



Q1 2017 – Interim management statement

According to International Financial Reporting Standards

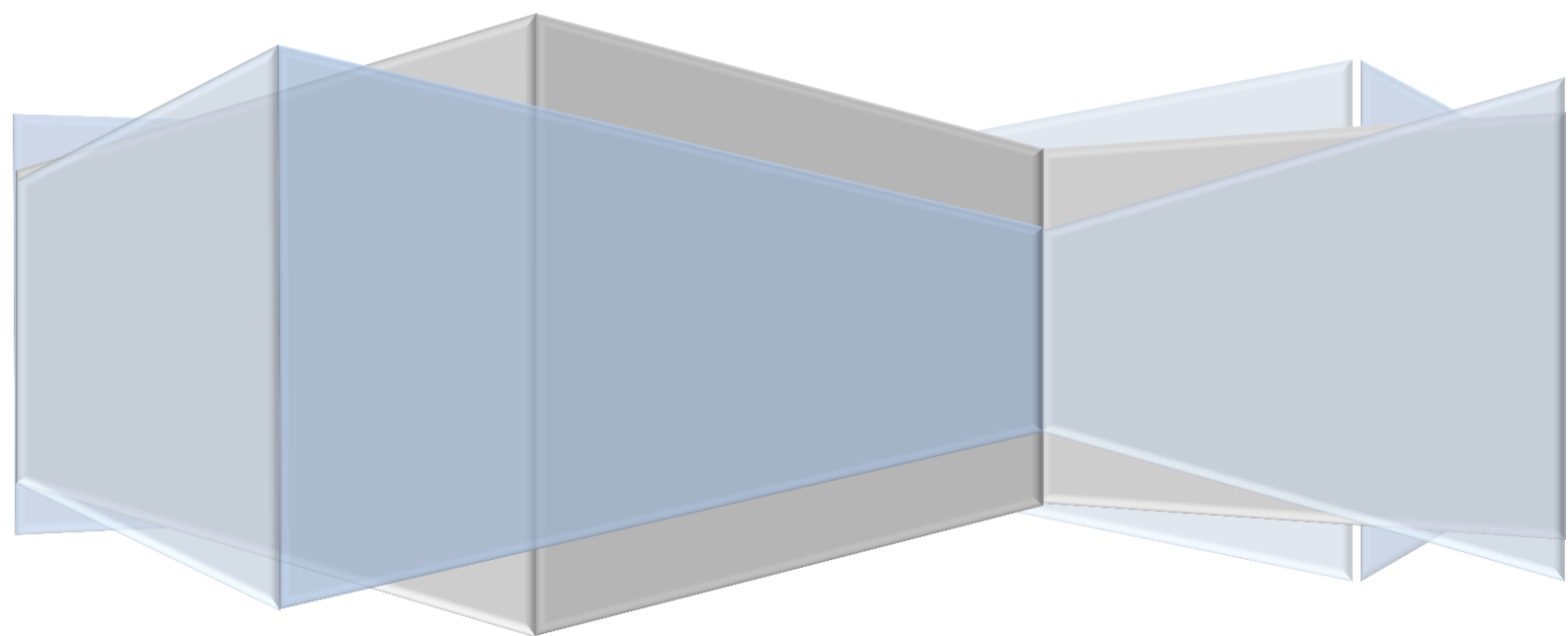


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A. Financial progress and performances of reporting period

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01-31.03.2017	01.01-31.03.2016	Δ %
Revenue (GGR)	358,898	340,711	5.3%
GGR contribution and other levies and duties	119,861	99,198	20.8%
Net gaming revenue (NGR)	148,264	153,805	(3.6%)
Profit before interest, tax, depreciation and amortization (EBITDA)	78,489	92,962	(15.6%)
Profit before tax	59,688	75,930	(21.4%)
Profit for the period	39,601	53,274	(25.7%)
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	51,016	45,805	11.4%
Cash outflows used in investing activities	(23,641)	(14,163)	66.9%
Cash inflows/(outflows) from financing activities	175,837	9,834	1,688.1%

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01-31.03.2017	01.01-31.03.2016	Δ %
Revenue (GGR)	294,510	283,709	3.8%
GGR contribution and other levies and duties	102,883	85,042	21.0%
Net gaming revenue (NGR)	117,478	125,811	(6.6%)
Profit before interest, tax, depreciation and amortization (EBITDA)	71,064	85,774	(17.2%)
Profit before tax	58,150	74,754	(22.2%)
Profit for the period	40,817	52,830	(22.7%)
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	73,022	61,246	19.2%
Cash outflows used in investing activities	(13,067)	(42,422)	(69.2%)
Cash inflows/(outflows) from financing activities	176,002	(111)	(158,210.2%)

B. Main developments during the three-month period of 2017 and their effect on the interim management statement

Increase of Greek State participation to the Company's GGR

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) was increased from 30% to 35% with retrospective effect as of 1 January 2016. The relevant law has come into effect as of the date this was published in the official Government Gazette, i.e. as of 27 May 2016.

The effect in the Company's financials is as follows:

(Amounts in thousands euro)	
Profit before interest, tax, depreciation and amortization (EBITDA)	(14,617)
Profit before tax	(14,617)
Profit after tax	(10,378)
Total equity	(10,378)

VLTs launch

Following the introduction of new the VLTs regulation by the Hellenic Gaming Commission (decision No 225/2/25.10.2016 published in the Government Gazette issue 3528 B01/11/2016). The first Gaming Hall commenced its operating activities on 11.01.2017. Until 31.03.2017, 1,319 VLT machines are operating in 53 Gaming Halls while additional 36 VLT machines have been installed in 12 Opap Stores. The main target of the Company's Management is to multiply the number of VLT machines during the upcoming months.

Bond loan

On 07.02.2017, the Company entered into an agreement with Piraeus Bank for an extension of the Bond Loan of € 75,000 thousand up to 03.04.2018.

Acquisition of treasury shares

Following the decision of OPAP S.A.'s Annual Shareholders General Meeting on 20.04.2015 regarding the acquisition of its own shares, OPAP purchased 194,696 own shares, from 08.02.2017 till 16.02.2017, amounting to a total purchase value of € 1,585 thousand.

Overall, since the AGM approval, OPAP S.A. has acquired and holds a total of 1,182,501 own shares.

Public offer

OPAP S.A., according to the meeting of its Board of Directors dated 28.02.2017, it resolved on the issuance of a common bond loan pursuant to L. 3156/2003 and C.L. 2190/1920, of a minimum amount of one hundred million EUR (€ 100,000,000) up to a maximum amount of two hundred million EUR (€200,000,000), the placement of the bonds through a public offering and their admission for trading on the Regulated Market of the Athens Exchange under the Fixed Income Securities segment.

Following the completion of the Public Offer that took place between 15 and 17 March 2017, in accordance with article 8 par.1 of Law 3401/2005, as in force, and article 3 par. 5 of Decision 19/776/13.02.2017 of the Board of Directors of the Capital Markets Commission, the Company on 17.03.2017 announced that 200,000 common, bearer bonds with a nominal value of € 1,000 each (the Bonds) have been allocated and as a result capital of an amount of € 200m has been raised. The total demand across the yield range from investors that participated in the Public Offer was € 421m. The final yield has been set at 3.50%, the Bonds interest rate at 3.50% and the offer price of the Bonds at € 1,000 each, namely 100% of the nominal value.

C. Alternative Performance Indicators (API)

Group presents certain Alternative Performance Indicators besides from IFRSs arising from its financial statements, particularly the indicator "Net Debt/Earnings before interest, taxes, depreciation and amortization (EBITDA)". The indicator which is defined and calculated in detail below, is widely used in order to present the Group's profits in relation to its debt and how viable servicing its debt is. The Alternative Performance Indicators should not be considered as a substitute for other figures and have been calculated in accordance with the provisions of IFRS.

(Amounts in thousands of euro)	01.01- 31.03.2017	01.01- 31.03.2016	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	21.9%	27.3%	(19.8%)
Profit attributable to owners of the Company / Revenue (GGR)	10.9%	15.5%	(29.9%)
Net debt	82,568	(186,170)	(144.4%)
Total debt / Total equity	50.4%	12.5%	303.2%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	0.3	(0.5)	(157.0%)

Earnings before interest, taxes, depreciation and amortization (EBITDA) as a % of GGR

Calculated as the ratio of earnings before tax, depreciation and amortization (EBITDA) over GGR in the period.

Profit attributable to owners of the Company as a % of GGR

Calculated as the ratio of net profit for the year over GGR for the period.

Net Debt

Calculated as the sum of short-term borrowings plus Long-term Loans at the end of the period minus the "Cash and cash equivalents" balance at the end of the period.

Total Debt/Equity

Calculated as the ratio of the sum of short-term loan plus the sum of Long-term loans at the end of the period over equity at the end of the period.

Net Debt /Earnings before interest, taxes, depreciation and amortization (EBITDA) last twelve months

Calculated as the ratio of Net Debt (see above) over earnings before interest, tax and amortization in the last twelve months.

D. Interim Management Statement

The attached Interim Management Statement as of 31 March 2017 was approved by the Board of Directors of OPAP S.A. per rotation on 12 June 2017 and has been posted at the Company's website www.opap.gr as well as in the website of the Athens Stock Exchange.

It is noted that the published attached condensed financial information arises from the Interim Management Statement, which aims 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 2017 and for the three-month period then ended on that date

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.03.2017	31.12.2016	31.03.2017	31.12.2016
ASSETS					
Non - current assets					
Intangible assets		1,206,738	1,216,858	1,034,737	1,041,090
Property, plant & equipment		66,821	67,583	45,591	45,196
Investment property		935	940	935	940
Goodwill		14,183	14,183	-	-
Investments in subsidiaries		-	-	295,604	280,604
Investments in associates		12,325	12,175	-	-
Long – term receivables		13	13	13	13
Other non - current assets		5,835	6,384	20,573	21,263
Deferred tax asset		<u>5,256</u>	<u>12,154</u>	-	-
Total non - current assets		<u>1,312,105</u>	<u>1,330,291</u>	<u>1,397,453</u>	<u>1,389,107</u>
Current assets					
Cash and cash equivalents		476,734	273,523	301,389	65,433
Inventories		10,225	12,469	2,254	2,350
Trade receivables		59,474	80,634	25,419	33,667
Other current assets		<u>63,591</u>	<u>70,757</u>	<u>42,210</u>	<u>50,198</u>
Total current assets		610,024	437,384	371,273	151,648
TOTAL ASSETS		1,922,129	1,767,675	1,768,725	1,540,755
EQUITY & LIABILITIES					
Equity					
Share capital		95,700	95,700	95,700	95,700
Reserves		32,417	32,417	31,900	31,900
Treasury shares		(9,039)	(7,454)	(9,039)	(7,454)
Retained earnings		<u>953,474</u>	<u>914,614</u>	<u>958,792</u>	<u>917,975</u>
Equity attributable to owners of the Company		1,072,552	1,035,277	1,077,353	1,038,121
Non-controlling interests		<u>37,529</u>	<u>36,954</u>	-	-
Total equity		<u>1,110,081</u>	<u>1,072,231</u>	<u>1,077,353</u>	<u>1,038,121</u>
Non-current liabilities					
Loans	5.1	534,292	263,000	479,292	208,000
Deferred tax liability		-	-	9,216	3,962
Employee benefit plans		1,605	1,507	1,428	1,355
Provisions		34,730	34,049	33,355	32,673
Other non-current liabilities		<u>7,157</u>	<u>6,699</u>	<u>5,726</u>	<u>5,306</u>
Total non-current liabilities		577,784	305,254	529,017	251,296

Current liabilities

Loans	5.1	25,010	118,689	25,010	118,689
Trade payables		115,826	153,348	62,658	65,100
Tax liabilities		42,301	51,429	35,263	43,960
Other current liabilities		<u>51,126</u>	<u>66,722</u>	<u>39,423</u>	<u>23,590</u>
Total current liabilities		234,263	390,189	162,354	251,338
Total liabilities		812,048	695,443	691,372	502,634
TOTAL EQUITY & LIABILITIES		1,922,129	1,767,675	1,768,725	1,540,755

The attached notes on pages 13 to 15 form an integral part of Interim Management Statement.

2. Statement of Comprehensive Income

As of 31 March 2017 and for the three-month period then ended on that date

(Amounts in thousands of euro except earnings per share)

	Notes	GROUP		COMPANY	
		01.01-31.03.2017	01.01-31.03.2016	01.01-31.03.2017	01.01-31.03.2016
Amounts wagered		1,058,009	1,047,189	872,396	882,412
The Statement of Comprehensive income is as follows:					
Revenue (GGR)		358,898	340,711	294,510	283,709
GGR contribution and other levies and duties		(119,861)	(99,198)	(102,883)	(85,042)
Agents' commission		<u>(90,773)</u>	<u>(87,708)</u>	<u>(74,150)</u>	<u>(72,856)</u>
Net gaming revenue (NGR)		148,264	153,805	117,478	125,811
Other operating income		20,511	23,755	8,928	7,932
Operating expenses					
Payroll expenses	5.2	(15,220)	(13,387)	(13,365)	(11,882)
Marketing expenses	5.3	(17,151)	(15,901)	(12,782)	(11,964)
Other operating expenses	5.4	<u>(57,916)</u>	<u>(55,309)</u>	<u>(29,195)</u>	<u>(24,122)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		78,489	92,962	71,064	85,774
Depreciation and amortization		<u>(14,571)</u>	<u>(14,816)</u>	<u>(9,096)</u>	<u>(9,544)</u>
Results from operating activities		63,918	78,146	61,968	76,230
Finance income		538	280	182	139
Finance costs		(4,918)	(2,647)	(4,000)	(1,615)
Other finance income		<u>150</u>	<u>150</u>	-	-
Profit before tax		59,688	75,930	58,150	74,754
Income tax expense		<u>(20,087)</u>	<u>(22,656)</u>	<u>(17,332)</u>	<u>(21,924)</u>
Profit for the period		39,601	53,274	40,817	52,830
Total comprehensive income		39,601	53,274	40,817	52,830
Profit attributable to:					
Owners of the Company		39,026	52,828	40,817	52,830
Non-controlling interests		<u>575</u>	<u>446</u>	-	-
		39,601	53,274	40,817	52,830
Total comprehensive income attributable to:					
Owners of the Company		39,026	52,828	40,817	52,830
Non-controlling interests		<u>575</u>	<u>446</u>	-	-
		39,601	53,274	40,817	52,830
Basic and diluted earnings (after tax) per share in €		0.1228	0.1658	0.1284	0.1658

The attached notes on pages 13 to 15 form an integral part of Interim Management Statement.

3. Statement of Changes in Equity

3.1. Consolidated Statement of Changes in Equity

As of 31 March 2017 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 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	53,273
Transactions with owners of the Company						
Share capital increase expenses of subsidiary	-	-	-	(55)	-	(55)
Long-term bonus incentive scheme	-	-	-	442	-	442
Total transactions with owners of the Company	-	-	-	387	-	387
Balance as of 31 March 2016	95,700	48,773	(2,719)	1,073,283	41,450	1,256,487
Balance as of 1 January 2017	95,700	32,417	(7,454)	914,614	36,954	1,072,231
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	39,026	575	39,601
Transactions with owners of the Company						
Acquisition of treasury shares	-	-	(1,585)	-	-	(1,585)
Share capital increase expenses of subsidiaries	-	-	-	(165)	-	(165)
Total transactions with owners of the Company	-	-	(1,585)	(165)	-	(1,751)
Balance as of 31 March 2017	95,700	32,417	(9,039)	953,474	37,529	1,110,081

The attached notes on pages 13 to 15 form an integral part of Interim Management Statement.

3.2. Separate Statement of Changes in Equity

As of 31 March 2017 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 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
Long-term bonus incentive scheme	±	±	±	442	442
Balance as of 31 March 2016	95,700	48,474	(2,719)	1,074,099	1,215,554
Balance as of 1 January 2017	95,700	31,900	(7,454)	917,975	1,038,121
Total comprehensive income for the period 01.01-31.03.2017	-	-	-	40,817	40,817
Acquisition of treasury shares	-	-	(1,585)	-	(1,585)
Balance as of 31 March 2017	95,700	31,900	(9,039)	958,792	1,077,353

The attached notes on pages 13 to 15 form an integral part of Interim Management Statement.

4. Cash Flow Statement

As of 31 March 2017 and for the three-month period then ended on that date

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 31.03.2017	01.01- 31.03.2016	01.01- 31.03.2017	01.01- 31.03.2016
OPERATING ACTIVITIES				
Profit before tax	59,688	75,930	58,150	74,754
Adjustments for:				
Depreciation & Amortization	14,571	14,816	9,096	9,544
Net finance costs	4,363	2,373	3,801	1,483
Employee benefit plans	680	505	655	496
Provisions for bad debts	15	15	-	-
Other provisions	849	217	841	217
Exchange differences	18	(7)	18	(7)
Share of profit from associates	(150)	(150)	-	-
(Gain) /loss from investing activities	21	(262)	3	(262)
Other non-cash items	-	-	<u>689</u>	<u>729</u>
Total	80,054	93,436	73,252	86,953
Changes in Working capital				
Decrease / (increase) in inventories	2,232	2,363	96	(164)
Decrease in receivables	16,825	8,677	4,261	7,360
(Decrease) / increase in payables (except banks)	(32,834)	(32,423)	8,203	(11,391)
Decrease in taxes payable	<u>(10,226)</u>	<u>(21,855)</u>	<u>(8,685)</u>	<u>(20,481)</u>
Total	56,051	50,197	77,128	62,278
Interest paid	(5,035)	(1,960)	(4,107)	(1,032)
Income tax paid	-	<u>(2,432)</u>	-	-
Net cash flows from operating activities	51,016	45,805	73,022	61,246
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	44	265	-	265
Loans received from third parties	89	-	-	-
Share capital increase in subsidiaries	-	-	(10,000)	(42,000)
Purchase of intangible assets	(21,025)	(12,339)	(261)	(87)
Purchase of property, plant and equipment	(2,969)	(2,475)	(2,874)	(847)
Interest received	<u>221</u>	<u>385</u>	<u>68</u>	<u>248</u>
Net cash flows used in investing activities	(23,641)	(14,163)	(13,067)	(42,422)
FINANCING ACTIVITIES				
Proceeds from loans & borrowings	196,274	10,000	196,274	-
Payments of loans & borrowings	(18,680)	(97)	(18,680)	(97)
Acquisition of treasury shares	(1,585)	-	(1,585)	-

Share capital increase expenses of subsidiaries	(165)	(55)	-	-
Dividends paid	<u>(7)</u>	<u>(14)</u>	<u>(7)</u>	<u>(14)</u>
Net cash flows from / (used in) financing activities	<u>175,837</u>	<u>9,834</u>	<u>176,002</u>	<u>(111)</u>
Net increase in cash and cash equivalents	203,211	41,476	235,957	18,713
Cash and cash equivalents at the beginning of the period	<u>273,523</u>	<u>301,695</u>	<u>65,433</u>	<u>231,115</u>
Cash and cash equivalents at the end of the period	476,734	343,170	301,389	249,828

The attached notes on pages 13 to 15 form an integral part of Interim Management Statement.

5. Notes on the interim management statement

5.1. Loans

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

	GROUP		COMPANY	
	31.03.2017	31.12.2016	31.03.2017	31.12.2016
Total long-term loans	534,292	263,000	479,292	208,000
Short-term loans				
Current portion of long term loans	25,000	100,000	25,000	100,000
Short-term loans (overdraft accounts)	<u>10</u>	<u>18,689</u>	<u>10</u>	<u>18,689</u>
Total short-term loans	25,010	118,689	25,010	118,689

The terms and conditions of outstanding loans are as follows:

Bank	Year of maturity	GROUP		COMPANY	
		31.03.2017	31.12.2016	31.03.2017	31.12.2016
Bond Loan, amount € 75,000	2018	75,000	75,000	75,000	75,000
Bond Loan, amount € 50,000	2019	50,000	50,000	-	-
Bond Loan, amount € 15,000	2017	13,000	13,000	13,000	13,000
Bond Loan, amount € 45,000	2020	45,000	45,000	45,000	45,000
Bond Loan, amount € 5,000	2020	5,000	5,000	-	-
Bond Loan, amount € 100,000	2021	100,000	100,000	100,000	100,000
Bond Loan, amount € 75,000	2018	75,000	75,000	75,000	75,000
Bond Loan, amount € 200,000	2022	196,292	-	196,292	-
Overdraft, amount € 15,000		10	12,100	10	12,100
Overdraft, amount € 10,000		-	6,589	-	6,589
Total		559,302	381,689	504,302	326,689

5.2. Payroll expenses

The analysis of staff cost is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2017	2016	2017	2016
Wages and salaries	12,339	10,581	10,833	9,318
Social security costs	1,946	1,483	1,663	1,281
Long-term bonus incentive scheme	583	442	583	442
Other staff costs	254	195	214	165
Defined benefit plans	96	59	72	54
Termination compensations	<u>2</u>	<u>626</u>	-	<u>623</u>
Total	15,220	13,387	13,365	11,882

5.3. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2017	2016	2017	2016
CSR and sponsorships	7,422	7,016	5,278	4,598
Advertising	<u>9,729</u>	<u>8,885</u>	<u>7,504</u>	<u>7,366</u>
Total	17,151	15,901	12,782	11,964

5.4. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Period that ended on March 31,	2017	2016	2017	2016
IT related costs	16,277	15,300	14,044	12,848
Utilities & Telecommunication costs	3,903	3,257	3,415	2,678
Rentals	1,863	2,065	1,054	1,349
Other	16,056	11,461	9,389	6,863
Inventory consumption	<u>19,816</u>	<u>23,225</u>	<u>1,293</u>	<u>384</u>
Total	57,916	55,309	29,195	24,122

5.5. Subsequent events

17th Annual Shareholders Ordinary General Meeting

The Seventeenth (17th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that took place on Tuesday, 27.04.2017 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.72 euro per share prior to the tax withhold for the fiscal year 2016. Since the amount of 0.12 euro per share had already been distributed to the shareholders as interim dividend pursuant to the dated 30.08.2016 decision of the Company's Board of Directors, the remaining dividend for the fiscal year 2016 amounted to 0.60 euro per share prior to the relevant tax withhold. Eligible to receive the dividend were OPAP's registered shareholders on Wednesday, 03.05.2017 (record-date).

Request for Arbitration against Horse Races S.A.

OPAP S.A. announced that a concession agreement was signed with the Hellenic Republic Asset Development Fund (HRADF) for the 20-year exclusive license to organise and conduct horse races mutual betting. The final approval was provided by the Greek Parliament on 6 November 2015 and the operations commenced on 8 January 2016. The remaining balance outstanding of €20,251 was fully repaid on 5 January 2017.

The Hellenic Republic Asset Development Fund (HRADF) filed on 2 May 2017, a Request for Arbitration against Horse Races S.A., at the London Court of International Arbitration. The subject matter of the dispute relates to the non-payment of 10% interest (€2.25m.) allegedly due with the last instalment of the financial consideration (amounted to €20.25m) as provided in the Concession Agreement, which (financial consideration) has been timely and fully paid by Horse Races S.A. to the HRADF.

Increase in participation at Neurosoft S.A.

OPAP S.A. announced that its 100% subsidiary OPAP Investment Ltd signed on 07 June 2017, an SPA for the acquisition of a 38.19% stake in Neurosoft S.A. for a total consideration of €34.2m..

Upon transaction conclusion, OPAP's total participation at Neurosoft will reach 67.72%, taking into consideration its current stake of 29.53%, holding it through its subsidiaries.

The closing of the transaction is pending clearance by the competent competition authorities.