



Q1 2016 – Interim management statement

**According to International Financial Reporting Standards
(IAS 34)**

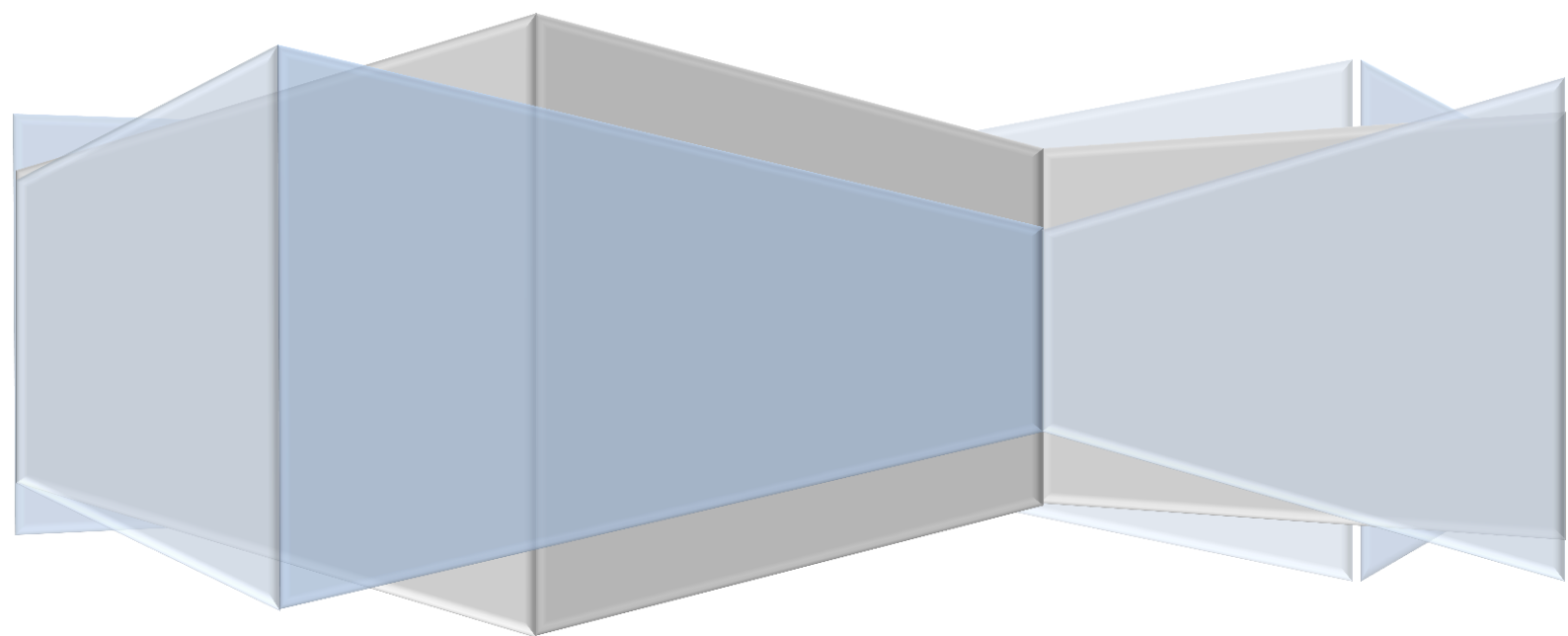


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A. Financial progress and performances of first quarter 2016

Progress and Changes in Financial Figures, Performances

Basic Group economic figures, that are mainly determined by the parent company, are as follows:

1. Games' revenues (GGR) amounted to € 340,711 thousand in the first quarter of 2016 vs. the revenues of the same quarter of 2015 amount of € 356,261 thousand decreased by 4.36%, which reflects: a) Lotteries revenues' increase by 2.43%, b) Sports betting revenues' decrease by 14.07%, and c) Instant & Passives revenues' decrease by 8.74%.
2. The Contribution on the Net Revenues (including the return to the Republic of Cyprus from OPAP CYPRUS LTD) amounted to € 99,198 thousand vs. € 104,498 thousand in the same quarter of 2015, decreased by 5.07%.
3. Net Gaming Revenues (GGR minus GGR Contribution and other levies & duties and agents' commissions) amounted to € 153,805 thousand vs. € 157,696 thousand in the same quarter of 2015, decreased by 2.47%.
4. Profit before depreciation and amortization, interest and taxes (EBITDA) amounted to € 92,962 thousand vs. € 93,172 thousand in the first quarter of 2015, decreased by 0.22%.
5. Profit before tax decreased by 4.11% and amounted to € 75,930 thousand vs. € 79,188 thousand in the first quarter of 2015.
6. Profit after tax decreased by 9.18% amounting to € 53,274 thousand vs. € 58,658 thousand in the first quarter of 2015.
7. Group cash flows are mainly determined by parent company cash flows:
 - a) Operating activities cash inflows during the first quarter of 2016 increased by 83.76%, reaching € 66,055 thousand vs. € 35,947 thousand of the first quarter of 2015. The inflows of 2015 include an one off payment of € 14,754 which represent the second half of the 2010 tax audit additional tax and surcharges imposed by the tax authorities.
 - b) Investing activities cash outflows amount to € 34,468 thousand in the first quarter of 2016 and reflect mainly payment of the remaining amount of the concession agreement for the 20-year exclusive license to organize and conduct horse races mutual betting (€ 32,401 thousand). The investing activities cash outflows amount to € 2,791 thousand in the respective period of 2015 and reflect mainly the acquisition cost of tangible and intangible assets.
 - c) Cash inflows from financing activities amount to € 9,889 thousand.

Basic economic figures at Company level are presented below:

1. Games' Revenues amounted to € 283,709 thousand vs. € 298,388 thousand in the first quarter of 2015, decreased by 4.92%.
2. Profit before interest, tax, depreciation and amortization (EBITDA) amounted to € 85,774 thousand vs. € 83,032 thousand in the first quarter of 2015, increased by 3.30%.
3. Profit before tax increased by 2.16% and amounted to € 74,754 thousand vs. € 73,172 thousand in the first quarter of 2015.
4. Profit after tax decreased by 1.83% amounting to € 52,830 thousand vs. € 53,817 thousand in the first quarter of 2015.

B. Main developments during the first quarter of 2016 and their effect in the interim management statement**Special levy per column**

On 08.05.2016, the Greek Parliament abolished by virtue of Law 4387/2016, which was published in the Government Gazette on 12.05.2016 (A` 85) the special levy of Law 4346/2015, article 12 on OPAP S.A.'s games from the date it entered into force (01.01.2016), due to particular difficulties in its implementation.

According to article 56 of the multiple bill which was voted by the Greek parliament on 22 May 2016, the participation of the Greek State to the company's gaming gross profit (GGR) is increased from 30% to 35% with retrospective effect as of 1 January 2016. The aforementioned contribution will be paid to the Greek State within 16 days after the end of the calendar month this refers to.

Effect of new multiple bill on Company's financials

According to article 56 of the multiple bill which was voted by the Greek parliament on 22 May 2016, the participation of the Greek State to the company's gaming gross profit (GGR) is increased from 30% to 35% with retrospective effect as of 1 January 2016. The relevant law will come into effect as of the date this is published in the official Government Gazette. In this case, the effect in the company's financials will be as follows:

(Amounts in thousands euro)	
Profit before interest, tax, depreciation and amortization (EBITDA)	(14,174)
Profit before tax	(14,174)
Profit after tax	(10,063)
Total equity	(10,063)

HORSE RACES S.A.

On 18.01.2016, HORSE RACES S.A. commenced its operational activities.

Bond loan renewal

On 05.02.2016, HELLENIC LOTTERIES S.A. entered into an Agreement with Alpha Bank for the renewal of the Revolving Bond Loan, originally signed on 30.04.2015, for an amount up to € 50,000 thousand and for a period of three years (ending February 2019).

C. Interim Management Statement

The attached Interim Management Statement as of 31 March 2016 of the OPAP S.A. (the “Company”) and the Group of OPAP S.A. (the “Group”) were approved by the Board of Directors of OPAP S.A. on 26 May 2016 and have been posted at the Company’s website www.opap.gr as well as in the website of Athens Stock Exchange.

It is noted that the published attached financial information arises from the Interim Management Statement, which aim to provide the reader with a general information about the financial status and results of the Group and the Company but they do not present a comprehensive view of the financial position and results of financial performance and cash flows of the Company and the Group, in accordance with the International Financial Reporting Standards (IFRS).

All amounts presented in the interim management statement are in thousands of euro unless otherwise stated.

1. Statement of Financial Position

As of 31 March 2016 and for the three month period then ended on that date

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.03.2016	31.12.2015	31.03.2016	31.12.2015
ASSETS					
Current assets					
Cash and cash equivalents		343,170	301,695	249,828	231,115
Inventories		1,804	4,166	444	280
Receivables		47,126	55,234	19,801	23,391
Other current assets		<u>28,064</u>	<u>28,817</u>	<u>13,774</u>	<u>17,630</u>
Total current assets		420,163	389,913	283,847	272,416
Non - current assets					
Intangible assets		1,244,364	1,222,987	1,056,340	1,063,227
Tangible assets (for own use)		55,141	56,238	31,171	32,861
Investments in real estate property		1,362	1,398	1,362	1,398
Goodwill		14,183	14,183	-	-
Investments in subsidiaries		-	-	189,604	147,604
Investments in associates		11,375	11,225	-	-
Long – term receivables		112	112	112	112
Other non - current assets		3,413	2,962	24,177	24,912
Deferred tax asset		<u>11,224</u>	<u>9,815</u>	-	-
Total non - current assets		<u>1,341,175</u>	<u>1,318,920</u>	<u>1,302,766</u>	<u>1,270,114</u>
TOTAL ASSETS		1,761,338	1,708,833	1,586,613	1,542,530
EQUITY & LIABILITIES					
Short - term liabilities					
Loans	5.1	2,000	32,097	2,000	2,097
Trade payables		87,585	127,091	33,587	52,562
Tax liabilities		129,507	129,942	122,337	119,724
Other payables		<u>65,424</u>	<u>35,853</u>	<u>32,560</u>	<u>23,441</u>
Total short - term liabilities		284,516	324,984	190,483	197,824
Long - term liabilities					
Loans	5.1	155,000	115,000	115,000	115,000
Deferred tax liability		-	-	2,339	3,493
Employee benefit plans		1,102	1,036	989	932
Provisions		58,383	59,061	56,913	57,591
Other long-term liabilities		<u>5,850</u>	<u>5,926</u>	<u>5,334</u>	<u>5,409</u>
Total long - term liabilities		220,335	181,022	180,576	182,425

Equity

Share capital		95,700	95,700	95,700	95,700
Reserves		48,773	48,773	48,474	48,474
Treasury shares		(2,719)	(2,719)	(2,719)	(2,719)
Retained earnings		1,073,283	1,020,068	1,074,099	1,020,827
Non controlling interests		<u>41,451</u>	<u>41,005</u>	-	-
Total equity		<u>1,256,487</u>	<u>1,202,827</u>	<u>1,215,554</u>	<u>1,162,282</u>
TOTAL EQUITY & LIABILITIES		1,761,338	1,708,833	1,586,613	1,542,530

2. Statement of Comprehensive Income

As of 31 March 2016 and for the three month period then ended on that date

(Amounts in thousands of euro except earnings per share)

	Notes	GROUP		COMPANY	
		01.01-31.03.2016	01.01-31.03.2015	01.01-31.03.2016	01.01-31.03.2015
Amounts wagered		1,047,189	1,118,197	882,412	954,218
The Statement of Comprehensive income related to amounts wagered is as follows:					
Revenue (GGR)		340,711	356,261	283,709	298,388
GGR contribution and other levies and duties		(99,198)	(104,498)	(85,042)	(89,306)
Agents' commission		<u>(87,708)</u>	<u>(94,067)</u>	<u>(72,856)</u>	<u>(78,971)</u>
Net gaming revenue (NGR)		153,805	157,696	125,811	130,111
Other operating income		23,755	26,346	7,932	7,374
Operating expenses					
Payroll expenses	5.2	(13,387)	(10,315)	(11,882)	(9,166)
Marketing expenses	5.3	(15,901)	(20,915)	(11,964)	(16,708)
Other operating expenses	5.4	<u>(55,309)</u>	<u>(59,641)</u>	<u>(24,122)</u>	<u>(28,580)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		92,962	93,172	85,774	83,032
Depreciation, amortization and impairment		<u>(14,816)</u>	<u>(14,714)</u>	<u>(9,544)</u>	<u>(9,958)</u>
Results from operating activities		78,146	78,458	76,230	73,073
Financial income		280	573	139	298
Financial expenses		(2,647)	(482)	(1,615)	(199)
Other financial income / (expense)		<u>150</u>	<u>639</u>	-	-
Profit before tax		75,930	79,188	74,754	73,172
Income tax expense		(24,065)	(23,193)	(23,077)	(21,301)
Deferred tax		<u>1,409</u>	<u>2,663</u>	<u>1,153</u>	<u>1,946</u>
Profit after tax		53,274	58,658	52,830	53,817
Parent company shareholders		52,828	58,052	52,830	53,817
Non controlling interests		<u>446</u>	<u>605</u>	-	-
Total income after tax		53,274	58,658	52,830	53,817
Parent company shareholders		52,828	58,052	52,830	53,817
Non controlling interests		<u>446</u>	<u>605</u>	-	-
Basic and diluted earnings (after tax) per share in €		0.1658	0.1820	0.1658	0.1687

3. Statement of Changes in Equity

3.1. Consolidated Statement of Changes in Equity

As of 31 March 2016 and for the three month period then ended on that date

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Treasury shares	Retained earnings	Non controlling interests	Total equity
Balance as of 1 January 2015	95,700	48,474	-	1,023,525	67,365	1,235,064
Total comprehensive income for the period 01.01-31.03.2015	±	±	±	<u>58,052</u>	<u>605</u>	<u>58,658</u>
Balance as of 31 March 2015	95,700	48,474	-	1,081,577	67,970	1,293,721
Balance as of 1 January 2016	95,700	48,773	(2,719)	1,020,068	41,005	1,202,827
Total comprehensive income for the period 01.01-31.03.2016	-	-	-	52,828	446	53,274
Share capital increase expenses of subsidiary	-	-	-	(55)	-	(55)
Share-based payment	±	±	±	<u>442</u>	±	<u>442</u>
Balance as of 31 March 2016	95,700	48,773	(2,719)	1,073,283	41,451	1,256,487

3.2. Statement of Changes in Equity of OPAP S.A.

As of 31 March 2015 and for the three month period then ended on that date

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
Balance as of 1 January 2015	95,700	48,474	-	1,022,488	1,166,661
Total comprehensive income for the period 01.01-31.03.2015	±	±	±	<u>53,817</u>	<u>53,817</u>
Balance as of 31 March 2015	95,700	48,474	-	1,076,305	1,220,479
Balance as of 1 January 2016	95,700	48,474	(2,719)	1,020,827	1,162,282
Total comprehensive income for the period 01.01-31.03.2016	-	-	-	52,830	52,830
Share-based payment	±	±	±	<u>442</u>	<u>442</u>
Balance as of 31 March 2016	95,700	48,474	(2,719)	1,074,099	1,215,554

4. Cash Flow Statement

As of 31 March 2016 and for the three month period then ended on that date

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 31.03.2016	01.01- 31.03.2015	01.01- 31.03.2016	01.01- 31.03.2015
OPERATING ACTIVITIES				
Profit before tax	75,930	79,188	74,754	73,172
Adjustments for:				
Depreciation & Amortization	14,816	14,714	9,544	9,958
Financial (income) /expenses, net	2,373	(92)	1,483	(100)
Employee benefit plans	505	59	496	55
Provisions for bad debts	15	-	-	-
Other provisions	217	128	217	128
Exchange differences	(7)	1	(7)	1
Share of profit from associates	(150)	(639)	-	-
(Gain) /loss from investing activities	(262)	26	(262)	23
Other non-cash items	-	-	729	-
Total	93,436	93,384	86,953	83,237
Changes in Working capital				
(Increase) / decrease in inventories	2,363	673	(164)	-
(Increase) / decrease in receivables	8,677	40,730	7,360	45,218
Increase / (decrease) in payables (except banks)	(12,173)	(64,886)	(11,391)	(58,150)
Increase / (decrease) in taxes payable	<u>(21,855)</u>	<u>(16,416)</u>	<u>(20,481)</u>	<u>(19,022)</u>
Total	70,447	53,484	62,278	51,283
Interest expenses paid	(1,960)	(479)	(1,032)	(197)
Income taxes paid	<u>(2,432)</u>	<u>(17,058)</u>	-	<u>(16,874)</u>
Cash flows from operating activities	66,055	35,947	61,246	34,212
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	265	-	265	-
(Increase) / decrease in share capital of subsidiaries	-	(223)	(42,000)	(9,000)
Payments of capital accumulation tax	(55)	-	-	-
Purchase of intangible assets	(32,589)	(623)	(87)	(1,389)
Purchase of tangible assets	(2,475)	(2,453)	(847)	(619)
Interest received	<u>385</u>	<u>508</u>	<u>248</u>	<u>234</u>
Cash flows (used in) / from investing activities	(34,468)	(2,791)	(42,422)	(10,774)
FINANCING ACTIVITIES				
Proceeds from borrowings	10,000	-	-	-
Payments of borrowings	(97)	-	(97)	-

Financial lease capital payments	-	5	-	-
Dividends paid	<u>(14)</u>	<u>(60,395)</u>	<u>(14)</u>	<u>(60,395)</u>
Cash flows used in financing activities	<u>9,889</u>	<u>(60,390)</u>	<u>(111)</u>	<u>(60,395)</u>
Net increase / (decrease) in cash and cash equivalents	41,476	(27,234)	18,713	(36,956)
Cash and cash equivalents at the beginning of the period	301,695	297,418	231,115	198,455
Cash and cash equivalents at the end of the period	343,170	270,185	249,828	161,499

5. Notes on the interim management statement

5.1. Loans

The Group's and Company's borrowing is as follows:

	GROUP		COMPANY	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Bond loan payable next year	2,000	32,097	2,000	2,097
Less: unamortised direct cost of finance	=	=	=	=
Short term portion	2,000	32,097	2,000	2,097
Long term bond loan	155,000	115,000	115,000	115,000
Less: unamortised direct cost of finance	=	=	=	=
Long term portion	155,000	115,000	115,000	115,000
Total of bond loan	157,000	147,097	117,000	117,097
Less: unamortised direct cost of finance	=	=	=	=
Total	157,000	147,097	117,000	117,097

On 03.04.2015, the Company entered into an Agreement with Piraeus Bank for the renewal of the Revolving Bond Loan for the same amount i.e. up to € 75,000 for a two year period (ending April 2017) with extendable for a further one year (ending April 2018).

On 28.07.2015 the Company signed with National Bank, a credit facility contract with open, debit and credit account, for an amount up to € 15,000 which expires on 30.06.2016.

On 13.10.2015, the Company entered into an Agreement with Eurobank for a Common Bond Loan, according to Law 3156/2003, for an amount up to € 15,000 for a two year period (ending October 2017).

On 07.12.2015, the Company entered into a new Agreement with Eurobank for a Common Bond Loan, according to Law 3156/2003, for an amount up to € 45,000 for a five year period (ending December 2020).

On 07.12.2015, Horse Races S.A. entered into an Agreement with Eurobank for a Common Bond Loan, according to Law 3156/2003, for an amount up to € 5,000 for a five year period (ending December 2020).

On 05.02.2016, HELLENIC LOTTERIES S.A. entered into an Agreement with Alpha Bank for the renewal of the Revolving Bond Loan, originally signed on 30.04.2015, for an amount up to € 50,000 and for a period of three years (ending February 2019). The original agreement was signed on 30.04.2014, for an amount up to € 30,000 for a period of one year and was renewed on 07.04.2015 for a period of one year (ending May 2016).

5.2. Payroll expenses

The analysis of staff cost is as follows:

	GROUP		COMPANY	
Period that ended on 31 March	2016	2015	2016	2015
Wages and salaries	10,581	8,771	9,318	7,845
Social security costs	1,483	1,271	1,281	1,137
Share-based payment	442	-	442	-
Other staff costs	195	214	165	129
Staff retirement indemnities (SLI)	59	59	54	55
Termination compensations	<u>626</u>	<u>–</u>	<u>623</u>	<u>–</u>
Total	13,387	10,315	11,882	9,166

5.3. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Period that ended on 31 March	2016	2015	2016	2015
CSR and sponsorships	7,016	13,912	4,598	11,342
Advertising	<u>8,885</u>	<u>7,004</u>	<u>7,366</u>	<u>5,366</u>
Total	15,901	20,915	11,964	16,708

The amount of donations for the first quarter of 2016 for the Group was € 1,056 and for the Company was € 57, while sponsorships' amount was € 5,960 and € 4,541, respectively.

5.4. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Period that ended on 31 March	2016	2015	2016	2015
IT related costs	14,834	13,701	12,848	11,993
Utilities & Telecommunication costs	2,847	2,782	2,678	2,480
Rentals	1,415	1,102	1,349	1,053
Other	14,332	17,652	7,247	13,054
PAYZONE S.A.	<u>21,881</u>	<u>24,404</u>	<u>–</u>	<u>–</u>
Total	55,309	59,641	24,122	28,580

5.5. Subsequent events

16th Annual Ordinary General Meeting of the Shareholders

The Sixteenth (16th) Annual Ordinary General Meeting of the shareholders of OPAP S.A. took place on Monday, 25.04.2016 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.40 euro per share for the fiscal year 2015. Since the amount of 0.17 euro per share has already been distributed to the shareholders as interim dividend pursuant to the dated 24.08.2015 decision of the Board of Directors' Meeting of the Company, the remaining dividend for the fiscal year 2015 amounts to 0.23 euro per share prior to the relevant tax withhold. Eligible to receive the dividend are OPAP's registered shareholders on Thursday, 05.05.2016 (record-date). The Ex-dividend date for the fiscal year 2015 took place on Wednesday, 04.05.2016. The payment of the remaining dividend commenced on Wednesday, 11.05.2016 and processed via the entitled shareholder's Dematerialized Security System's Operators and via the network of Piraeus Bank.

Common Bond Loan

On 20.04.2016, the Company entered into an Agreement with Eurobank for a Common Bond Loan, according to Law 3156/2003, for an amount up to € 100,000 for a five year period (ending April 2021).