14th). We do not count for any negative effect in Stihima revenue during the year, as we expect the issue to be resolved with negotiations before those dates and in any way players can place their bets before and after those dates. Further, the slot machines (VLT) licensing, although a project that if forwarded will enhance revenues and profitability on a new basis (we also do not account for this yet to our projections), is under negotiations with agents disagreeing in getting a lower fee than that of KINO (8% on sales). Nevertheless, an implementation cannot be expected before June 2011, as the government should need the appropriate time to gather a draft on illegal gambling and thus attract investors' interest on the VLTs tender.

Fundamentals remain Solid

Despite all problems, OPAP continues to enjoy a solid position, controlling the largest online retail network in Greece that constitutes a unique and cost-effective means of distributing its games. Given the Company's thin debt position, this consistent free cash flow provides OPAP with considerable flexibility to invest, particularly in respect to new games and foreign penetration. Additionally, in recent years OPAP has benefited from positive market fundamentals. OPAP's strong brand recognition and the transparent regulation of its games encourage player confidence and drive revenue growth. The successful introduction of Stihima in 2000, Super 3 and Extra 5 in 2002 and Kino in October 2004, demonstrate OPAP's ability to bring new games with broad appeal to the market when the time is right. We believe that Greece's process of gambling market opening through the emergence of VLTs, internet betting, as well as the introduction of scratch cards, finds OPAP well positioned to enhance its leading role in the market. In addition, the forthcoming extension of the Company's license to 2030, secures OPAP's prosperity over an extensive period of time.

Valuation

According to our current estimates, the stock trades on a P/E10e of 8.2x and a P/BV10e of 8.0x, with its relative valuation appearing to be attractive to its European peers. Our combined valuation exercise generates a price of €15.41, with an expected dividend of €1.35 for 2009 yielding 11%. For our final target price we have used DCF, EVA, and DDM valuations at equal weights, using the same basic assumptions for beta at 0.5, risk free rate at 7%, market risk premium at 6% and WACC at 10%. Further, we have prudently chosen to adopt our pessimistic scenario of constrained operating trends, attaching a 0% perpetual FCF growth rate. We have also included a comparative valuation table to counterbalance our analysis, yet we do not take it into consideration in our target price outcome.

Valuation shortcomings

OPAP faces substantial market challenges in the medium-term such as a) the impact of 10% taxation in players' gains that eventually result to a further shrink in payouts, b) the impact of the smoking ban that was implemented in July and yet has to be quantified for the coming years, c) the impact of a rather distressed domestic economic environment with negative implications for both companies & households, d) possible developments on the regulatory front to derive from EC initiatives, e) the impact of intensified competition from internet betting, f) the impact of one-off taxation until 2012 and the change in corporate tax with a 40% charge on distributable income, g) the outcome of OPAP's efforts to expand abroad although not appearing to be a priority thus far, and h) the medium-term impact of the domestic market's opening to new games and the firmer control over internet.

All the above factors provide for negative or positive risk reassessment of our estimates, and sustain a rather difficult to predict operating environment of the stock.

Investment Overview

Positives

- Dominant Position** • Dominant position in the Greek gaming market through an extensive retail network of around 5,500 POS
- Agents' Commitment** • Commitment of agents through the gradual signing of new agreements (despite the recorded delays)
- Monopoly-Strategic Focus** • OPAP enjoys a monopoly status till 2020. Despite the compressed economic conditions, management focuses on maintaining strong profitability and supports initiatives to expand outside the organization's core concession.
- Strong Fundamentals** • Strong fundamentals with an ample cash position, robust operating cash flow and clean balance sheet (no debt)
- High Dividend Yield** • High and sustainable dividend yield.
- Supportive Markets** • Gambling spending in Greece appears resilient
- New Games Opportunities** • The Greek market opening will provide the opportunity for developing new games such as VLTs and internet plays.
- Idle Legal Challenges** • Legal challenges from the European Commission fail to progress or rule in OPAP/Greece's favour
- Favourable Game Ergonomics** • A low payout appears to be well maintained in Stihima, although this may be seen to catch up during the World Cup
- Lack of Competition** • Competitive threats recede with monopoly status holding well
- Focus on International Penetration** • Drive for international penetration with prime focus at large privatization cases – Although not a current priority

Risks-Challenges

- Tax Considerations** • New corporate and one-off tax charges will bear a negative effect in medium-term profitability
- Market Challenges** • Challenging market environment due to the economic compression already experienced domestically
- Deregulation Uncertainty** • Uncertainty may be extended; as deregulation in the gaming markets becomes more profound, and EU-enforced regulatory change is under way. Recent initiatives undertaken by the EU point to a partial liberalization (i.e. online gaming). The potential opening of the market could have a negative impact on revenues and profitability as well as on market position, mainly in its early stage
- Games Slowdown** • Games slowdown that may persist in 2010, despite fuelling events such as the World Cup.
- New Taxation on Bets** • The new tax regime of 10% on gaming profits may be implemented later this year, bearing a negative impact on players' returns
- Illegal Gaming** • Increasing competition from illegal gambling and internet betting due to higher payouts
- Smoking Ban Effect** • Smoking ban appears to have a negative impact on betting, yet unquantifiable
- Possible New Challenges** • A possible reintroduction of slot machines would bear a negative impact on Kino
- Lack of International Exposure** • The Group's current lack of international exposure is seen as a constraining factor for OPAP's competitive position, especially in the case of an early market deregulation
- Interrupting Policy** • Despite recent improvements, OPAP's flexibility remains limited as OPAP continues to be under state control and is vulnerable to political changes (the perspective change of CEO may trigger a change in policy).

Economic – Financial Considerations

Tax Considerations

Higher Tax charges until 2012 will pressure profitability

State efforts to gather additional revenues in order to overcome its fiscal discrepancies brought forward the latest tax bill, under which the government has decided to reduce the nominal tax rate by 1% per annum (to 20% by 2014 from 25% in FY2009) and replace a 10% withholding tax on dividends with a corporate tax rate of 40%. This action is bound to have an adverse effect on earnings and cash flows for high dividend-payout companies like OPAP.

One-off tax on profits

In addition the government also announced one-off tax charges for profitable companies in 2010-2012 (estimated at an average of €86mn per annum). This extraordinary one-off tax was introduced in 2009, when OPAP paid €95mn to the state, getting a first hit on profitability.

New Tax on players gains implemented from May

The ministerial decree that implements the new 10-15% tax law on gambling winnings with no tax free element (previously only winnings above €100 or €147 for Stihima and sports betting were taxed at between 5-10%) is implemented from May 1st 2010. Nevertheless, the Greek government retained a tax-free threshold of €100 on winnings from OPAP's games. In detail:

- Winning of up to €100 - Tax Free
- Winnings of up to €1,000 - 10% Tax (post tax-free allowance)
- Winnings of more than €1,000 - 15% Tax (post tax-free allowance)

We believe that the maintenance of a tax free threshold is encouraging for repetitive betting in Kino and also protects Stihima from lower returns.

Narrow Economic Environment & Fiscal Uncertainty

Troubled domestic economic environment threatens prospective revenues

Current year proves to be an even more difficult season for the Greek economy than 2009, as our sovereign crisis should retain its negative impact for most companies.

Undoubtedly, Greece goes through its worse financial crisis in many decades, while the government struggles to protect the country's wounded credibility and the recent lack of confidence in the recording system of sovereign accounts. All major rating agencies have already downgraded Greece, while maintaining negative outlooks for the immediate future, and eventually triggering a devaluation game in the market of Greek government bonds that is getting worse on a day to day basis. Domestic future prospects currently depend in their most profound way to the government's rapid and consistent action towards a gradual fiscal improvement that may take some years.

The recently announced Greek government's Stability & Growth Program aims to gather additional revenues of €7.34bn in 2010 (from which €4.46bn will derive from new tax measures and the remaining €3.68bn from cost cutting in the public sector). The program was submitted to EC officials, with a final approval expected by mid-February (probably on the 15-16 February Ecofin meeting). All being good, the government plans to cut public sector deficit to 2.8% of GDP by 2012 (a further slide is targeted for 2013 to 2% of GDP. For the current year, deficit is targeted at 8.7% of GDP while 2011 is planned to post a deficit of 5.6%. Public debt is due to jump this year to 120.4% of GDP, and stabilize in 2011 to 120.6% before starting to drop at 117.7% in 2012 and to 113.4% in 2013. Concerning growth, the program plans for a recovery in 2011 by +1.5%, while current year is seen to post a -0.3% contraction. GDP growth is due to further advance in 2012 by +1.9% and in 2013 by +2.5%.

Regarding OPAP, the crisis seems to have not affected the company in a severe extent, at least for the financial year 2009. Nevertheless, we believe that a further decrease in the disposable income of players and high rates of domestic unemployment will inevitably put pressure on the games revenues in future quarters. For this reason the Company may suffer a loss of vital revenue throughout 2010. Eventually, OPAP is expected to seek new ways to re-boost income streams, introducing new bets and triggering players' preference for existing games through marketing add-ins and extraordinary prizes.

Stihima & Kino Growth Patterns

Stihima is seen to advance on the back of the World Cup

Stihima revenues stood at €559mn in Q1 2010, +6.0% higher yoy. Nevertheless, the higher top line was also escorted by a higher payout of 69.9% (Q1 2009: 64.1%) mainly due to unfavorable football match results.

Joker revenue came to €78mn in Q1 2010 (-29% yoy), mainly due to the lack of jackpot series from the beginning of the year. However, Q2 2010 should post a strong growth due to a favorable jackpot rollover in April.

We see total athletic bets to post a rise of +8% in 2010, mainly on the back of Stihima's additional revenue from Word Cup betting.

Kino matures and should eventually stabilize at lower levels

Sales came in at €675m, 11% down y-o-y, in line with both consensus and our estimate due to lower player spending. We maintain our projection of an 11% drop for the full year. The payout stood at 1.5 p.p. lower than the nominal 70% which implies a positive impact of ca. €10m on the company's gross profit. The extension of the playing hours during January had provided some help, but the burst of domestic economic crisis led to lower consumer spending and had a negative impact on gambling appetite. The game's maturity should eventually lead revenues to even lower levels; nevertheless, the prospective introduction of VLTs in mid 2011 should bring a major reshuffling in the Company's revenue balances by game.

We expect total numeric games to further retreat in revenue by almost -6%, as Kino is due to remain weak and other numeric game should be influenced by the shift towards athletic bets during the World Cup

New Revenue / Costs Assumptions

In our model's scenario, we expect the following revenue readings per game (Exhibit 1):

Revenues Assumptions

Revenues

Exhibit 1. Revenues Assumptions

Revenue Breakdown (€m n) - % Growth	2010e	%	2011f	%	2012f	%	2013f	%	2014f	%	2015f	%
Stihima	2,194,472	8.3%	2,028,126	-7.6%	2,169,027	6.9%	2,157,098	-0.5%	2,200,240	2.0%	2,244,245	2.0%
Propo	46,057	-8.7%	53,372	15.9%	54,226	1.6%	55,310	2.0%	56,416	2.0%	57,545	2.0%
PropoGoal	1,084	-3.9%	1,601	47.8%	1,627	1.6%	1,659	2.0%	1,692	2.0%	1,726	2.0%
Total Sporting Bets	2,241,613	7.9%	2,083,099	-7.1%	2,224,880	6.8%	2,214,067	-0.5%	2,258,349	2.0%	2,303,516	2.0%
Joker	189,646	-42.2%	261,522	37.9%	254,861	-2.5%	248,896	-2.3%	259,515	4.3%	270,460	4.2%
Lotto	67,731	5.6%	58,175	-14.1%	53,683	-7.7%	52,545	-2.1%	50,775	-3.4%	51,790	2.0%
Protto	46,057	-8.7%	56,040	21.7%	48,803	-12.9%	49,779	2.0%	50,775	2.0%	51,790	2.0%
Extra 5	9,753	-20.8%	10,674	9.4%	13,556	27.0%	11,062	-18.4%	11,283	2.0%	11,509	2.0%
Super 3	56,894	11.2%	56,040	-1.5%	54,226	-3.2%	55,310	2.0%	56,416	2.0%	57,545	2.0%
Kino	2,806,757	-1.9%	2,811,623	0.2%	2,772,559	-1.4%	2,899,361	4.6%	2,954,527	1.9%	3,007,863	1.8%
Total Numeric Bets	3,176,838	-5.7%	3,254,075	2.4%	3,197,689	-1.7%	3,316,953	3.7%	3,383,292	2.0%	3,450,958	2.0%
Total Sales	5,418,451	-0.5%	5,337,174	-1.5%	5,422,569	1.6%	5,531,020	2.0%	5,641,640	2.0%	5,754,473	2.0%

(€m n) - % Composition	2010e	2011f	2012f	2013f	2014f	2015f						
Stihima	2,194,472	40.5%	2,028,126	38.0%	2,169,027	40.0%	2,157,098	39.0%	2,200,240	39.0%	2,244,245	39.0%
Propo	46,057	0.9%	53,372	1.0%	54,226	1.0%	55,310	1.0%	56,416	1.0%	57,545	1.0%
PropoGoal	1,084	0.0%	1,601	0.0%	1,627	0.0%	1,659	0.0%	1,692	0.0%	1,726	0.0%
Total Sporting Bets	2,241,613	41.4%	2,083,099	39.0%	2,224,880	41.0%	2,214,067	40.0%	2,258,349	40.0%	2,303,516	40.0%
Joker	189,646	3.5%	261,522	4.9%	254,861	4.7%	248,896	4.5%	259,515	4.6%	270,460	4.7%
Lotto	67,731	1.3%	58,175	1.1%	53,683	1.0%	52,545	1.0%	50,775	0.9%	51,790	0.9%
Protto	46,057	0.9%	56,040	1.1%	48,803	0.9%	49,779	0.9%	50,775	0.9%	51,790	0.9%
Extra 5	9,753	0.2%	10,674	0.2%	13,556	0.3%	11,062	0.2%	11,283	0.2%	11,509	0.2%
Super 3	56,894	1.1%	56,040	1.1%	54,226	1.0%	55,310	1.0%	56,416	1.0%	57,545	1.0%
Kino	2,806,757	51.8%	2,811,623	52.7%	2,772,559	51.1%	2,899,361	52.4%	2,954,527	52.4%	3,007,863	52.3%
Total Numeric Bets	3,176,838	58.6%	3,254,075	61.0%	3,197,689	59.0%	3,316,953	60.0%	3,383,292	60.0%	3,450,958	60.0%
Total Sales	5,418,451	100.0%	5,337,174	100.0%	5,422,569	100.0%	5,531,020	100.0%	5,641,640	100.0%	5,754,473	100.0%

Source: ATE Sec. Research

COGS Assumptions

Further, we expect the following COGS readings per game (Exhibit 2). We do not expect much change on the cost structure and see it change as a percentage of sales. Nevertheless, for the longer run we are in favor of a cost cutting potential for OPAP, also driven mainly by a gradual decrease in agent's number. Further, management has announced efforts to shrink operating expenses by 10% in 2010, while in Q1 distribution costs were seen to descent by -26.3% yoy to €32.8mn and administrative expenses by -36.2% yoy to €7.8mn.

Costs

Exhibit 2. Costs Assumptions

COGS Breakdown (€'000) - % growth	2010e	%	2011f	%	2012f	%	2013f	%	2014f	%	2015f	%
Stihima	-1,680,766	1.8%	-1,566,067	-6.8%	-1,717,482	9.7%	-1,662,763	-3.2%	-1,690,930	1.7%	-1,765,467	4.4%
Propo	-35,220	2.8%	-34,692	-1.5%	-37,416	7.9%	-38,164	2.0%	-42,312	10.9%	-46,036	8.8%
PropoGoal	-1,626	67.2%	-1,601	-1.5%	-1,627	1.6%	-1,659	2.0%	-1,692	2.0%	-1,726	2.0%
Total Sporting Bets	-1,717,612	1.8%	-1,602,360	-6.7%	-1,756,524	9.6%	-1,702,586	-3.1%	-1,734,935	1.9%	-1,813,230	4.5%
Joker	-162,554	-21.3%	-160,115	-1.5%	-162,677	1.6%	-165,931	2.0%	-169,249	2.0%	-172,634	2.0%
Lotto	-29,801	-21.7%	-29,354	-1.5%	-29,282	-0.2%	-30,421	3.9%	-31,029	2.0%	-31,650	2.0%
Protto	-35,220	2.6%	-34,692	-1.5%	-34,704	0.0%	-34,845	0.4%	-36,671	5.2%	-37,404	2.0%
Extra 5	-9,211	1.5%	-9,607	4.3%	-9,218	-4.0%	-8,850	-4.0%	-9,591	8.4%	-9,783	2.0%
Super 3	-44,431	21.9%	-45,366	2.1%	-44,465	-2.0%	-45,907	3.2%	-47,390	3.2%	-48,913	3.2%
Kino	-2,295,200	-0.2%	-2,335,243	1.7%	-2,247,334	-3.8%	-2,377,065	5.8%	-2,419,687	1.8%	-2,419,611	0.0%
Total Numeric Bets	-2,576,418	-1.8%	-2,614,377	1.5%	-2,527,681	-3.3%	-2,663,019	5.4%	-2,713,616	1.9%	-2,719,844	0.2%
		%breakdown		%breakdown		%breakdown		%breakdown		%breakdown		%breakdown
Total Sporting Bets	-1,717,612	40.0%	-1,602,360	38.0%	-1,756,524	41.0%	-1,702,586	39.0%	-1,734,935	39.0%	-1,813,230	40.0%
Total Numeric Bets	-2,576,418	60.0%	-2,614,377	62.0%	-2,527,681	59.0%	-2,663,019	61.0%	-2,713,616	61.0%	-2,719,844	60.0%
Total Group COGS	-4,294,030	100.0%	-4,216,737	100.0%	-4,284,205	100.0%	-4,365,605	100.0%	-4,448,552	100.0%	-4,533,074	100.0%

Source: ATE Sec. Research

Necessity for cost-cutting & further negotiations with agents

OPAP's management appears to be focusing its efforts primarily on cost efficiencies in order to add value to the company. Although we cannot account for any drastic changes in the cost structure through our current model, we are monitoring expenses and are ready to alter our estimates when necessary. Furthermore, latest meetings with agents were focusing on the avoidance of a strike during the first days of the World Cup, as agents have already decided upon that issue. Further, the introduction of a wider variety of bets through a live betting platform is seen to be ready by year end but will miss the summer's World Cup and therefore any contribution to revenues will be marginal. VLTs and internet betting still require substantial time for getting into the line, as the government needs to firstly introduce a relevant law that will set up a strict control over illegal gaming.

Divergence from previous estimates

In respect to our previous basic model assumptions, the divergence of our new stance can be seen in the following tables:

Exhibit 3. Revenues Assumptions vs previous estimates

Revenue Breakdown	2010e	%	2010old	%	2011f	%	2011old	%	2012f	%	2012old	%
(€'000) - % Growth		yoy		revised		yoy		revised		yoy		revised
Stihima	2,194,472	8.3%	2,183,255	0.5%	2,028,126	-7.6%	2,017,759	0.5%	2,169,027	6.9%	2,157,940	0.5%
Propo	46,057	-8.7%	53,908	-14.6%	53,372	15.9%	53,099	0.5%	54,226	1.6%	53,949	0.5%
PropoGoal	1,084	-3.9%	1,617	-33.0%	1,601	47.8%	1,593	0.5%	1,627	1.6%	1,618	0.5%
Total Sporting Bets	2,241,613	7.9%	2,238,780	0.1%	2,083,099	-7.1%	2,072,451	0.5%	2,224,880	6.8%	2,213,507	0.5%
Joker	189,646	-42.2%	188,676	0.5%	261,522	37.9%	260,185	0.5%	254,861	-2.5%	253,558	0.5%
Lotto	67,731	5.6%	67,384	0.5%	58,175	-14.1%	57,878	0.5%	53,683	-7.7%	53,409	0.5%
Protto	46,057	-8.7%	45,821	0.5%	56,040	21.7%	55,754	0.5%	48,803	-12.9%	48,554	0.5%
Extra 5	9,753	-20.8%	9,703	0.5%	10,674	9.4%	10,620	0.5%	13,556	27.0%	13,487	0.5%
Super 3	56,894	11.2%	56,603	0.5%	56,040	-1.5%	55,754	0.5%	54,226	-3.2%	53,949	0.5%
Kino	2,806,757	-1.9%	2,783,785	0.8%	2,811,623	0.2%	2,797,251	0.5%	2,772,559	-1.4%	2,758,387	0.5%
Total Numeric Bets	3,176,838	-5.7%	3,151,973	0.8%	3,254,075	2.4%	3,237,441	0.5%	3,197,689	-1.7%	3,181,343	0.5%
Total Sales	5,418,451	-0.5%	5,390,753	0.5%	5,337,174	-1.5%	5,309,892	0.5%	5,422,569	1.6%	5,394,850	0.5%

(€'000) - % Composition	2010e		2010old		2011f		2011old		2012f		2012old	
Stihima	2,194,472	40.5%	2,183,255	38.0%	2,028,126	38.0%	2,017,759	37.0%	2,169,027	40.0%	2,157,940	40.0%
Propo	46,057	0.9%	53,908	1.0%	53,372	1.0%	53,099	1.0%	54,226	1.0%	53,949	1.0%
PropoGoal	1,084	0.0%	1,617	0.0%	1,601	0.0%	1,593	0.0%	1,627	0.0%	1,618	0.0%
Total Sporting Bets	2,241,613	41.4%	2,238,780	39.0%	2,083,099	39.0%	2,072,451	38.0%	2,224,880	41.0%	2,213,507	41.0%
Joker	189,646	3.5%	188,676	4.4%	261,522	4.9%	260,185	4.3%	254,861	4.7%	253,558	4.5%
Lotto	67,731	1.3%	67,384	0.9%	58,175	1.1%	57,878	0.9%	53,683	1.0%	53,409	0.9%
Protto	46,057	0.9%	45,821	0.9%	56,040	1.1%	55,754	0.9%	48,803	0.9%	48,554	0.9%
Extra 5	9,753	0.2%	9,703	0.2%	10,674	0.2%	10,620	0.2%	13,556	0.3%	13,487	0.2%
Super 3	56,894	1.1%	56,603	1.0%	56,040	1.1%	55,754	1.0%	54,226	1.0%	53,949	1.0%
Kino	2,806,757	51.8%	2,783,785	53.6%	2,811,623	52.7%	2,797,251	54.7%	2,772,559	51.1%	2,758,387	51.5%
Total Numeric Bets	3,176,838	58.6%	3,151,973	61.0%	3,254,075	61.0%	3,237,441	62.0%	3,197,689	59.0%	3,181,343	59.0%
Total Sales	5,418,451	100.0%	5,390,753	100.0%	5,337,174	100.0%	5,309,892	100.0%	5,422,569	100.0%	5,394,850	100.0%

Accordingly, our new costs structure compares as follows to our initial assumptions:

Exhibit 4. Costs Assumptions vs previous estimates

COGS Breakdown	2010e	%	2010old	%	2011f	%	2011old	%	2012f	%	2012old	%
(€'000) - % growth		yoy		revised		yoy		revised		yoy		revised
Stihima	-1,680,766	1.8%	-1,675,184	0.3%	-1,566,067	-6.8%	-1,560,870	0.3%	-1,717,482	9.7%	-1,711,780	0.3%
Propo	-35,220	2.8%	-35,040	0.5%	-34,692	-1.5%	-34,514	0.5%	-37,416	7.9%	-37,224	0.5%
PropoGoal	-1,626	67.2%	-1,617	0.5%	-1,601	-1.5%	-1,593	0.5%	-1,627	1.6%	-1,618	0.5%
Total Sporting Bets	-1,717,612	1.8%	-1,711,841	0.3%	-1,602,360	-6.7%	-1,596,977	0.3%	-1,756,524	9.6%	-1,750,623	0.3%
Joker	-162,554	-21.3%	-161,723	0.5%	-160,115	-1.5%	-159,297	0.5%	-162,677	1.6%	-161,846	0.5%
Lotto	-29,801	-21.7%	-29,649	0.5%	-29,354	-1.5%	-29,204	0.5%	-29,282	-0.2%	-29,132	0.5%
Protto	-35,220	2.6%	-35,040	0.5%	-34,692	-1.5%	-34,514	0.5%	-34,704	0.0%	-34,527	0.5%
Extra 5	-9,211	1.5%	-9,164	0.5%	-9,607	4.3%	-9,558	0.5%	-9,218	-4.0%	-9,171	0.5%
Super 3	-44,431	21.9%	-44,204	0.5%	-45,366	2.1%	-45,134	0.5%	-44,465	-2.0%	-44,238	0.5%
Kino	-2,295,200	-0.2%	-2,287,982	0.3%	-2,335,243	1.7%	-2,327,886	0.3%	-2,247,334	-3.8%	-2,240,275	0.3%
Total Numeric Bets	-2,576,418	-1.8%	-2,567,762	0.3%	-2,614,377	1.5%	-2,605,594	0.3%	-2,527,681	-3.3%	-2,519,189	0.3%
		%breakdown		%breakdown		%breakdown		%breakdown		%breakdown		%breakdown
Total Sporting Bets	-1,717,612	40.0%	-1,711,841	40.0%	-1,602,360	38.0%	-1,596,977	38.0%	-1,756,524	41.0%	-1,750,623	41.0%
Total Numeric Bets	-2,576,418	60.0%	-2,567,762	60.0%	-2,614,377	62.0%	-2,605,594	62.0%	-2,527,681	59.0%	-2,519,189	59.0%
Total Group COGS	-4,294,030	100.0%	-4,279,603	100.0%	-4,216,737	100.0%	-4,202,571	100.0%	-4,284,205	100.0%	-4,269,812	100.0%

P&L Projections for Flagship Games Stihima & Kino

As seen in **Exhibit 5**, we expect payout for Stihima to be sustained at 71% levels for 2010 (sliding during the following years), while Kino payout may be slightly contained at 68.5%-69.5%.

For 2010, given the add-in of World cup games, we raise our like-for-like Stihima gross wins estimate to €636mn from €610mn in 2009, also on the back of the delayed introduction of the new tax. All in, we expect Stihima sales at €2,194mn in 2010, up 8.3% yoy.

As far as Kino is concerned, we remain conservative on maturity issues and look for a -1.9% slide despite the delayed introduction of the uniform tax rate on players' wins.

Exhibit 5: Summary P&L Account Projections for Stihima & Kino (2010E -2013F)

Summary P&L Account for Stihima and Kino					
Stihima Betting	2009	2010E	2011E	2012E	2013E
Sales	2,026,319	2,194,472	2,028,126	2,169,027	2,157,098
% growth	-8.5%	8.3%	-7.6%	6.9%	-0.5%
PAYOUT	1,416,397	1,558,075	1,318,282	1,453,248	1,402,114
Payout %	69.9%	71.0%	65.0%	67.0%	65.0%
Intralot Commission	0	0	0	0	0
Agent Fees	162,106	175,558	162,250	173,522	172,568
Agent Fees %	8%	8%	8%	8%	8%
Allocated cost of goods sold	73,156	54,484	85,535	90,711	88,081
Gross Profit	374,660	406,355	462,059	451,546	494,335
Gross Profit Margin %	18.5%	18.5%	22.8%	20.8%	22.9%
Kino Betting	2009	2010E	2011E	2012E	2013E
Sales	2,861,702	2,806,757	2,811,623	2,772,559	2,899,361
% growth	1.3%	-1.9%	0.2%	-1.4%	4.6%
PAYOUT	1,983,159	1,950,696	1,954,078	1,926,929	2,015,056
Payout %	69.3%	69.5%	69.5%	69.5%	69.5%
Agent Fees	228,936	224,541	224,930	221,805	231,949
Agent Fees %	8%	8%	8%	8%	8%
Allocated cost of goods sold	87,754	12,613	156,235	98,601	130,061
Gross Profit	561,852	618,908	476,380	525,225	522,295
Gross Profit Margin %	19.6%	22.1%	16.9%	18.9%	18.0%

Source: ATE Sec. Research

Review: Developments & Financial Results

Recent Developments

May 06, 2010

Corporate Tax

According to the new tax bill, retained earnings for 2010 are taxed at 24%, while profits held for distribution will carry an overall 40% tax rate, replacing the 10% withholding tax.

Extraordinary Tax

On May 6th 2010, the Government introduced a new extraordinary tax to be applied for three consecutive years (2010-2011-2012) of 10% on profits of all highly profitable companies, indicative for their social responsibility.

May 01, 2010

Tax on Players' Winnings

According to the new tax bill effective May 1st, players' winnings for all games will be taxed as follows:

- Winnings of up to €100 are tax-free
- Winnings of up to €1,000 are taxed at 10%, post tax-free allowance
- All amounts higher than €1,000 are taxed at 15%, post tax-free allowance

March 22, 2010

Dividend Policy

The Board of Directors of OPAP, in the context of the dividend policy followed in the recent years, as well as the extraordinary tax imposed to all large Greek corporations, resolved upon the distribution to the shareholders of a gross dividend of €1.75 per share for the fiscal year 2009 compared to €2.20 per share for the fiscal year 2008, totalling to €558.3m compared to €701.8m in 2008. Excluding the gross interim dividend of €0.65 per share already paid on December 24, 2009, the remaining gross dividend payment to the shareholders amounts to €1.10 per share, or €350.9m. It is reminded that the €1.10 per share amount is subject to a 10% withholding tax, according to the provisions of Article 18, of Law 3697/2008. Subject to AGM approval, the ex-dividend date will be on Wednesday 16 June, 2010 and the dividend payment date will be Thursday, June 24, 2010.

January 28, 2010

Announcement for a €15.5mn one-off tax charge on Q4 2009 results

OPAP announced an extra one-off charge of €15.5mn on its Q4 2009 results, related to 2008 income taxes (overall additional

tax of €24.5mn – of which €9mn have already been charged in 2008).

December 30, 2009	New BoD approval An EGM held and approved a new BoD for the Company, electing as new chairman for the organization Mr. Charis Stamatopoulos (ex-chairman of the international Athens airport) and as CEO Mr. John Spanoudakis (ex-CEO of "Athens 2004").
November 23, 2009	BoD decided for an interim 2009 dividend of €0.65/share. Ex-div date was set for December 16, and payment date on December 24.
September 28, 2009	Completion of agreement with agents POEPP (Agents Federation) announced in late September that it is ready to sign the new contractual agreement with OPAP. POEPP's general meeting on June 29 th approved with an overwhelming majority (100 votes for, only 1 against) the modified contractual text after the two parts agreed on the exclusivity clause. Accordingly, c5,237 contractual agreements will be printed and sent individually to agents, therefore completing the process possibly within the current month (according to more recent data, 76% of OPAP's agents have reportedly already signed their exclusive agreement for cooperation with the Company (around 3,894 agents).
May 15, 2009	Inauguration of OPAP's agency branch in Athens International Airport
May 08, 2009	Neurosoft commenced trading on AIM Italia OPAP, through its wholly owned subsidiaries in Cyprus, controls a 36% minority stake in Neurosoft.
May 07, 2009	International Tender offer for the Turkish lottery Mili Pyiango was completed unsuccessfully, while OPAP consortium with Dogus, FIBA & Alarko, as with other bidders (Turkcell) considered the asking price of \$1.62bn to be extremely expensive and well outside their bidding offers.
April 15, 2009	OPAP's consortium submitted its offer for the Turkish lottery Mili Pyiango. Through its participation in a consortium with three local parties, OPAP was pre-selected in order to participate in the competition of Privatisation of Turkish Lottery – National Lottery Ticket.

Financial Results

Q1 2010 Review

Highlights

Q1 Published Results

(€mn)	Q1 10A	Q1 09A	Q1 10E	(%) A	(A-E) %
Sales Total	1,372.0	1,463.0	1,366.5	-6.2%	0.4%
Stihima	559.2	527.4	543.1	6.0%	3.0%
Kino	675.3	760.1	683.5	-11.2%	-1.2%
EBITDA	261.8	296.9	251.8	-11.8%	4.0%
Net Income	192.2	215.7	182.0	-10.9%	5.6%

Source: Published Financial Statements, consensus estimates

OPAP's revenues for the first quarter of 2010 decreased by -6.2% versus the corresponding period in 2009, reaching €1,372.4mn mainly due to lower Joker and Kino sales as a result of the continued adverse economic environment, partially netted off by Stihima's performance. The **Group's EBITDA** reached €261.8mn in Q1 2010 from €296.9mn in Q1 2009, decreased by -11.8%. The **EBITDA margin** decreased to 19.1% from 20.3% in Q1 2009, despite the lower distribution costs due to the higher Stihima payout. The Group's Q1 2010 **net profit** decreased by -10.9% to €192.2mn from €215.7mn in the corresponding period of 2009.

Sports betting revenues in Q1 2010 increased by +4.7%, driven by Stihima's stronger performance, (6% higher Stihima revenues in Q1 2010 vs. Q1 2009). **Revenues from numerical games** decreased by -12.6% to €801.4mn in Q1 2010, primarily due to lower Kino revenues, which reached €675.3mn from €760.1mn in Q1 2009.

Total cost of sales decreased in Q1 2010 by -3.4%, reaching €1,082.4mn, while **payout** to lottery and sports betting winners in Q1 2010 reached €918.4mn from €946.5mn in Q1 2009. This payout corresponds to 66.9% of total revenues versus 64.7% last year. In particular, **Stihima's payout** in Q1 2010 reached 69.9% compared to 64.1% in Q1 2009. Meanwhile, total agents' commissions reached 8.4% of total gaming revenues equal to €115.5mn in Q1 2010 from €124.3mn in Q1 2009, lower by -7.1%

Gross profit in Q1 2010 decreased by -15.3% to €290.0mn, while gross profit margin decreased to 21.1% from 23.4% in Q1 2009. **Profit from operations** reached €251.9mn, decreasing by 11.9% yoy.

Distribution costs in Q1 2010, amounted to €32.8mn from €44.5mn in the corresponding period of 2009. Out of the total distribution costs for the period, €31mn relates to sponsorships, grants and advertising costs versus €42.9mn in Q1 2009. Meanwhile, **administrative expenses** decreased by 36.2% to €7.8mn, in line with the Group's strategy of streamlining expenses.

Overall, a better than expected Q1 result, with the Company exhibiting a resilient revenue and EBITDA generation capacity, despite the adverse economic conditions in our domestic market.

Valuation

Valuation Models

Given the current domestic economic condition, we have altered our basic assumptions to a risk-free rate of 7% from 5.3% previously, holding market risk premium at 6%, beta at 0.7, and a FCF growth rate of 0%. Accordingly, our Weighted Average Cost of Equity (Ke) results to 10.6%.

Exhibit 6. Basic Value Assumptions

OPAP (IFRS-Cons -€'000)	
Basic Assumptions	
Raw Beta	0.500
Time-Adjusted Beta	0.660
Raw Beta (Levered)	0.500
Time-Adjusted Beta (Levered)	0.660
Long-Term risk free	7.00%
Market Risk Premium	6.00%
Cost of Debt (after tax)	7.13%
Cost of Equity (used for PV of FCF WACC)	10.00%
Cost of Equity (used for PV of Residual Value WACC)	10.96%
Expected Perpetual FCF growth	0.00%

Source: ATE Sec. Research

DCF Valuation

Exhibit 7. DCF Valuation Summary

DCF Valuation €'000	2010e	2011f	2012f	2013f	2014f	Terminal Value
FCFF	-68,424	171,263	190,672	382,437	321,322	387,486
Discount Factor	0.0909%	0.0826%	0.0751%	0.0683%	0.0621%	0.0564%
PV of FCFF	-62,204	141,539	143,255	261,210	199,516	218,726
Sum of PV of FCF until 2013						683,316
Sustainable FCF (in Perpetuity)						387,486
PV of Perpetual FCF						1,995,671
Firm Value						2,678,987
Less: Net Debt - Plus: (Net Cash)						-480,193
Less: Minorities						0
Equity Value						3,159,180
Share Number						319,000,000
Intrinsic Share Price (€)						9.90
Current Market Price						12.3
Discount/Premium						-19.5%

EVA Valuation

Exhibit 8. EVA Valuation Summary

EVA (Abnormal Returns) Valuation						
€'000	2010e	2011f	2012f	2013f	2014f	
Total Equity	490,812	490,812	522,712	554,612	570,562	
Net Income (EAT&M)	476,407	477,165	512,053	589,184	610,998	
Charge for the use of Equity	49,081	49,081	52,271	55,461	57,056	
Abnormal Earnings	427,325	428,084	459,782	533,723	553,941	
Discount Factor	0.9091	0.8264	0.7513	0.6830	0.6209	
PV of Abnormal Earnings	388,478	353,788	345,441	364,540	343,954	
Sum of PV of Abnormal Earnings						2,328,149
Residual Value (Abnormal Earnings)						5,539,415
PV of Residual Value						3,439,541
Total Equity (2008 year-end)						618,412
Shareholder Value						6,386,102
Number of Shares						319,000,000
Intrinsic Share Price (€)						20.02
Current Market Price						12.30
Discount/Premium						62.8%

Source: ATE Sec. Research

DDM Valuation

Exhibit 9. DDM Valuation Summary

Dividend Discount Valuation					
€'000	2010e	2011f	2012f	2013f	2014f
Total Dividends	430,650	430,650	462,550	494,450	510,400
Discount Factor	0.9091	0.8264	0.7513	0.6830	0.6209
PV of Dividends	391,500	355,909	347,521	337,716	316,918
Sum of PV of Dividends	950,289	1,306,198	1,653,719	1,991,435	2,308,353
Residual Value (Dividends)					4,656,934
PV of Residual Value					2,891,590
Shareholder Value					5,199,943
Number of Shares					319,000,000
Intrinsic Share Price (€)					16.30
Current Market Price					12.30
Discount/Premium					32.5%

Source: ATE Sec. Research

Combined Target Price

Exhibit 10. Combined Valuation Target according to Scenario

OPAP Weighted Target Price				Model
	Intrinsic Share Price	Weight	Price Component	
DCF Valuation	9.90	0.33		3.30
EVA Valuation	20.02	0.33		6.67
DDM Valuation	16.30	0.33		5.43
Share Target Price (€)				15.41

Source: ATE Sec. Research

Sensitivity Analysis

We tested our scenario for its growth/WACC sensitivity, resulting at a minimum price of €13.79 (assuming negative growth of -2% and WACC of 12%) and a maximum price of €17.79 (assuming growth of +2% and WACC of 8%).

Exhibit 11. Growth-WACC Sensitivity

		Weighted Average Cost of Capital				
		8.00%	9.00%	10.00%	11.00%	12.00%
Growth	-2.00%	14.28	14.14	14.02	13.90	13.79
	-1.00%	14.93	14.79	14.65	14.53	14.41
	0.00%	15.70	15.55	15.41	15.27	15.14
	1.00%	16.64	16.47	16.32	16.17	16.03
	2.00%	17.79	17.61	17.44	17.28	17.13

min. (pointing to 13.79)

max. (pointing to 17.79)

Share price Distribution (bracketed range)

Source: ATE Sec. Research

Comparative Valuation

We have examined several European gaming firms, in order to select an appropriate sample that best compares with OPAP, in our attempt to construct a valid peer group table, as shown below:

Peer Group Valuation

Multiples Comparison

OPAP currently trades at 8.2x forward PE2010E and 4.8x forward EV/EBITDA2010E. On a PE basis, the stock appears at a discount of 33% to its European peers in 2010 and 26% in 2011. On EV/EBITDA, OPAP also trades at a discount to the sector by 34% in 2010E, and 27% in 2011F. We believe that the above undermine the importance of balance sheet strength while inflating the possible risks of the business and of future earnings.

On the other hand, the stock trades at a wide premium to its book value, reaching 147% in 2010E and 202% in 2011F also explained by the overwhelming RoE that stands 84% above peer group average for 2010E and almost 300% higher in 2011F.

OPAP shares have historically traded at a premium to the broad European market due to its exposure in a growing domestic economy, its defensive profitability status, and its high dividend payout. Nevertheless, given the overall findings of our peer group comparison, OPAP currently appears at discount with its fair pricing standing at €15.53/share (+26.3% upside potential). Please note that our comparative valuation table is only informative, as we do not take it into consideration in our target price outcome.

Exhibit 12. Peer Group Comparison

Peer Group Comparables Matrix

Company	Country	Local Currency	Mcap (€mn)	Ytd (%)	PE		PBV		ROE (%)		DivYield (%)		EV/Sales		EV/EBITDA	
					10e	11f	10e	11f	10e	11f	10e	11f	10e	11f	10e	11f
OPAP SA	GREECE	EUR	3,994	-18.4	8.2	8.2	8.0	8.0	85.9	97.2	11.0	11.0	0.8	0.8	4.8	5.0
INTRALOT S.A.	GREECE	EUR	464	-28.78	5.9	5.6	1.3	1.2	25.4	23.5	7.2	7.7	0.8	0.7	4.5	4.3
LADBROKES PLC	BRITAIN	GBP	1,489	0.87	9.6	8.8	6.6	4.8	174.9	47.3	4.8	5.4	1.9	1.9	7.8	7.4
LOTTOMATICA SPA	ITALY	EUR	2,093	-13.26	14.9	13.4	1.1	1.2	6.1	7.0	5.8	5.8	2.0	1.9	5.8	5.4
PADDY POWER PLC	IRELAND	EUR	1,187	1.27	16.8	15.1	6.1	5.0	37.5	34.1	2.5	2.8	3.1	2.9	10.6	9.6
RANK GROUP PLC	BRITAIN	GBP	538	39.31	13.3	12.1	-	-	-	-	2.1	2.4	1.1	1.1	7.4	7.1
WILLIAM HILL PLC	BRITAIN	GBP	1,459	-5.87	8.9	8.1	1.4	1.3	16.8	16.9	4.6	5.1	1.7	1.6	5.9	5.7
888 Holdings	BRITAIN	GBP	218	-52.03	7.0	6.5	2.0	1.8	24.0	25.5	6.3	6.9	0.7	0.6	3.8	3.4
Party Gaming	GIBRALTAR	GBP	1,302	3.00	13.7	12.4	4.6	3.8	42.7	35.8	0.0	0.0	2.7	2.6	9.5	8.8
Sporting Bet	BRITAIN	GBP	347	-14.71	9.5	8.5	2.7	2.3	28.2	27.9	2.6	3.1	1.2	1.1	5.4	4.8
Weighted Average					12.2	11.0	3.2	2.6	46.7	24.5	3.9	4.2	2.0	1.9	7.2	6.8
Premium/discount					-32.9%	-25.8%	147.1%	202.1%	84.1%	296.7%	179.3%	159.2%	-59.7%	-56.4%	-34.3%	-27.0%

Source: ATE Securities, Bloomberg consensus estimates

Note: Averages are MCap weighted

Exchange rates: EUR/GBP: 0.91

Source: ATE Sec. Research

Financials

Exhibit 13. Profit & Loss Statement -- Balance Sheet -- Cash Flow Statement -- Selective ratios

OPAP (IFRS-Cons-€'000)	2009a	2010e	2011f	2012f	2013f	2014f	2015f	CAGR	CAGR
PROFIT & LOSS (€'000)								09-013F	09-015F
Total Turnover	5,483,472	5,418,451	5,337,174	5,422,569	5,531,020	5,641,640	5,754,473	0.0%	0.6%
COGS	-4,311,256	-4,250,001	-4,171,167	-4,237,040	-4,316,789	-4,398,027	-4,480,782	0.2%	0.7%
Gross Profit	1,172,216	1,168,450	1,166,006	1,185,528	1,214,231	1,243,613	1,273,692	-0.6%	0.2%
Other Operating Income	2,639	5,000	5,000	5,000	5,000	5,000	5,000	-0.5%	-0.4%
Administrative Expenses	-43,447	-54,185	-58,709	-54,226	-60,841	-56,416	-57,545	6.8%	4.0%
Distribution Expenses	-154,562	-173,390	-186,801	-173,522	-171,462	-169,249	-172,634	4.6%	3.4%
Other Operating Expenses	-10,458	-20,649	-21,062	-21,483	-21,912	-22,351	-22,798	1.5%	1.6%
Financial Results	23,050	-216	-242	-268	-298	-322	-348		
EBITDA	989,446	925,010	904,193	941,029	964,717	1,000,275	1,025,367	-1.8%	-0.4%
Depreciation Exp.	-42,540	-44,029	-45,570	-47,165	-48,816	-50,524	-52,293	-12.7%	-8.4%
Operating Income	946,906	880,981	858,623	893,865	915,901	949,750	973,075	-0.9%	0.2%
Plus: Income (loss) from Participations & Securities	0	17,899	8,950	4,475	4,699	4,934	5,180	-32.7%	-23.6%
EBT	946,906	898,880	867,573	898,339	920,600	954,684	978,255	-1.5%	-0.2%
Taxes	-352,358	-422,474	-390,408	-386,286	-331,416	-343,686	-352,172	3.8%	3.6%
Deferred Taxes	-759	0	0	0	0	0	0	-100.0%	-100.0%
EAT	593,789	476,407	477,165	512,053	589,184	610,998	626,083	-4.2%	-2.1%
Minority Rights	0	0	0	0	0	0	0	-100.0%	-100.0%
EBT after minorities	946,906	898,880	867,573	898,339	920,600	954,684	978,255	-1.5%	-0.2%
EAT after minorities	593,789	476,407	477,165	512,053	589,184	610,998	626,083	-4.2%	-2.1%

Source: ATE Securities Research

Exhibit 14. Balance Sheet

OPAP (IFRS-Cons-€'000)	2009a	2010e	2011f	2012f	2013f	2014f	2015f	CAGR	CAGR
BALANCE SHEET (€'000)								09-013F	09-015F
ASSETS									
Net Fixed Assets	86,932	96,932	106,932	116,932	126,932	136,932	146,932	5.1%	5.8%
Intangible Assets & Goodwill	233,305	211,994	190,795	171,715	154,544	139,089	125,180	-10.0%	-10.0%
Subsidiaries & Associates	12,938	12,938	12,938	12,938	12,938	12,938	12,938		
Other Non-current Assets	14,558	14,558	14,558	14,558	14,558	14,558	14,558		
Deferred Taxes	21,320	19,967	19,271	19,955	20,449	21,206	21,730	-1.5%	-0.2%
Total Non-current Assets	369,053	356,389	344,494	336,098	329,421	324,724	321,338	-3.8%	-3.1%
Inventories	1,166	1,209	1,130	1,247	1,178	1,295	1,227	-2.1%	-0.9%
Accounts Receivable	38,877	65,038	37,318	66,676	39,398	68,798	41,562	-10.7%	-7.1%
Other Receivables	194,098	229,328	236,208	243,295	250,593	258,111	265,855	2.2%	2.4%
Cash	699,587	513,612	594,147	621,466	703,991	696,982	745,223	-0.1%	0.8%
Total Current Assets	933,728	809,188	868,804	932,683	995,161	1,025,186	1,053,867	-0.1%	0.7%
TOTAL ASSETS	1,302,781	1,165,577	1,213,298	1,268,781	1,324,582	1,349,910	1,375,205	-1.1%	-0.3%
LIABILITIES & EQUITY									
Short term Bank Debt	32,411	33,411	31,911	32,411	31,911	31,911	30,911	-9.8%	-7.5%
Suppliers	145,341	145,548	142,848	145,104	147,835	150,617	153,451	0.1%	0.6%
Taxes Payable	397,554	405,957	420,165	434,871	450,092	465,845	482,149	3.5%	3.5%
Other Current Liabilities	32,395	55,652	58,991	62,530	66,282	70,259	74,475	6.0%	6.0%
Total Current Liabilities	607,701	640,568	653,915	674,917	696,120	718,632	740,987	2.0%	2.4%
Employee Benefit Plans	23,514	24,016	24,736	25,478	26,242	27,030	27,841	3.0%	3.0%
Long Term Bank Debt (financial leases)	8	8	8	8	8	8	8		
Provisions	45,290	35,052	36,804	38,645	40,577	42,606	44,736	5.0%	5.0%
Other Non-Current Liabilities	7,856	7,022	7,022	7,022	7,022	7,022	7,022		
Total Non-current Liabilities	76,668	66,097	68,570	71,153	73,849	76,665	79,607	-4.7%	-2.3%
Total Liabilities	684,369	706,665	722,486	746,069	769,969	795,298	820,593	1.3%	1.8%
Share Capital & Capital in Excess	95,700	95,700	95,700	95,700	95,700	95,700	95,700		
Reserves	43,809	43,809	43,809	43,809	43,809	43,809	43,809		
Retained Earnings - Profit Brought Forward	128,026	128,026	128,026	128,026	128,026	128,026	128,026		
Proposed Dividends	350,900	223,300	223,300	255,200	287,100	303,050	319,000	-8.5%	-4.7%
Adjustments - exchange differences	-23	-23	-23	-23	-23	-23	-23		
Total Equity	618,412	498,912	490,812	522,712	554,612	570,562	586,512	-4.0%	-2.1%
Minorities	0	0	0	0	0	0	0		
TOTAL LIAB. & EQUITY	1,302,781	1,197,477	1,213,298	1,268,781	1,324,581	1,365,860	1,407,105	-1.1%	0.1%

Source: ATE Securities Research

Exhibit 15. Cash Flow Statement

OPAP (IFRS - Cons - €000)							
CASH FLOW (€000)	2009a	2010e	2011f	2012f	2013f	2014f	2015f
EAT	593,789	476,407	477,165	512,053	589,184	610,998	626,083
Plus: Depreciation	96,537	42,540	44,029	45,570	47,165	48,816	50,524
Less: Taxes	352,358	422,474	390,408	386,286	331,416	343,686	352,172
Cash Earnings	283,971	97,962	132,327	172,932	306,584	317,836	326,204
Less: Increase in Inventory	-144	43	-79	116	-69	117	-68
Less: Increase in Receivables	-30,460	26,161	-27,720	29,358	-27,278	29,400	-27,236
Less: Increase in Other Receivables	-30,800	35,230	6,880	7,086	7,299	7,518	7,743
Plus: Increase in Suppliers	-1,787	207	-2,700	2,256	2,731	2,782	2,834
Plus: Increase in Other Liabilities	-17,135	23,257	3,339	3,539	3,752	3,977	4,216
Change in Working Capital	42,482	-37,971	21,559	-30,765	26,531	-30,275	26,610
Less: Increase in Goodwill	-28,416	-21,311	-21,199	-19,079	-17,172	-15,454	-13,909
Less: Increase in Deferred Taxes	-759	-1,353	-695	683	494	757	524
Plus: Increase in Employee Benefits	877	502	720	742	764	787	811
Plus: Increase in Cross Currency Swap Payables Relating to Borrowings	-32,411	0	0	0	0	0	0
Plus: Increase in Other Non-Current Liabilities	834	-834	0	0	0	0	0
Plus: Increase in Tax & Social Security	18,589	8,403	14,208	14,706	15,220	15,753	16,305
Operating Cash Flow	315,101	69,414	169,510	156,932	348,605	303,344	369,405
Plus: Increase in Retained Earnings	-95,700	-127,600	0	31,900	31,900	15,950	15,950
Plus: Increase in Exchange Differences	0	0	0	0	0	0	0
Less: Increase in Participations & LT Receivables	10,713	0	0	0	0	0	0
Less: Increase in Fixed Assets	0	0	0	0	0	0	0
Investment Cash Flow	-106,413	-127,600	0	31,900	31,900	15,950	15,950
Free Cash Flow	222,185	-68,424	171,263	190,672	382,437	321,322	387,486
Plus: Increase in ST Debt	-21,063	1,000	-1,500	500	-500	0	-1,000
Less: Dividends	350,900	223,300	223,300	255,200	287,100	303,050	319,000
Financing Cash Flow	-371,963	-222,300	-224,800	-254,700	-287,600	-303,050	-320,000
Change in Provisions	13,497	-10,238	1,753	1,840	1,932	2,029	2,130
Change in Cash & Securities	-6,801	-185,975	80,535	27,319	82,525	-7,009	48,241
Theoretical change in Cash & Securities	-149,778	-290,724	-53,537	-64,028	94,837	18,272	67,486

Source: ATE Securities Research

Exhibit 16. Selective ratios

SELECTIVE RATIOS

Value	2009a	2010e	2011f	2012f	2013f	2014f	2015f
Mkt Cap (€'000)	3,923,700	3,923,700	3,923,700	3,923,700	3,923,700	3,923,700	3,923,700
Enterprise Value (€'000)	4,590,868	4,403,893	4,485,928	4,512,747	4,595,772	4,588,763	4,638,004
Profit Margins	2009a	2010e	2011f	2012f	2013f	2014f	2015f
Gross Margin	21.4%	21.6%	21.8%	21.9%	22.0%	22.0%	22.1%
EBITDA Margin	18.0%	17.1%	16.9%	17.4%	17.4%	17.7%	17.8%
EBT Margin	17.3%	16.6%	16.3%	16.6%	16.6%	16.9%	17.0%
EAT Margin	10.8%	8.8%	8.9%	9.4%	10.7%	10.8%	10.9%
Per share Data (€)	2009a	2010e	2011f	2012f	2013f	2014f	2015f
Share Num. (adj.)	319,000	319,000	319,000	319,000	319,000	319,000	319,000
EPS (after tax)	1.86	1.49	1.50	1.61	1.85	1.92	1.96
EPS (pre tax)	2.97	2.82	2.72	2.82	2.89	2.99	3.07
EBITDAPS	3.10	2.90	2.83	2.95	3.02	3.14	3.21
CFPS	1.99	1.63	1.64	1.75	2.00	2.07	2.13
DPS	1.75	1.35	1.35	1.45	1.55	1.60	1.65
BVPS	1.94	1.54	1.54	1.64	1.74	1.79	1.84
Valuation Ratios (x)	2009a	2010e	2011f	2012f	2013f	2014f	2015f
P/E	6.6	8.2	8.2	7.7	6.7	6.4	6.3
EPS Growth	-18%	-20%	0%	7%	15%	4%	2%
PEG	-0.3	-0.3		1.1	0.5	1.8	2.6
EV/EBITDA	4.6	4.8	5.0	4.8	4.8	4.6	4.5
P/BV	6.3	8.0	8.0	7.5	7.1	6.9	6.7
P/S	0.7	0.7	0.7	0.7	0.7	0.7	0.7
EV/S	0.8	0.8	0.8	0.8	0.8	0.8	0.8
P/CF	6.2	7.5	7.5	7.0	6.2	5.9	5.8
Profitability Ratios (%)	2009a	2010e	2011f	2012f	2013f	2014f	2015f
ROE (avg)	91.6%	85.9%	97.2%	101.0%	112.7%	111.8%	109.7%
ROCE (avg)	43.9%	38.1%	39.6%	41.5%	46.4%	46.4%	45.8%
ROA (avg)	43.9%	38.1%	39.6%	41.5%	46.4%	46.4%	45.8%
ROE - EBITDA (avg)	152.6%	166.8%	184.2%	185.7%	184.6%	183.0%	179.7%
ROA - EBITDA (avg)	73.2%	74.0%	75.0%	76.3%	76.0%	75.9%	75.1%
Liquidity Ratios	2009a	2010e	2011f	2012f	2013f	2014f	2015f
Current Liquidity	1.54	1.26	1.33	1.38	1.43	1.43	1.42
Acid Ratio	1.22	0.90	0.97	1.02	1.07	1.07	1.06
Gearing	90%	69%	68%	70%	72%	72%	71%
Debt / EBITDA	0.03	0.04	0.04	0.03	0.03	0.03	0.03

Source: ATE Securities Research

Disclosures

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COMPANY-SPECIFIC DISCLOSURES

Share Price

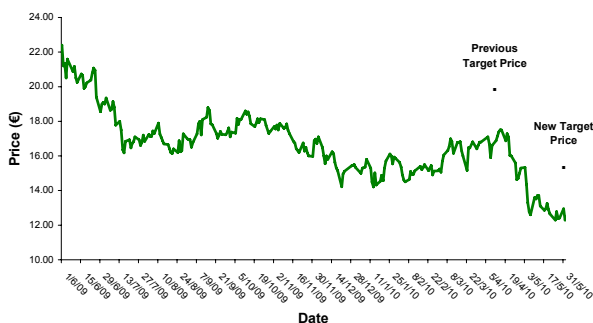
All financial data calculated, are based on the closing price of the previous day, unless otherwise stated.

Frequency of Disclosures

There is no predetermined period for revision updates. ATE Securities SA policy, however, outlines that any major developments in the companies mentioned, should be carefully screened, and it is the analyst's decision whether any such developments materially change their view or opinion stated herein, in order to proceed for an update.

Companies Mentioned in the Report

Investment Outlook History



	Date	Price (€)	TP (€)	Upside / Downside(%)	View
1	09.10.09	18.10	23.87	+31.9%	O-2-3
2	28.01.10	15.94	20.07	+25.9%	O-2-3
3	02.06.10	12.30	15.41	+25.3%	O-2-3

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- 11 i ATE Securities SA has sent this report to the company prior to publication for factual verification
 ii ATE Securities SA has altered the contents of the report sent initially, on the following issues: NO ALTERATION
- 12 The analyst/s expressing views on the company/ies covered by ATE Sec. Universe, has/have a financial interest in the named company/ies: NONE
- 13 The analyst/s expressing views on the company/ies covered by ATE Sec. Universe, has/have a BoD position in the named company/ies: NONE

EQUITY RATING SYSTEM

As of Aug.1 2006, ATE Securities SA has adopted a new rating system. Under the old rating system, ratings and definitions were: Buy, when the estimated valuation fair value exceed current market price by 20% or more, Sell, when the current market price exceed the estimated valuation fair value by 20% or more and Hold, when the estimated valuation fair value falls between the two above range points.

ATE Securities SA - Universe

ATE Securities SA Universe has a universe focused mainly on large capitalisation stocks that represents approx. 76% of ATHEX Market Cap.

Guide to Investment Research Rating System

Under the new Investment Research Rating System, in effect as of Aug.1 2006, **Investment Outlook** refers to the overall view of the analyst covering the company and is not a recommendation. The overall assessment of the company includes a *three factor rating system*: **Investment Rating (O, N, U, NR, UR, R, RS, CS) - Risk Rating (1, 2, 3) - Income Rating (1, 2, 3, 4)**.

Quantitative factors are updated at least quarterly or when deemed necessary.

Investment Rating

The five different categories are indicative of expectations of stock return, compared to the Market Return. Stock return includes price appreciation over the next 6-12 months. In specific:

VIEW	Prefix	Definition
Overweight	O	Stock Return > +9%
Neutral	N	Stock Return in the range [-9%, +9%]
Underweight	U	Stock Return < -9%
Not Rated	NR	The company is not covered by ATE Securities SA Research & Analysis Department
Under Review	UR	Rating not currently available
Restricted	R	ATE Securities SA policy and/or law prohibits investment recommendation
Rating Suspended	RS	There is no sufficient fundamental basis for determining an investment rating or target.
Coverage Suspended	CS	We have suspended coverage on this company

Risk Rating

Risk is measured by a 2-factor equally-weighted model, which takes into account (i) Stock Volatility and (ii) Liquidity

Risk Factor	Definition	Quantification ⁽¹⁾
Stock Volatility	The stocks' standard deviation annualized (log scale)	Bottom 25% percentile
		Medium 25% percentile
		Top 50% percentile
Liquidity	Net Shares traded as % of total shares over a 12-month period	Top 20% percentile
		Medium 40% percentile
		Bottom 40% percentile

(1) percentiles of ATE Securities SA Universe

Source: Athens Stock Exchange, Bloomberg, Effect Finance Database

We use a scale of 1 to 3 to describe Low, Medium, High risk respectively, also taking into account qualitative factors.

When a rating is applied on an IPO, the scale 3 - "High Risk" is applied for a 12-month period.

Income Rating

An Income Rating is produced, based on the forecasted dividend yield for a 12-month period. This is then compared with the YtM of the 10-yr Greek Government bond, as shown below:

Income Measure	Definition	Quantification	
Equity Div. Yield	Relative performance w.r.t. the 10-yr Greek Government bond	More than 50bps	<i>High Div. Yields</i>
		Within the range [-50bps, +50bps]	<i>Medium Div. Yields</i>
		Less than 50bps	<i>Low Div. Yields</i>
		No dividend	<i>No Cash div. Yields</i>

We use a scale of 1 to 4 to describe Low, Medium, High and No Div. income rating respectively.

ATE Securities SA Ratings Distribution

Ratings Distribution	Total	Overweight	Neutral	Under weight	Not Rated	Under Review	Restricted	Rating Suspended	Coverage Suspended
Equity Universe	25	5 (20%)	1 (4%)	-	55%	4 (16%)	1 (4%)	-	-
Invest. Banking Services (per category)	0	-	-	-	0%	-	0%	-	-

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