

OPAP S.A. PRIVATISATION UPDATE 5-4-2013

New Legal framework

The new legal framework on regulating games and OPAP S.A has been voted through parliament on the **26th of March**. The law changes considerably the regulatory framework and will have an impact on the functioning and operation of OPAP.

Technical provider

The main unresolved issue is the contract with the technical provider (INTRALOT) which is expected to be ratified tomorrow the **6th of April** in the General Assembly. The total value of the new contract over the next five years (3+2) is estimated at 108 million euro, 29.5 mil of which for the installation of the new system and 79.3 mil for maintenance.

The BoD of HRADF is expected back the decision of the board. A failure to proceed with the signing of contract may lead to the withdrawal of services by Intralot in June and the collapse of OPAP's operations. The new investor will need at least 2 years to introduce a new system.

HRADF must vote in accordance with the majority of other private shareholders wishes.

Impact of Cyprus

The current crisis in Cyprus has an impact on the Greek market and may also affect privatisations. OPAP SA has limited exposure to Cyprus but the market sentiment has again been affected by increased uncertainty. The impact on Greece may reach 1% of the GDP in 2013 leading to a higher than forecasted recession closer to -5%.

According to an OPAP S.A. announcement:

"a. 1. OPAP's subsidiaries, OPAP Cyprus and OPAP Sports hold in Cyprus Popular Bank (CPB) total deposits of € 1,758m.

2. Total OPAP Cyprus and OPAP Sports deposits held at Cyprus Bank stand at € 1,305m.
- b. There is no exposure in any other financial product of any kind in the aforementioned banks.
- c. The Cypriot subsidiaries' contribution to the Group's topline is less than 5% while their EBITDA contribution is less than 2% for 2012.
- d. In any case the impact on the Group's financials is not significant since the contribution of the Cypriots subsidiaries is low".

Declaration of Consortiums structure

Consortiums will be declared and revealed on the **10th of April**. Discussions among interested parties continue but no final arrangement has been achieved yet. I continue to believe that probably 2-3 firm bids will be submitted at the end. There is some considerable uncertainty on the outcome, as fund based consortiums might move in a more speculative way and decide last minute on submitting bids while strategic based bids will be more consistent and stable but perhaps of a lower value.

Submission of bids

The final bids are expected to be submitted on the **17th of April**. The current leadership of the HRADF is adamant that no other delay will be contemplated. Market sources say that some of the participants have unofficially asked the HRADF to postpone the submission of bids for another 10-15 days so that they have time for discussions and negotiations with financial institutions.