ANNUAL FINANCIAL REPORT 2016

FROM JANUARY 1ST TO DECEMBER 31ST 2016
ACCORDING TO ARTICLE 4 OF L. 3556/2007

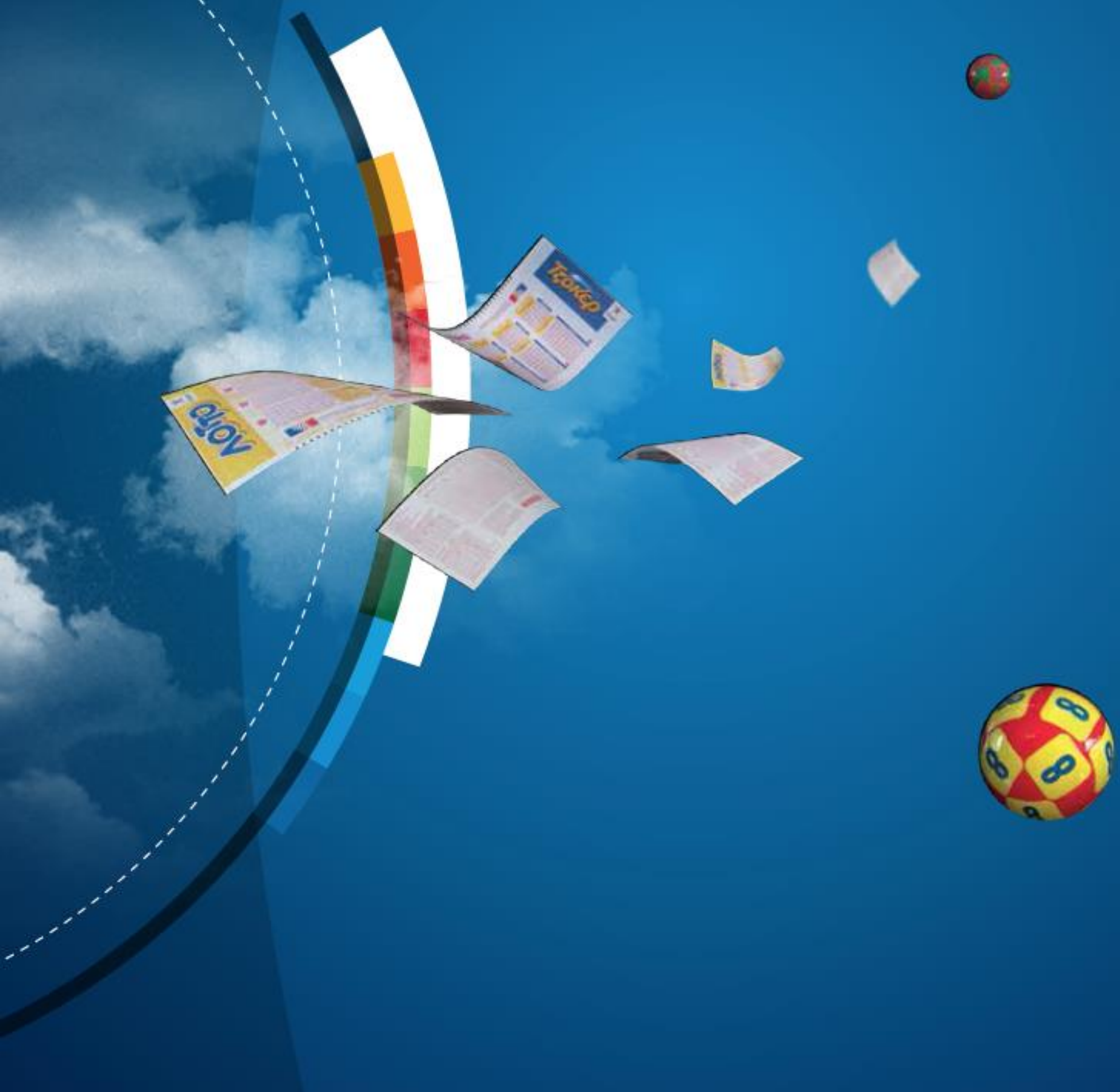


TABLE OF CONTENTS

I. Representation of the Members of the Board of Directors

(according to article 4, par. 2 of L. 3556/2007)

The members of the Board of Directors of ORGANIZATION OF FOOTBALL PROGNOSTICS S.A., of parent company (the "Company"):

1. Kamil Ziegler, Chairman,
2. Damian Cope, Chief Executive Officer,
3. Michal Houst, Member of the Board of Directors and Chief Financial Officer

notify and certify that as far as we know:

a) the attached financial statements (consolidated and separate) of the Group of OPAP S.A. (the "Group") for the period 01.01.2016 to 31.12.2016 ,which have been prepared in accordance with the applicable International Financial Reporting Standards, provide a true and fair view of the assets and liabilities, the equity and the results of the Group and the Company, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.

b) the Board of Directors' report provides a true and fair view of the financial position and the performance of the Group and the Company, including a description of the main risks and uncertainties, as defined on paragraphs 3 to 6 of article 4 of the L. 3556/30.4.2007 and from authorization decisions by the Board of Directors of the Hellenic Capital Market Commission.

Athens, 28 March 2017

Chairman	Chief Executive Officer	Board Member and Chief Financial Officer
Kamil Ziegler	**Damian Cope**	**Michal Houst**

II. Board of Directors' Report for the period 1.1.2016 - 31.12.2016

(according to article 4 of L. 3556/2007)

The report of the Board of Directors of the Company concerns the year 2016 and was prepared in accordance with the articles 43a, 43bb, 107a and 136 of Law 2190/1920. According to the article 4 of Law 3556/2007 and the Hellenic Capital Market Commission Decision 8/754/14.04.2016 article 2 and the Company's Articles of Association, we submit you for the period 01.01.2016 - 31.12.2016, the annual Board of Directors report, which includes audited Consolidated and Separate Financial Statements, notes to the Financial Statements and audit report by the certified auditor.

The report describes the financial outcome of the Group respectively for the period 01.01.2016 to 31.12.2016 as well as significant events which took place in 2016, as well as the most significant events after the year end. The report also contains a description of the main risks and uncertainties and the expected course and development of the Group. Finally, the corporate governance, the dividend policy, the number and the nominal value of shares as well as the material transactions with the Company's and the Group's related parties are mentioned.

1. Financial progress and performances of year 2016

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01 - 31.12.2016	01.01 - 31.12.2015	Δ %
Revenue (GGR)	1,397,565	1,399,671	(0.2%)
GGR contribution and other levies and duties	466,743	411,964	13.3%
Net gaming revenue (NGR)	573,047	625,339	(8.4%)
Profit before interest, tax, depreciation and amortization (EBITDA)	307,540	377,103	(18.4%)
Profit before tax	236,916	299,592	(20.9%)
Profit for the year	172,856	209,901	(17.6%)
Net increase/(decrease) in cash and cash equivalents			
Cash flows from operating activities	94,301	198,436	(52.5%)
Cash flows used in investing activities	(52,315)	(39,067)	33.9%
Cash flows used in financing activities	(70,158)	(155,093)	(54.8%)

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01 - 31.12.2016	01.01 - 31.12.2015	Δ %
Revenue (GGR)	1,152,655	1,167,601	(1.3%)
GGR contribution and other levies and duties	402,819	350,420	15.0%
Net gaming revenue (NGR)	457,006	516,197	(11.5%)
Profit before interest, tax, depreciation and amortization (EBITDA)	273,892	339,413	(19.3%)
Profit before tax	233,914	301,661	(22.5%)
Profit for the year	172,088	211,091	(18.5%)
Net increase/(decrease) in cash and cash equivalents			
Cash flows from operating activities	83,475	172,634	(51.6%)
Cash flows from/(used in) investing activities	(161,196)	19,385	(931.5%)
Cash flows used in financing activities	(87,961)	(159,359)	(44.8%)

2. Significant events during the year 2016 and their effect on the financial statements

Horse Races

On 18.01.2016, HORSE RACES S.A. commenced its operating activities, i.e. the organization and conduct of horse races in Greece, mutual betting in respect to Greek horse races and additional mutual horse races betting (sweepstake).

Bond loans

On 05.02.2016, HELLENIC LOTTERIES S.A. entered into an Agreement with Alpha Bank for the renewal of the Revolving Bond Loan for amount up to € 50,000 thousand and for a period of three years (ending February 2019). On 01.03.2016, HELLENIC LOTTERIES S.A. repaid the outstanding balance of the loan as of 31.12.2015, € 30,000 thousand, while on 01.03.2016 and 29.06.2016 € 50,000 thousand were disbursed.

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 of € 100,000 thousand for a five year period (ending April 2021).

On 16.06.2016, the Company entered into an Agreement with Piraeus Bank for a Common Bond Loan for an amount of € 75,000 thousand for initial tenor of 12 months, with extension option for further 12 plus 12 months. Management has the intention to comply with required terms and conditions to extend the maturity date for 12 months (ending June 2018).

16th Annual Shareholders Ordinary General Meeting

The Sixteenth (16th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that 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 had already been distributed to the shareholders in the form of interim dividend in August 2015, the remaining dividend for the fiscal year 2015 amounted to 0.23 euro per share. Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 05.05.2016 (record-date).

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).

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) is 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)	(57,546)
Profit before tax	(57,546)
Profit after tax	(40,857)
Total equity	(40,857)

10th Shareholders Extraordinary General Meeting

The Tenth (10th) Shareholders Extra-Ordinary General Meeting of OPAP S.A. that took place on Tuesday, 21.06.2016 at its headquarters, approved the change of the Company's registered office, from Peristeri Attica to the Municipality of Athens. It also approved the increase of the number of the members of the Company's Board of Directors from 12 to 13 and elected Mr. Damian Cope as the new member of the Company's Board of Directors. Finally, it approved the distribution of part of the past years undistributed earnings which represented a dividend of 0.57 Euro per share. Eligible to receive the past years' undistributed earnings' dividend were OPAP's registered shareholders on Friday, 24.06.2016 (record-date).

Restart of the VLTs project

On 02.11.2016, the Company announced that, following the introduction of a new VLTs regulation by the Hellenic Gaming Commission (decision No 225/2/25.10.2016 published in the Government Gazette issue 3528 B01/11/2016), all of the appropriate conditions are now in place to allow the Company to restart plans for the operation of VLT products in Greece. The new regulation decided by the Hellenic Gaming Commission establishes a comprehensive institutional framework that secures public interest and public revenues and at the same time allows the economic viability of the VLT business for the Company and its partners. The new regulatory framework for VLTs takes advantage of the latest gaming technology and wholly leverages all available restrictive measures in order to protect players, in line with international best practices for responsible gaming.

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 581,263 own shares, from 02.11.2016 till 28.12.2016, amounting to a total purchase value of € 4,735.

Overall, since the AGM approval, on 31.12.2016 OPAP S.A. holds 987,805 own shares.

3. Main risks and uncertainties

We present the main risks and uncertainties to which Group may be exposed.

Risk related to political and economic conditions, as well as market conditions and developments in Greece

On a macroeconomic level, the realization of the Third Economic Adjustment Program of the Greek economy continues to be subject to a series of conditions, while its implementation does not guarantee the Greek economy’s expected return to an established course of sustainable growth, something that may lead to negative effects for the Group’s business activities, operational results and financial status.

The Group’s activity is significantly affected by decreased consumer spending, which in turn is affected by the current economic conditions in Greece, such as the unemployment rate, interest rates, inflation rate, tax rate and the increase in GDP rate. Moreover, the economic recession, financial uncertainty and a number of the Group’s customers potential interpretation that the economic conditions are deteriorating, could result in a decrease of the usage of the various gaming services that the Group offers to the public.

The return to economic stability depends greatly on the actions and decisions of the institutions both in the country and abroad, as well as from the assessment of the Greek economy from international creditors in the context of the third program.

Any further negative development in the economy would affect the normal operations. However, the Management is continually adjusted to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

The gaming sector in Greece is intensively regulated by the Hellenic Gaming Commission. The Greek authorities have the right to unilaterally alter the legislative and regulatory framework that governs the manner and modus operandi of the games that the Group offers.

The developments in the Greek regulatory framework, drive evolving regulatory challenges for the Group. Changes in the regulatory environment may have a substantial impact, through restricting betting activities or changing compliance costs and taxes.

OPAP consistently complies with regulatory standards, while understands and addresses changing regulatory requirements in an efficient and effective manner. At the same time new regulatory regimes which make it commercially unviable for the Company to operate its products can restrict our ability to grow the business. Additionally, a potential failure on the Group's part to comply with the governing rules and the regulatory framework, as well as the enactment of new laws or/and further regulatory enforcement could have a negative impact on the Group's business activities. Additionally, restrictions on advertising can reduce the ability to reach new customers, thus impacting the implementation of the strategic objectives to focus on sustainable value increase.

OPAP is willing to actively engage and maintain dialogue with authorities, regulators and other key stake holders, to continually monitor the changing regulatory/legal landscape and through appropriate policies, processes and controls for a rational and balanced gaming regulation.

Tax Change risk

The Group's business activities and the sector in which it does business are subject to various taxes and charges, such as the special contribution regarding games which is calculated based on the gross gaming revenue, the tax on players' winnings and the income tax of legal entities.

The Company is exposed to the risk of changes to the existing gaming taxation status or the gaming tax rates, creating unexpected increased costs for the business and impacting the implementation of Group's strategic objectives for sustainable revenues and additional investments. The Company is seeking to promptly respond to any potential tax changes, by maintaining the required tax planning resources and developing contingency plans so as to implement the required mitigating actions and to minimize the overall impact.

Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. Group operates in Greece and Cyprus, and there are not any agreements with suppliers in currencies other than in euro. All revenues from games are in euro, transactions and costs are denominated or based in euro, subsequently, there is not any substantial foreign exchange risk. Additionally, the vast majority of Group's cost base is, either proportional to our revenues (i.e. payout to winners, agents commission) or to transactions with domestic companies (i.e. IT, marketing).

Interest rate risk

The Group is exposed to interest rate risk principally in relation to outstanding debt. The existing debt facilities, as of 31.12.2016, stand at 381,689 thousands and 326,689 thousands for the Group and the Company respectively. The Group follows all market developments with regards to the Interest Rate environment and acts accordingly. On 31.12.2016 the Group had no outstanding hedge transactions.

Capital Management

The primary objective of the Group and the Company, relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to optimize the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

Credit risk

The Group's exposure to credit risk arises mainly from agents' bad debts as well as from the debts of agents for which arrangements have been made. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group is taking all necessary steps to mitigate credit risk exposure towards financial institutions. The Group is also exposed towards credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships. The Group manages credit risk exposure to its agents through various practices. Each agent is required to provide the Group with a warranty deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, a maximum amount that an agent may owe during each settlement period has been imposed. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from accepting wagers.

Liquidity risk

The Group manages liquidity risk by managing betting games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics. As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1.0 million. Maximum winnings/column are also defined for Stihima, a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. For Stihima game a comprehensive risk management methodology is implemented at different stages of the sport-betting cycle, setting different limits and odds per sport, league and game while treating each event differently. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Finally, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities.

Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network. Additionally, all critical business applications that relate to game operation and availability are hosted in systems that guarantee high availability, including transferring to a Backup Computer System if deemed necessary. Moreover, a critical evaluation of all systems is conducted – whether they are directly related to game availability or not – so that they can be integrated into the Disaster Recovery Plan, if deemed necessary. All applications are integrated in a security backup creation system according to their significance.

4. Company's strategy and Group's prospects for the year 2017

Our 2020 vision is to establish OPAP as a world-class gaming entertainment company. Towards this direction we have developed our strategic framework which is driven by eight priorities:

1 Embedding **Customer** Obsession	2 Investing in our **Network**	3 Developing our **People**	4 Building a World class portfolio of **Products & Services**
5 Leveraging the latest **Digital & Technology** Capabilities	6 Committing to our **Communities**	7 Expanding the power of our **Brand**	8 Rebuilding healthy relationships with the **State, Regulator and other bodies**

1. Embedding Customer Obsession

The first strategic priority is all about the Customer. OPAP is a consumer-facing business serving millions of customers. OPAP aims to be more customer-centric as a company. This will be achieved by understanding our customer better, increasing our internal focus and continuously responding to changing customer behavior.

2. Investing In Our Network

Next is the foundation of our business – our network. OPAP aims to develop its stores to be the customer's local entertainment destination. Each shop acts as the heartbeat of every local community. OPAP will be investing in the shops themselves, introducing a number of new products and services, notably self-service devices. The Company also puts emphasis on the alignment of its interests with those of its agents and on the increase of the level of support that is provided to them.

3. Developing Our People

OPAP's strategic objective is to build a high-performing team with both its employees and agents. Our People are vital to the success of the Company. OPAP needs to attract new talents to Group, develop the existing People through an expanded OPAP Academy program, as well as ensure that the human resources are engaged and retained through a number of initiatives, including more regular two-way internal communications.

4. Building a World-class Portfolio of Products & Services

The objective for the fourth strategic priority is to offer customers a broad range of attractive products whenever and wherever they want. One aspect where OPAP can improve is in the area of Products. There are many products across the Group, but the level of focus can be improved. Our Product team has been tasked with improving existing products, especially sports betting, and introducing new ones, notably better Virtual products and VLTs. New, non-gaming services, such as TORA DIRECT S.A. products, will be introduced across the company's network continuously investigating various opportunities to leverage the increasing power of video content across the Group.

5. Leveraging the latest Digital & Technology Capabilities

The transformation of the role of Digital & Technology within the Group consists one of our objectives, which will be achieved by taking steps to guarantee more speed and more control in the ongoing delivery and improvement of OPAP's products for the customers. This involves investment in people and systems that will deliver improved capabilities. Gaining more Industry knowledge, accelerating delivery with long-term strategic approach to increase the flexibility and agility of the company's technology, as well as to achieve easy integration with third party content and applications consist factors which will lead to improved digital experience.

6. Committing to Our Communities

OPAP understands that it has an important role within the communities in which it operates, both in Greece and Cyprus targeting to the creation of long-term, meaningful benefit so as the company contributes to building a brighter future. OPAP operates displaying strong commitment for health, sports and employment.

In addition, OPAP focuses on stakeholders' engagement. Specifically, our people and customers participate in the CSR programs creating stronger bonds to them, a fact which contributes to building stronger communication with customers on both national and local level.

Last but not least, the Company adopts and develops the highest standards of integrity and responsibility which are part of an integrated Responsible Gaming strategy. The continuous improvement of the policies and procedures Group-wide, the substantial investment in training to help ongoing player protection and into educational campaigns promoting responsible gaming, as well as the international recognition by following clear KPI's consist the framework of this strategic pillar's approach.

7. Expanding the Power of Our Brand

The OPAP brand has a remarkable level of recognition both in Greece and Cyprus, but there is even more we can do to bring the brand alive. By re-establishing our brand's identity and making the most of our powerful 'anthropaki' logo, the company can further extend the reach and impact of its brand, as well as strengthens its dedication to maintain a strong and consistent emotional connection with its customers. Of course, OPAP has to take into account the risks and barriers aiming to:

- reinforce credibility and transparency with further communication and evidence of reasons to trust our games.
- review winnability rates for all games and ensure maximum visibility of winning players and games
- increase our existing comprehensive programme, both internally and externally, to demonstrate our commitment to Responsible Gaming.

8. Enhancing healthy relationships with the State, Regulator and other bodies

OPAP intends to work closely with all key stakeholders: the government, the regulator and other interested parties, maintaining an open dialogue and establishing a better common understanding by putting emphasis on more regulatory certainty and transparent procedures and by working at all levels of OPAP to maintain a more collaborative day-to-day working relationship.

5. Non-financial report – Sustainable development

Our organization

OPAP adopts a holistic approach to Corporate Responsibility, where the accountability for responsible operation lies within each department and each employee, without being solely the responsibility of a specific department. Nevertheless, managing responsible operation issues overall, requires creation of appropriate organizational structures.

- At Board level, our Corporate Responsibility agenda is driven by the Chairman of the Board, while at organizational level the Chief Customer Officer is responsible to identify the strategic risks, set standards and targets and review performance regarding Corporate Responsibility.
- At operational level, the Director of Corporate Responsibility Team, is responsible to cooperate with other departments in order to diffuse responsibilities, policies and practices, and has established a close collaboration with the Quality Management Systems Team.
- At the same time, we have appointed specific executives, responsible for key issues such as Compliance, who coordinate and implement relevant programs and activities.

We operate based on internationally acknowledged best practices

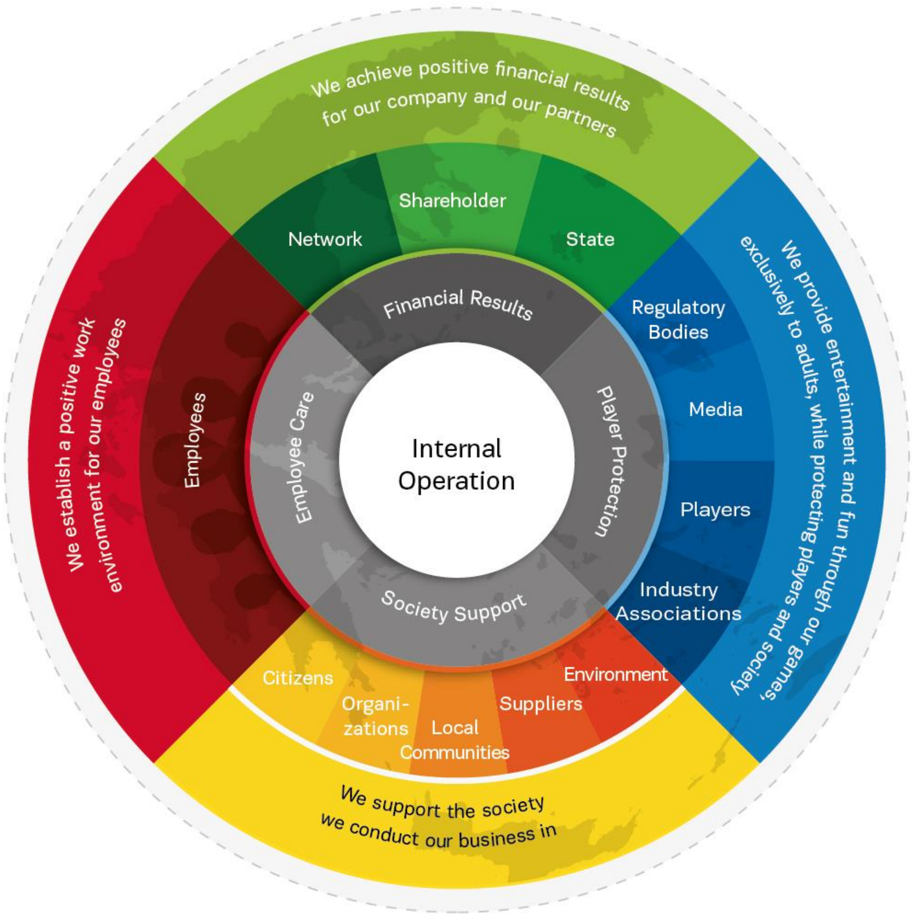
We are committed to pursuing operational effectiveness, customer satisfaction and continuous improvement, as well as maintaining our environmental and social responsibility. This is achieved through the effective implementation of an Integrated Management System for Quality, Environmental and Social Accountability management, certified according to:

- ISO 9001 Quality Management System, certified by Lloyd's Register Quality.
- ISO 14001 Environmental Management System, certified by Bureau Veritas.
- SA 8000 Social Accountability System, certified by Bureau Veritas.

Our policies and material issues

Corporate Responsibility at OPAP is allocated at five main areas, as derived through an internal analysis and dialogue with our stakeholders, which compose our Corporate Responsibility framework to systematically organize and manage all Corporate Responsibility issues. In each one of the areas of Corporate Responsibility, we recognize the Material Aspects, as a result of a four-phase process, with the three main issues per area displayed below.

Corporate Responsibility Framework



We prioritize material issues on the basis of their relative importance to value creation. Below you may find on an indicative basis some of our key material issues.

Areas	Indicative Material Issues		
Internal Operation	Compliance (Code of Conduct)	Corporate Governance	Anti-Corruption
Player Protection	Responsible Gaming	Responsible Communication	Customer Privacy
Employee Care	Work Positions	Equality and Fairness	Health and Safety
Society Support	Responsible Buying	Donation and Sponsoring	Material Consumption
Financial Results / Network Building	Economic Transparency	Money Laundering	Network Compliance

Systems, policies and procedures

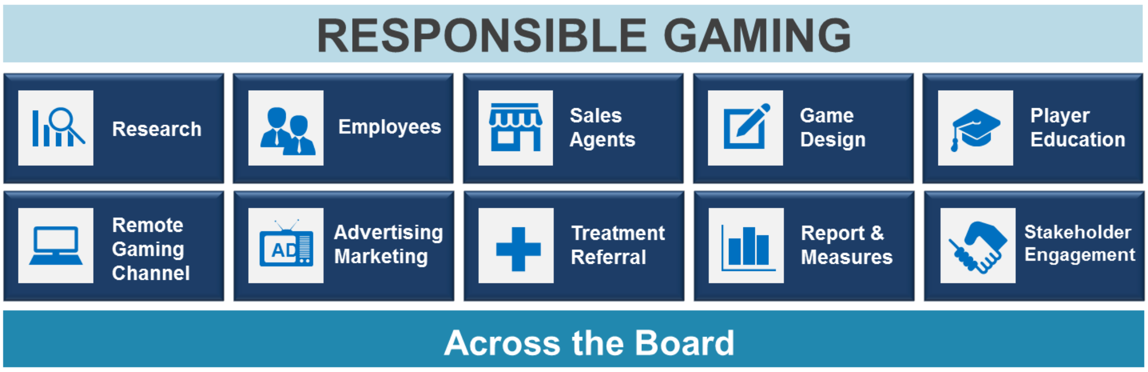
OPAP Group has established a series of Codes, Policies and Procedures, in the framework of its corporate governance, its compliance with the regulatory framework in which it operates and in the context of its Integrated Management System certifications (ISO 9001, ISO 14001, SA 8000). More specifically:

- Hellenic Code of Corporate Governance (adopted by the company)
- Code of Conduct
- Internal Rules and Regulations
- Anti-Money Laundering and Counter Terrorist Financing Policy
- Policy on Responsible Gaming
- Procurement Policy
- Environmental Management Policy
- Quality Policy
- Social Accountability Policy
- Determination & Assessment of Environmental Legal Requirements
- Determination and Evaluation of Environmental Aspects
- Health & Safety Risk Identification and Evaluation
- Policy on CSR Strategy
- Policy on CSR Report Development
- Framework and Policy on Information Assets Security

Player protection

We understand that responsible management of our business is imperative, due to the possible risks and consequences that might arise from excessive participation in games of chance. Therefore, Responsible Gaming is a central element in our sustainability strategy, founded on the company's need to self-regulate and establish an environment, in which a fair, reliable and safe gaming experience is provided to those who choose to use the products and services it offers, for their own entertainment. Following closely the World Lotter Association (WLA) Responsible Gaming framework, we have designed and implement a solid strategy and consequently a series of actions aiming to protect and prevent the general public and especially minors and other vulnerable social groups from excessive participation in games of chance. Within this frame, Responsible Gaming is considered to be the safe environment, in which consumers are provided with timely, accurate and sufficient information about the products, terms and conditions of their use, as well as the possible risks and consequences that might arise through irrational participation in games of chance.

The Responsible Gaming framework for both OPAP S.A. and Hellenic Lotteries S.A. reflects the one adopted by the World Lottery Association (WLA) and consists of the following elements:



SOCIETY SUPPORT

OPAP consistently supports the Greek community and economy. Focused on young generation, the company's Corporate Responsibility strategy is founded on the pillars of Health, Sports and Employment, serving substantial needs and implementing effective intervention programs. At the same time, OPAP continues to invest in supporting Sensitive Social Groups & Communities, responding to stand alone needs of Greek society

Health: Upgrading Medical Conditions for our Children

Having as a key objective to improve the medical conditions for our children, OPAP implements since 2014 the ambitious work of renovating the two largest Children Hospitals in Greece, "Aghia Sophia" and "Panagioti & Aglaia Kyriakou" that serve children from across Greece. So far, OPAP has delivered 8 fully renovated Nursing Units, of 5.330 square meters total area and 191 beds in capacity. In the delivered Nursing Units we completed all the needed construction and decoration works, entirely upgrading them, thus, offering to children, parents, medical and nursing staff a pleasant therapeutic environment.

Sports: Building the Future of Sports

As a living cell of Greek sports, OPAP implements the innovative "Sport Academies" program, investing in the future of sports and aiming to primarily create great people and secondarily great champions.
So far the program's results are impressive. More specifically, 125 Amateur Academies and 10,400 young athletes in 48 Prefectures are supported, while full insurance coverage is provided for their sport activities and sport equipment for their training. Additionally, the training of the 450 coaches is enhances, through seminars that help them to improve the technical and psychological support offered to children. Moreover 20,000 parents are supported by the program's scientific team, who guide them on psychological, pediatric and nutritional issues.

Employment: Reinforcing the Greek Market

The “Business Growth by OPAP” program has been designed to offer a unique prospect to fast growing Small-Medium Enterprises, to develop reaching their full potential and contribute in giving a boost to Greek economy and employment. The participating companies will have access to valuable information as well as to an important network that will help them overcome their obstacles and difficulties, innovate and create new job positions. More specifically, the program aims to provide to the participating companies access to markets, investment and funding as well as to Strategic guidance on issues of financial management, human resources, branding and communication.

Environmental Impact

Although OPAP S.A. is a services company without significant environmental impact, it implements an Environmental Management System certified to ISO14001, in order to ensure that it operates in an environmentally responsible way. In the context of this management system, OPAP:

- determines its environmental aspects and impact, as well as all applicable Environmental Legislation and the requirements of ISO14001,
- designs and implements policies and programs in order to effectively manage compliance and its environmental footprint, as well as minimize negative impact on the Environment,
- constantly evaluates its environmental performance and undertakes corrective or improvement actions.

Employee Care

OPAP recognizes that achieving its strategic objectives and maintaining its growth is closely connected to the performance of its people. Therefore, the company creates work positions and promotes a work environment of transparency, responsibility, respect, equality and safety, while providing training and development opportunities for its employees. OPAP’s commitments are to:

- Create work positions
- Offer additional benefits
- Ensure Health and Safety in the work environment
- Commit in non-discrimination and fair compensation
- Not tolerate child, forced and abusive labour
- Train and develop employees
- Employ effective internal communication strategies

Our results

Below a representative sample of key results is displayed below, which are part of the overall Corporate Responsibility results presented within the Integrated Report (financial and non-financial data) that will be issued by OPAP in 2017.

Indicator	2016	2015	2014
PLAYER PROTECTION			
Employees informed about Responsible Gaming (%)	100	100	100
Agents informed about Responsible Gaming (%)	100	100	100
Calls made to player help-line (number)	1,392	1,144	1,006
SOCIETY SUPPORT			
Societal support activities (number)	149	394	250
Societal support spending (million €)	28	36	48
Electricity consumption (MWh)	5,054.4	4,960.4	6,384.3
Water consumption (m3)	9,501	10,404	7,647
Paper consumption (tn)*	14.9	16.9	21.9
EMPLOYEE CARE			
Employees (number)	973	831	650
Full-time employees (%)	99.7	97.0	99.8
Women in overall workforce (%)	42.86	44.6	48.0
Fatalities (number)	0	0	0

**Paper consumption refers to paper purchases*

6. Related Parties significant transactions

The amounts of expenses and income undertaken in 2016, and the balances of payables and receivables as at 31.12.2016 for the Group and the Company, arising from transactions between related parties are presented in the following tables:

Company's transactions with related parties (eliminated for consolidation purposes)

Company	Expenses	Income	Payables	Receivables
	(Amounts in thousands euro)			
OPAP SERVICES S.A.	5,639	54	1,488	20,614
OPAP SPORTS LTD	1	503	-	-
OPAP CYPRUS LTD	-	26,695	-	6,461
OPAP INVESTMENT LTD	-	3,000	-	802
HELLENIC LOTTERIES S.A.	-	6,202		2,864
HORSE RACES S.A.	-	456	-	495
TORA DIRECT S.A.	-	37	-	29
TORA WALLET S.A.	-	3	-	7

Group's companies transactions with related companies (not eliminated for consolidation purposes)

Company	Expenses	Income	Assets' Purchase	Payables	Receivables
	(Amounts in thousands euro)				
Related companies	8,068	1,924	235	1,092	-

Transaction and balances with Board of Directors members and management personnel

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2016	01.01-31.12.2016
MANAGEMENT PERSONNEL	Salaries	8,895	7,259
	Other compensations	285	207
	Cost of social insurance	759	475
Total		9,939	7,941

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2016	01.01-31.12.2016
BOARD OF DIRECTORS	Salaries	736	330
Total		736	330

From the abovementioned transactions, the transactions and the balances from the subsidiaries have been eliminated from the consolidated financial statements of Group.

7. Corporate Governance Statement

Chairman's Statement on Corporate Governance

The Hellenic Corporate Governance Code (Code) issued by the Hellenic Council of Corporate Governance (ESED) in October 2013, which was adopted by the Company in 2014, continued to apply throughout the financial years 2015 and 2016. The Board takes seriously its responsibility for effective corporate governance and delivery of long-term shareholder and stakeholder reward and its decisions are taken in light of these considerations. I am pleased to report to you directly on OPAP's governance activities.

OPAP and Governance

The Board believes that implementing and maintaining high governance standards underpin our business objectives and our drive to create and maximize shareholder value whilst managing the business effectively, responsibly and with integrity, so that we demonstrate accountability and maintain the trust of all our stakeholders. We are constantly seeking to develop our practices and governance framework to ensure that transparency and good governance permeate through the Group at all levels. In addition to compliance with the best practice advice from regulatory and governance bodies, the Board wishes to ensure that high ethical standards are reflected in business behavior and culture through OPAP's Group Code of Conduct, which was approved by the BoD in 2015 and amended in 2016. The Company's management and employees have acknowledged in writing that they have read and understood the Code and that they will adhere to and comply with its principles and provisions, as amended from time to time.

In May 2016, the Board of Directors approved the new Internal Rules and Regulations of the Company, which aim at regulating the organization and functioning of the Company to secure:

a) business integrity;

b) transparency of business activity;

c) control over management and how management decisions are made;

d) compliance with the legislation and the obligations deriving from the Concession Agreement.

Reports on employee compliance are subject to review by the Audit Committee. In addition, OPAP operates whistleblowing, illegal gaming and responsible gaming hotlines, the reports from which can be reviewed by the Audit Committee. We are committed as a Team to achieve our company's 2020 Vision and a key step in that direction is to shape one shared OPAP culture. At the end of last year, we successfully identified, with the active involvement of people from across our Group, our 4 core values: Fun, Dynamic, Passionate and Fair.

This process generated a dynamic communication and action plan of proposed activities to ensure that our values live and breathe throughout OPAP. One specific action is to have a dedicated Engagement Core Values Team whose mission is to ensure the implementation of specific actions.

Composition of the Board

The current and future composition of the Board remains an issue to which I and the rest of the Board give our full attention. We remain mindful of the recommendations of the Code and it is our aim to comply with these recommendations without compromising the culture that drives the success of our business. In the context of its effort to achieve compliance with the Code's recommendation, the Board has separated the role of the Chairman from that of the Chief Executive Officer. Furthermore, to ensure transparency and responsiveness to its shareholders, there are two non-executive Vice Chairmen.

Furthermore, the Board decided to extend the responsibilities of the Remuneration Committee by adding the responsibility for nomination of new Board Members. The Charter of the Remuneration Committee has been amended to include the new responsibilities of the Remuneration and Nomination Committee.

Risk Assessment and Management

The Board monitors the level of risk through the Group's major risk assessment process which is facilitated by the Internal Audit with the cooperation of Risk Unit, presented to the Audit Committee and submitted to the Chairman of the Board and the CEO. We remain committed to building on and improving our understanding of the key risks facing the Group and its business operations and we constantly refine our tolerance of such risks.

Board Evaluation

The Code recommends that listed companies should undertake an evaluation at least once every two years based on a predefined process. This year, the Board performed its annual evaluation internally.

Diversity

OPAP S.A. is an equal opportunities employer who promotes an inclusive and diverse culture, and is committed to the promotion of equality through our workforce, players, retailers and society. The Company operates under a corporate diversity and inclusion principle adopted. The Board reiterates its view that facilitating and promoting diversity in its broadest sense has helped propel the Company's success to date. It remains its practice to ensure that the Company's Top executive roles, in particular, are open to fresh thinking and must include personnel from different global backgrounds who bring new ideas to the table. It is OPAP's policy to make decisions regarding recruitment and selection, remuneration, career development and training, transfers, promotion and succession planning based solely on merit – being the skills, experience, qualifications and potential of the individual connected to the job – without regard to gender, age, sexuality, family circumstances, marital status, disability, religion, political preference, trade unionism or any other classification protected by applicable law.

As at 31 December 2016:

- the Board members are male and 77% are of the following nationalities: Italian, Czech, Russian, French, Swiss, Cypriot, British,
- the Top Management (Chairman, CEO, Chief Officers) is comprised by male and female (78.6% and 21.4%, respectively) and 64.3% are non-Greek nationals, and
- 27,1% of Team Directors & Team Heads are female.

Explanation on Non-conformities with the Code

The Board recognizes that the objective of the Code is to facilitate management's delivery of business success in a transparent and responsible manner. The Code does not impose a rigid set of rules and recognizes that certain actions and behaviors do not automatically imply poor organizational governance. The Board has authorized an explanation for the following areas:

- The BoD composition is considered satisfactory since it is comprised in its majority of non-executive directors from various industries, nationalities, and age groups.
- The requirement for preapproval of appointment of an Executive BoD member as non-executive member in another non related company is covered partially through the process of special declarations of the BoD members and the Executive team. The specific requirement for periodical submission of special declarations is also included in the new Code of Conduct (difference from special practices 4.4 of the Section on "Duties and Conduct of Board Members").
- The Remuneration & Nomination Committee (which derived from the extention of responsibilities of the pre-existing Remuneration Committee) is composed of Non-Executive Directors, who are independent from executive tasks, including the two Vice-Chairmen of the Board and is considered adequate to fulfill its purpose (difference from special practices 4.6).

The Board has instructed me to confirm that, notwithstanding the foregoing disclosures, each Director's independence of thought and actions was assured and all decisions were taken to promote the success of OPAP as a whole.

Statement of Compliance with the Code

The Corporate Governance Report on the following pages contains a summary of the Company's governance arrangements and the regulatory assurances required under the Code. Except as explained above, the Company has complied with the Code (that is the current legal requirements and additional optional best practices) throughout the year ended 31 December 2016.

Kamil Ziegler, Chairman of the BoD

Corporate Governance Report

Report of the Board

The Company enjoys a premium listing on the Athens Stock Exchange and is therefore required to produce a Corporate Governance Statement containing the information set out in this Report. This Report is prepared with reference to the Hellenic Corporate Governance Code (Code) in effect for the financial periods beginning on or after October 2013. This Report sets out how the Company has applied the main principles of the Code throughout the year ended 31 December 2016 and as at the date of this Report.

A: Leadership

A.1: THE ROLE OF THE BOARD

The Board of Directors is the supreme administrative body of the Company that mainly formulates the Company's strategy and growth policy, while supervising and controlling its management and administration of corporate affairs and the pursue of its corporate purpose.

The Board of Directors is competent to decide on every issue concerning the Company's assets management, administration, representation and its operations in general, taking all appropriate measures and decisions that assist the Company in achieving its objectives. Those issues which, according to the provisions of the law or the Articles of Association, fall within the exclusive competence of the General Meeting shall be outside the competence of the Board of Directors. The Board of Directors shall specifically have the authority to decide on the issuance of any kind of bonds, with the exception of those that by law fall under the exclusive competence of the General Meeting of shareholders. The Board of Directors can also decide on the issuance of bonds convertible into shares following decision of the General Meeting of the shareholders and the provision of authorization to the Board of Directors in accordance with the provisions of Company L. 2190/1920, as in force.

The schedule of 2016 matters for the Board's decision included the following:

- Significant business projects;
- Interest and capital expenditure projects;
- Final approval of annual budgets, business plans, organizational structure, advertising and sponsorships program;
- Approval of financial statements and shareholder communications;
- Treasury policies and changes to borrowing facilities or currency transactions ;
- Regulatory compliance issues and related policies;
- Significant transactions with related parties ;
- Review and approval of recommendations from the Committees of the Board;
- Protection of legal interests of the Company.

Meetings

Board meetings are structured to allow open discussion. The Board meets a minimum of once per month and constitutes additional meetings (including by telephone, video-teleconference or written resolution) to consider specific matters which it has reserved to itself for decision. In 2016, there were twelve regular Board meetings (plus eight additional meetings via rotation). There were eight Audit Committee meetings and five Remuneration Committee meetings. The table below sets out the attendance by individual Directors at scheduled Board and Committee meetings.

Number of Scheduled Meetings Attended during 2016

BoD member name	Position	BoD Presence	BoD Representation	Audit Committee	Remuneration & Nomination Committee
Kamil Ziegler	Executive Chairman	12	-		-
Damian Cope	Chief Executive Officer	**6 ***			-
Spyros P. Fokas	A'Vice-Chairman –Non Executive	12	-	-	5
Pavel Horak	B'Vice-Chairman – Non Executive (**)	11	1	-	5
Michal Houst	Member – Executive CFO	12	-	-	-
Dimitrakis Potamitis	Member– Independent Non Executive	12	-	8	-
Rudolf Jurcik	Member– Independent Non Executive	11	1	8	-
Igor Rusek	Member– Independent Non Executive	11	1	8	-
Christos Kopelouzos	Member– Non Executive	10	2	-	-
Pavel Saroch	Member– Non Executive (**)	11	1	-	5
Konstantin Yanakov	Member– Non Executive	-	12	-	-
Marco Sala	Member– Non Executive	1	11	-	-
Georgios Melisanidis	Member– Non Executive	1	11	-	-

Notes:
In the year 2016, eight (8) additional Meetings were held per rotation, in which all members participated.
(*) Starting from 23.06.2016, date of appointment as CEO
(**) Starting from 02.03.2017, Mr. Pavel Horak was replaced by Mr. Pavel Saroch as B' Vice-Chairman.

Directors' Insurance and Indemnities

The Directors benefit from the indemnity provision in the Company's Articles of Association. Each individual, who is an Officer of the Company and/or of any company within OPAP at any time on or after October 2013, benefits from a deed poll of indemnity in respect of the costs of defending claims against him or her and third party liabilities. Additionally, Directors' and Officers' liability insurance cover was maintained throughout the year at the Company's expense.

A.2: THE CHAIRMAN ROLE

There is a clear division of responsibilities between the Chairman and the CEO in the company's Articles of Association and Internal Rules and Regulations. Both roles were entrusted by the Board and the General Assembly to one person, but on 01.07.2016 the position and duties of the CEO were undertaken by Mr. Damian Cope, while Mr. Kamil Ziegler remained Executive Chairman of the Board of Directors.

The Chairman presides over meetings of the Board of Directors, organizes and directs its work, and reports on it to the ordinary Shareholders Assembly Meeting.

The Chairman's competences are indicatively outlined below:

- Chairing and ensuring that Board meetings constitute a forum where open debate and effective contribution from individual Directors are encouraged, with sufficient time allocated to key issues;
- Encouraging dialogue between the Company and its Shareholders and other stakeholders, and facilitating the Board's understanding of Shareholders' and other stakeholders' concerns;
- Overseeing the induction, information and support provided to directors; and
- Leading the annual performance evaluation of the Board and its Committees;
- Determining the items of the agenda (including items that may have been recommended by the Vice-Chairman or any other member of the BoD), scheduling meetings in a way that ensures that the majority of BoD members are present, and sending members the necessary material to assist debate and decision-making in due time;
- Ensuring that the BoD complies with its obligations towards Shareholders, the Company, the supervisory authorities, the law and the Articles of Association of the Company;
- Where a resolution of the BoD is issued, he may also represent and bind the Company.

A.3: THE CEO/MANAGING DIRECTOR ROLE

The CEO, is vested with all powers necessary to act in all circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose, in accordance with the rules set forth by the law and the Articles of Association of the Company, and subject to the relevant resolutions of the Shareholder Assembly and the Board of Directors.

The CEO, per his role, is also in charge of all Company departments, directs their work, makes the necessary decisions within the context of the framework governing the Company's operations, the approved projects and budgets, Board decisions as well as the Business and Strategic Plan.

The CEO's competences indicatively include:

- Supervising Company business and financial policy;
- Monitoring and assuming responsibility for the Company's financial results and profitability;

- Monitoring internal organization and taking appropriate measures to promote and make good use of the staff; proposing that the BoD approves the drafting of new regulations, organizational charts;
- Approving staff recruitment, as appropriate;
- Defining, in cooperation with the BoD and the Executive Management, the strategic targets of the Company;
- Setting the targets and KPIs, and monitoring the performance of the Company's Management;
- Having the power to delegate the day-to-day management of the business of the Company to each of the Officers of the Executive Committee, acting individually, jointly or as sub-committee;
- Having the power to acquire and dispose of businesses and to approve unbudgeted capital expenditure projects, subject, in each case, to a limit per transaction defined by the BoD;
- Having the power to represent and bind the company against third parties for the signing of payment orders, bank checks, payment of salaries, insurance contributions, payment of taxes and fees of any nature to the State; and
- Having the power to represent the company judicially and extrajudicially, and to sign every document from or addressed to the Company, to instruct advisers and to instigate legal proceedings on behalf of the Company in respect of matters for which no further collective Board authority is required by the law or the Articles of Association;
- In general, the CEO checks the day-to-day operations of the Company and supervises how each Unit performs its tasks.

If the Managing Director is absent or unable to perform his functions, he shall be replaced by a person appointed by decision of the Board of Directors upon the Managing Director's recommendation.

A.4: NON-EXECUTIVE DIRECTORS

Non-executive members of the BoD do not perform executive or managerial duties, but contribute by helping the BoD as follows:

- Constructively challenging and helping in developing strategy proposals;
- If necessary, submitting reports individually or jointly, separately from the BoD reports, to the Shareholders' Assembly Meetings;
- When appointed by the BoD, participating in BoD Committees or any other working group or ad hoc committees formed from time to time, and performing the duties assigned to them in such committees;
- Providing international and operational experience, and knowledge and understanding of global financial issues, the sectors in which OPAP operates and challenges it faces;
- Managing conflicts of interest.

Curricula Vitae of the members of the Board of Directors

Kamil Ziegler

Executive Chairman

Born in Ceska Lipa in the Czech Republic. In 1984 Mr. Ziegler graduated from the University of Economics, Faculty of Trade, in Prague. In 1996 he graduated from the Southern Graduate School of Banking at the Southern Methodist University in Dallas, Texas.

He began his professional career at the State Bank of Czechoslovakia where he served in several top executive managerial positions: he worked as an Executive Director for Finance at Komercni banka, Prague, and then as a deputy CEO and Board member at Czech Savings Bank. Thereafter, he was appointed Chairman of the Board and CEO in the Czech state-owned Consolidation Bank. After that he served as Chairman of the Board and CEO in Raiffeisenbank Czech Republic. He also held the position of Executive Director for Finance and Board Member in the PPF Group. His last executive appointment was as the CEO and proxy holder in SAZKA sazkova kancelar, the largest Czech lottery organisation, where he is currently serving as a Board member.

Mr. Ziegler was also a member of the Board of Directors of many companies in the Czech Republic and Cyprus. He is also the vice-president of the Czech Club of Chief Financial Officers.

Damian Cope

Chief Executive Officer

Damian Cope was appointed Chief Executive and an Executive Board Member of OPAP S.A. with effect from July 2016.

Damian has almost twenty years' experience in the gaming industry having held a number of senior roles across both retail and digital operations. Prior to joining OPAP Damian was Managing Director, International and Group Strategy Director of the leading UK bookmaker Ladbrokes Plc. At Ladbrokes Damian had responsibility for all non-UK, betting & gaming activities, across both retail and digital channels. This included regulated businesses in Spain, Belgium, Denmark, Ireland and Australia.

Damian was also a Board Director of Sportium Apuestas Deportivas, the Spanish sports betting JV with Cirsa Group. Previously Damian was Group Chief Information Officer and Managing Director, Ecommerce for the Gala Coral Group, the leading UK operator of betting, bingo and casino activities. He also held senior management positions at Rank Group Plc and Blue Square. Damian has a law degree from Bristol University, England.

Spiros Fokas

A' Vice-Chairman, Non Executive Member

Born in Piraeus, where he completed his high school studies in Ionidios Exemplary High School.

In 1977 Mr. Fokas graduated from the Law School of the National and Kapodistrian University of Athens, whilst during 1977-1978 he undertook post-graduate studies in shipping law at the University College London.

As an Attorney-At-Law Mr. Fokas has been a member of the Piraeus Bar Association since 1980 and practices law specializing in the sectors of maritime and corporate law.

Mr. Fokas is a member of the Hellenic Maritime Law Association, whereas since 2005 he is a member of the Board of Directors and General Counsel of Aegean Marine Petroleum Network Inc., which is listed on the New York Stock Exchange.

Pavel Horak

Non Executive Member

Presently the Partner and the Chief Investment Officer of EMMA Capital. Mr. Pavel Horak is simultaneously representing EMMA Capital in the Board of Directors member of Sazka Group, a.s., the main investor in Emma Delta. Before joining EMMA Capital, Mr. Pavel Horak served in position of Chief Financial Officer of Home Credit Group since 2012 and previously Chief Financial Officer of PPF Group since 2006. Mr. Horak gained experience in financial management as an auditor at Deloitte & Touche, and later during his tenure as CFO of TV NOVA from 2001 to 2006. He is a graduate of the Faculty of Economics of the Masaryk University in Brno and the Faculty of Finance of the University of Economics in Prague.

Michal Houst

Executive Member

Mr. Houst began his professional career in JM Engineering as a financial manager, before moving to PPF Group as a financial analyst focusing on banking and consumer finance.

In 2010 he became chief banking analyst at PPF Russia, with the focus of his responsibilities on Nomos Bank contributing to its successful IPO and responsible for the preparation of the whole financial section. He was later appointed as a project manager, responsible for various development and restructuring projects within the Bank. In 2013 he joined EMMA Group holding the position of Investment Director, where he was one of the key individuals in the privatization of OPAP within the same year when he joined the company contributing to its successful restructuring.

Christos Kopelouzos

Non Executive Member

Born in Athens, Mr. Kopelouzos is currently Co-CEO of Copelouzos Group with business activities in the area of Natural Gas, Renewable Energy, Electricity Production and Trading, Real Estate, Concessions, Airports and Gaming. In 2002 he completed his studies at the City University/City Business School in the field of Investment & Financial Risk Management.

Georgios Melisanidis

Non Executive Member

Georgios Melisanidis is a Greek entrepreneur with investments in the shipping, oil trading and marine environmental services sectors. Mr. Melisanidis holds a Bachelor Degree in Maritime Studies from the Southampton Solent University.

Marco Sala

Non Executive Member

Marco Sala is Chief Executive Officer of International Game Technology PLC ("IGT"), and serves on its Board of Directors. He is responsible for overseeing the strategic direction of the Company, which is publicly traded on the New York Stock Exchange (NYSE:IGT). He works directly with the board and other senior management to establish long-range goals, strategies, plans, and policies. Prior to April 2015, Sala served as Chief Executive Officer of GTECH S.p.A. (formerly known as Lottomatica Group) since April 2009, and was responsible for overseeing all of the Company's segments including the Americas, International, Italy, and Products and Services. He joined the Company as Co-General Manager in 2003, and since then, has served as a member of the Board of Directors.

In August 2006, he was appointed Managing Director with responsibility for the Company's Italian Operations and other European activities. Previously, he was Chief Executive Officer of Buffetti, Italy's leading office equipment and supply retail chain. Prior to Buffetti, Sala served as Head of the Italian Business Directories Division for SEAT Pagine Gialle. He was later promoted to Head of Business Directories with responsibility for a number of international companies such as Thomson (Great Britain), Euredit (France), and Kompass (Italy).

Earlier in his career, he worked as Head of the Spare Parts Divisions at Magneti Marelli (a Fiat Group company) and soon after, he became Head of the Lubricants Divisions. Additionally, he held various marketing positions at Kraft Foods. Mr. Sala graduated from Bocconi University in Milan, majoring in Business and Economics.

Pavel Saroch

B' Vice-Chairman, Non Executive Member

Mr. Šaroch graduated from the University of Economics, Prague. Having specialized in investment banking and economic management of corporations since 1995, he has served in management positions with securities trading firms such as Ballmaier & Schultz CZ and Prague Securities. From 1999 to 2001, he was Member of the Board of Directors at I.F.B., which focuses on organizational and economic consultancy, management of private investment projects. In 2001, he was appointed Deputy Chairman of the Supervisory Board of ATLANTIK finanční trhy and subsequently became a member of the company's Board of Directors.

Mr. Šaroch is a member of the Boards of Directors of the parent company of KKCG investment group KKCG SE and of individual holding companies that belong to the Group. He is also the Chief Investment Officer of KKCG a.s.

Konstantin Yanakov

Non Executive Member

Mr. Konstantin Yanakov has been Chief Financial Officer of ICT Group. Prior to joining ICT he held various positions at MDM Bank and was CFO of Polymetal since 2005. Mr. Yanakov is Non-Executive Director of Polymetal International PLC and Board member at Rigensis bank, Greek Organization of Football Prognostics SA (OPAP S.A.), O1 properties Limited, JSC NPF Future and Tiscali S.p.A. He graduated from Finance Academy with a degree in Global Economics and received a PhD in Economics from the Russian State University of Management. In 2007, Mr. Yanakov received an MBA from London Business School.

Rudolf Jurcik

Independent non Executive Member

Born in Prague, Czech Republic, Mr. Jurcik is a French citizen. He is married and has two children. Mr. Jurcik studied Ancient and Oriental Languages as well as History at Charles IV University in Prague. He is currently the Owner and Executive Director of the Prestige Oblige, Private Management & Consultants FZ LLC in Dubai. Previously, he served as the CEO of MAF Hospitality (Property) in Dubai and as President of the Oberoi International Group in New Delhi. He has also worked as a Special Advisor to the CEO of Air France Group in Paris and as Managing Director of Forte/Meridien Hotels in Paris.

Additionally, Mr. Jurcik has served as a Senior Vice President of Meridien, based in Athens. He has also worked as a French foreign trade Advisor and as a COO of the Casino Royal Evian in France.

Dimitrakis Potamitis

Independent Non Executive Member

Mr. Potamitis was born in Cyprus. He graduated from the Athens University of Economics and Business (former ASOEE).

His professional career began in 1968, as a junior auditor at PricewaterhouseCoopers International Limited (PwC). His main expertise was shipping and banking audits. Since 1982 and up until 2004, Mr. Potamitis was a PWC Partner in charge of Piraeus Office-Greece, while from 2004 up to 2008 he acted as a Consultant. From 2008 and up until today he is an Independent, Non-Executive Board Member of Aegean Baltic Bank S.A. and Chairman of the Audit Committee, as well as Member of the Remuneration Committee (from 2012) of the aforementioned bank.

Mr. Potamitis has also provided specialist consultancy and advisory services in matters related to the audit of the financial statements of companies in the shipping industry.

He is a Member of the Hellenic Institute of Public Accountants – Auditors.

Igor Rusek

Independent Non Executive Member

Dr. Igor Rusek graduated from the Faculty of Law at the University of Basel, Switzerland, where he undertook post-graduate studies in international private law. He has served for many years as a member of Boards of Directors of various international groups of companies and has managed for two decades in this capacity the organisation of internal audits, accounting standards and corporate governance under applicable international standards. From 1994 to 2001, he was Associate Attorney at ATAG Ernst & Young, auditing and consulting firm in Basel. In 2001 he was appointed Partner and Member of Executive Committee at ATAG. Meanwhile Dr. Rusek is CEO of ATAG PCS Ltd, a leading Swiss based European Advisory Company. He has the chair of ATAGs Compliance Audit Team and is mainly responsible for Audit and Tax Audit Procedures in companies which are administrated by ATAG, as well as their Corporate Governance.

Robert Chvátal

Non Executive Member

The Board of Directors of the Company, held on 02.03.2017, decided upon the election and appointment of Mr. Robert Chvátal as non-executive member of the Board of Directors, in replacement and for the remaining term of office of the resigned non-executive member of the Board of Directors, Mr. Konstantin Yanakov.

B: Effectiveness

B.1: BOARD COMPOSITION

The Board comprises of ten Non-Executive Directors and three Executive Directors, Kamil Ziegler, the Chairman of the Board, Damian Cope, CEO and Michal Houst, CFO. Information regarding the Directors and the Corporate Secretary serving at the date of this Report is set out on page 27. Additional biographical details are available from the Company's website.

B.2: COMMITMENT

All Non-Executive Directors confirm that they are able to allocate sufficient time to meet the expectations of the role and the requirement to disclose any actual or potential conflicts of interest.

B.3: INFORMATION AND SUPPORT

All members of the Board receive timely reports on items arising at meetings of the Board to enable due consideration of the items in advance of meetings. Directors unable to attend a particular meeting during the year had the opportunity to review and raise any issues on the relevant briefing papers.

Each Director has access to the advice and services of the Company Secretary and a procedure exists for Directors to take independent professional advice at the Company's expense in furtherance of their duties.

Company Secretary

The Corporate Secretary ensures that the correct Board procedures are followed and proper records are maintained. All Directors have access to the Corporate Secretary. Her appointment and removal are matters reserved to the Chairman of the Board / CEO.

B.4: EVALUATION

Performance Evaluation

The Board maintains an ongoing review of its procedures and its effectiveness and those of its Committees throughout the year. The Board of Directors is performing a self-assessment in respect to the achievement of the action program it has drafted within the framework of the annual report for the previous year. The performance of each committee is assessed based on its objectives specified at the beginning of each business year and in relation to whether such objectives were achieved or not. The Company considers the introduction of both qualitative and quantitative criteria for the assessment of the performance of both the Board of Directors and its committees.

The evaluation of the Chairman's performance was undertaken by the Remuneration and Nominiation Committee with input from the rest of the BoD members. The Chairman evaluates each Director's performance through one-to-one discussions with other Directors. The Remuneration and Nomination Committee also reviews the performance of the Executive Directors of the Board.

B.5: DIRECTORS' RE-ELECTION

In accordance with Code recommendations, all the Directors are subject to election by shareholders at intervals of no more than four years. Such term of office shall be extended ipso jure until the election of new directors from the next ordinary General Meeting of shareholders in accordance with the more specific provisions of the Articles of Association. The members of the Board of Directors are unconditionally re-eligible and may be freely removed. Members of the Board of Directors are removed by the General Meeting of shareholders. The General Meeting may replace any of the elected members of the Board of Directors even before their term of office expires.

C: Accountability

C.1: FINANCIAL AND BUSINESS REPORTING

The Board is responsible for the integrity of OPAP's consolidated and the Company's financial statements and recognizes its responsibility to present a fair, balanced and understandable assessment of OPAP's position and prospects.

The Board is satisfied that the financial statements and reports to regulators present a fair, balanced and understandable assessment of OPAP's position and prospects.

To assist with financial reporting and the preparation of standalone and consolidated financial statements, the Finance function has in place a series of accounting and treasury policies, practices and controls which are designed to ensure the identification and communication of changes in accounting standards, and reconciliation of core financial systems. The function consists of consolidation and financial accounting teams, and technical support which comprises of Senior Finance personnel who review external technical developments and accounting policy issues.

Throughout the year OPAP has had in place an ongoing process for evaluating the financial reporting process and the preparation of consolidated accounts. The basis for the preparation of consolidated accounts is as set out on page 75 under Accounting Policies.

Following the Audit Committee recommendation, the Board agrees an engagement letter with the Auditors in respect of the full and half-year results and the Auditors' statement on their work and reporting responsibilities.
Information on OPAP's business model and strategy for generating and preserving longer-term growth and delivering on the Company's stated objectives is set out in the Business Strategy section of the Annual Report on page 13.

An extra step involving an additional review of the Annual Report was added to the approval process so that the full Board, acting together, could confirm that the Annual Report was fair, balanced and understandable.

C.2: RISK MANAGEMENT AND INTERNAL CONTROL

The Board has established a risk and control structure designed to manage the achievement of business objectives. It has overall responsibility for OPAP's system of internal control and for the effectiveness of such system. The system follows the guidance on Internal Control – Integrated Framework COSO (Committee of Sponsoring Organizations of the Treaelway Commission) and Risk Management and provides reasonable, but not absolute, assurance against material misstatement or losses.

The Board maintains an ongoing process for evaluating the system of internal control and identifying and managing risk. Management is required to apply judgment in evaluating the material risks OPAP faces in achieving its objectives, in determining the risks that are considered acceptable to bear, in assessing the likelihood of the risks concerned materializing, in identifying OPAP's ability to reduce the potential impact of risks on the business and in ensuring that the costs of operating particular controls are proportionate to the benefit.

OPAP's control environment is supported by the principles of Business Conduct which are included in the Internal Rules and Regulations, and a range of ISO policies and procedures on corporate, social and environmental responsibility and information security. Other key elements within the internal control structure are summarized as follows:

- **The Board and Management** – the Board approves the strategy and performs an advisory and supervisory role, with the day-to-day management of the Company being undertaken by the CEO supported by the CFO and the Executive management. The CEO and other Executives have clearly communicated OPAP's vision, strategy, operating model, values and business objectives across the Group;
- **Organizational Structure** – during the year ended 31 December 2016, the Company presented the new structure of the Executive Committee and the new organizational chart. Throughout the organization, the achievement of business objectives and the establishment of appropriate risk management and internal control systems and processes are embedded in the responsibilities of line managers;
- **Budgeting** – there is an annual planning process whereby operating budgets (opex and capex) for the following financial year are prepared and reviewed by the Board. Long-term business plans are also prepared and reviewed by the Board on an annual basis;

- **Management Reporting** – there is a comprehensive system of management reporting. The financial performance of operating units and OPAP as a whole are monitored against budget on a monthly basis and are updated by periodic forecasts. Area and functional executives also perform regular reviews with their management teams, which incorporate an assessment of key risks and opportunities at least on an annual basis;
- **Risk Management** – as part of the ongoing risk and control process, operating units review and evaluate risks to the achievement of business objectives and the Audit Committee reviews those significant risks which might impact on the achievement of corporate objectives. Mitigating controls, together with any necessary actions, are identified and implemented. A summary of the most significant risks faced by OPAP is included in the Business Strategy section on page 13 and details of OPAP's relationships and principal risks are set out on pages 9 to 12;
- **Business Units' Controls** – each business unit maintains a system of internal control and risk management which is appropriate to its own business environment. Such controls must be in accordance with Group policies and include management authorization processes, to ensure that all commitments on behalf of OPAP are entered into only after appropriate approval.
- **Compliance Controls –** the Group maintains a compliance program that includes an independent and anonymous responsible gaming hotline and a line for reporting illegal gaming sites, systematic reviews by KETHEA and the illegal gaming committee respectively, annual management reviews more specifically in Hellenic Lotteries and ISO systems compliance certification as well as specialized training in specific areas and functions of the business. The Code of Conduct of OPAP S.A. establishes a process for whistleblowing complaints, through which any violation of the Code of Conduct can be reported to the Compliance Officer by formal written or verbal complaint or anonymously. Compliance provides the Audit Committee with regular updates on the compliance controls of the Group and recommendations for continuous improvement; and
- **Monitoring –** the effectiveness of the system of internal control and risk management is monitored regularly through a combination of management review, self-assessment, independent review through quality assurance, environment, health & safety and regulatory audits, as well as independent internal and external audit. The results of internal and external audit reviews are reported to and considered by the Audit Committee, and actions are taken to address any significant control matters identified. The Audit Committee also approves annual internal audit plans and is responsible for performing the ongoing review of the system of internal control and risk management on behalf of the Board. Within 2016, the Company selected Metricstream governance, risk management and compliance software with the aim to automate internal audit and compliance audits. This will be implemented during the first half of 2017.

The Board confirms that reviews the appropriateness and effectiveness of the system of internal control and risk management throughout the financial year and up to the date of approval of the Annual Report and Accounts have been satisfactorily completed.

Report of the Audit Committee

C.3: AUDIT COMMITTEE AND AUDITORS

Audit Committee

The Audit Committee comprises of three independent and non-executive members who have diverse, complementary background.

The Audit Committee members are the following:

1. Dimitris J. Potamitis – Chairman

Mr. Potamitis is a member of the Institute of Certified Public accountant of Greece and ex PWC partner. Mr. Potamitis was in charge of PWC Piraeus office over 25 years. He is also the chairman of the Audit Committee in Aegean Baltic Bank S.A. and member of the Remuneration Committee. He studied economics and accounting in the Athens School of Economics and Business Science. He is expert in International Financial Reporting Standards (IFRS) as well as American Standards (GAAP).

The Chairman spends considerable time to meet committees responsibilities as well as the other two members of the audit committee The members of the audit committee review the audit Committee charter annually, in order to adequately reflect the committee's responsibilities. The Chairman follows continuing education for himself on IFRS basically so he is updated on Accounting, Auditing and Financial Development issues and frauds. The committee keeps minutes for all meetings and the secretary circulates them in draft to the members before they are finalized. Furthermore the committee meets with management with responsibilities for the area of IT, TAX, LEGAL, RISK MANAGEMENT, CORPORATE COMPLIANCE and CODE of CODUCT.

The Chairman meets with management, internal and external auditors before audit committee meetings in order to identify the issues to be included in the agenda.

2. Dr Igor Rusek – Member

Mr. Rusek graduates of Law studies from Basil University in Switzerland. He is the CEO of Swiss consulting company ATAG PCS LTD. and chairman of the Compliance Audit team.

3. Rudolf Jurcik – Member

Mr. Jurcik studied ancient languages and history in the University of Prague and was advisor of Air France, senior V.P. of Meridiem and coo of Casino Royal Evian.

The Audit Committee is entitled by the BoD to communicate with any member of the Company and be informed about the corporate affairs of its competence.

The Audit Committee activities during the year were the following:

- Met eight times at the premises of the company.
- Monitored the adequacy and effectiveness of the system of internal control.
- Reviewed and discussed the reports of the internal audit with the Head of Internal function Mrs. Maria Melliou, findings and recommendations for improvement over financial reporting, and follow-up of remediation actions taken by the management.
- Reviewed the Annual Internal Audit Plan for 2016.
- Understood significant types of risks faced by the company such as:
    - Strategic risks
    - Operational risks
    - Financial risks
    - Compliance risks
- Determined that the company has an effective compliance program, after discussions with the compliance officer.
- Overviewed the reports of the external auditors particularly Management Letter and discussed with them the effectiveness of internal controls and risk system as well as their recommendation for improvement.
- Reviewed transactions with related parties in order to understand management process for approval and accounting for related party transactions.
- Discussed with internal and external auditors how they assess the risk of potential material misstatements.
- The Chairman of the Audit Committee has open communication with the Chairman of the Board and the Auditors.

CONCLUSION

As a result of the above activities, we believe that the Audit Committee performed its role and responsibilities effectively. No unusual transaction, illegal payment, violation of law and regulation came to our attention that should affect the Consolidated Financial Statements. Furthermore, the Audit Committee believes that the Company has policies and controls to prevent and detect fraud and maintains an adequate internal control including controls over financial reporting.

Dimitris Potamitis

Chairman

D: Remuneration

D.1: THE LEVEL AND COMPONENTS OF REMUNERATION

The Company's compensation plan is performance-driven and designed to promote OPAP's innovative and entrepreneurial culture. Following the 2013 OPAP Group privatization, the Board set out to create a truly multinational Company and, as a result of this approach, people of various nationalities cooperate in every sector in which OPAP operates.

The level and components of remuneration across OPAP is designed to facilitate global mobility and diversity. Salary ranges are based on benchmarking and OPAP's annual cash bonus structure, whereas long-term incentives and other benefits are offered.

Details on the Company's remuneration policy and the Board of Directors' compensation arrangements are set out below:

BOARD MEMBERS' REMUNERATION REPORT

The Remuneration and Nomination Committee, as it was renamed by the 26.05.2016 Board of Directors' decision, is responsible for deciding on the fees that encourage good customer service, are fair to all our employees and are aligned with the interests of all of our shareholders.

The primary objective of the Remuneration & Nomination Committee is to assist the Board of Directors in carrying out its duties in the following areas:

• Ensure that there are adequate procedures for the evaluation of the Chairman's remuneration, of non-executive Board Members, of executive Board Members, of the ones that directly report to the CEO, of the Board Committees and of the Board as a whole,

• Ensures that the Company adopts, monitors and implements appropriate policies and remuneration procedures,

• Ensures that disclosures regarding remunerations meet the disclosure objectives of the Board of Directors and of all relevant legal requirements, and

• Evaluates candidates and proposes new members for the Board of Directors.

Our management team is multinational and adaptable and thus the main principles of our philosophy regarding remuneration are the following:

- Simplicity
- Shareholder alignment
- Remuneration by performance

New remuneration regime

There has been a fundamental cultural shift in the Company's remuneration approach:

- Prior to the privatization, the company's policy with regards to bonuses was based on the Collective Labor Agreement with no specific reference to individual performance. Post privatization, focus has shifted towards bonus schemes that build incentives via specific KPIs. Established criteria include quantitative benchmarking based on the overall company performance, taking into account key profitability metrics
- Qualitative criteria also apply, focusing on managerial skills, training & development of the working teams, project deliveries, external communication etc.

It is worth mentioning that bonuses and other variable remuneration arrangements is common practice for companies listed in the FTSE100 index. Research shows that 99% of executives working in index FTSE100 companies at the Executive Committee level and above has a ratio of variable to fixed remuneration in excess of 1: 1, whereas that is not the case in our Company, which accepts as maximum a ratio of 1: 1 only for the position of CEO.

Performance considerations for 2016

- Group Operating Profit, of € 249 million, a decrease of 17.7% on 2016,
- GGR of € 1,398 million, decreased by 0.2% versus last year
- Profit before interest, tax, depreciation and amortization (EBITDA) of € 308 million, decreased by 18.5% versus last year

Although the annual financial targets were not met due to the increased GGR contribution from 30% to 35%, the Remuneration & Nomination Committee suggested to the BoD that a bonus is given to certain executives / key members of staff due to exemplary performance. The BoD decided that the non-achievement of the annual targets cannot be attributed to the performance of the aforementioned executives / key members of staff and decided to suggest to the General Meeting to approve the provision of bonus.

Performance considerations for Long Term Incentive Scheme (LTIS) 2014-2016

On 1 July 2015 OPAP SA introduced a bonus incentive scheme aiming to function as a performance incentive for selected key managers and directors. The scheme provides that the participants will be remunerated in shares. The number of shares each participant will be entitled to will depend on the fulfilment of specified targets. The fair value of each share is valued at the grant date based on the value of each share and the probability that the aforementioned targets will be met.

The number of shares amounts totally to 406 thousand shares. The cost relating to scheme is recognized as payroll cost in the Statement of Comprehensive Income and as retained earnings in the Statement of Changes in Equity.

As far as the LTIS fulfillment is concerned, it must be noted that at the maturity date, 31.12.2016, none of the predetermined targets was met. More specifically,

- Cumulative Profit before interest, tax, depreciation and amortization (EBITDA) for the years 2014-2016, did not reach the targeted level mainly, due to the increased GGR contribution from 30% to 35% and the delay of VLT's project commencement.
- The market price of the OPAP share did not reach the targeted level not only because of the aforementioned factors but also due to the continuous underperformance of Greek stock indices pressured downwards by capital control and lengthy negotiations with creditors.

In conclusion, the Remuneration committee evaluated the LTIS as not fulfilled resulting into closing of the current program with no share distribution to management.

D.2: REMUNERATION COMMITTEE AND PROCEDURE

The Remuneration Committee is chaired by Pavel Saroch, and comprised by three members. All the committee members are non-executive and considered independent from executive tasks (Pavel Saroch, non-executive member and B' Vice-Chairman of the Board of Directors, Spiros Fokas, non-executive member and A' Vice-Chairman of the Board of Directors, and Pavel Horak, non-executive member of the Board of Directors), but not independent according to the full set of criteria of the Code. Their recommendations and reports were submitted to the Board for approval.

We hope that this report achieves the aim of improved transparency and clarity under the new reporting requirements and that we can count on your support at the forthcoming AGM for both our Remuneration policy and the decision we have taken as a committee during the year.

Pavel Saroch,

Chairman of the Remuneration Committee

E: Relations with Shareholders

E.1: RELATIONS WITH SHAREHOLDERS

The Board is committed to effective communications between the Company and its Shareholders. The Executive Directors and the Director of Investor Relations meet regularly with shareholders, institutional investors and financial analysts to discuss matters relating to the Company's business strategy and current performance. The Chairman, the CEO and CFO receive monthly and annual updates on share price developments, major buyers and sellers of shares, peer group analysis, investors' views and analysts' reports on the industry and on the Company specifically by the Investor Relations Division and . Feedback on presentations and roadshow meetings with institutional investors is presented to the Executive Directors of the BoD and any other specifically interested Non-Executive directors. The investor relations program includes:

- Formal presentations of full year and half year results and quarterly interim management statements;
- Regular meetings between institutional investors and senior management to ensure that the investor community receives a balanced and complete view of OPAP's performance, the issues faced by OPAP and any issues of concern to the investors;
- Response to enquiries from institutional and from retail Shareholders through the Company's investor relations team; and
- A section dedicated to Shareholders on the Company's website.

Overall, the Investor Relations Division's main responsibilities are to:

- develop strategies & implement Investor Relation initiatives to target & attract investors and increase shareholders value;
- Enable effective two-way communication between OPAP and financial community to contribute achieving fair valuation;
- Filter Market Feedback to Management.

In 2016 the company participated in ten international investor events and roadshows related to either Gaming, Emerging Markets and/or Greece - South Eastern Europe. The frequency, duration and location of roadshow activity as well as the level of participation is determined in the beginning of the year.

The Investor Relation Team is fully dedicated to communicate with investors community, while the top management including Chairman, CEO, CFO and key directors, are available to discuss governance and strategy with major Shareholders and Institutional Investors should such a dialogue is needed.

E.2: THE ANNUAL GENERAL MEETING

The AGM provides all Shareholders with an opportunity to vote on the resolutions put to them. The AGM is used as the main opportunity for the Directors to meet directly with private investors. It is attended by the Directors and all Shareholders present are given the opportunity to ask questions to the Chairman, the Chairs of Board Committees and the Board as a unit.

On voting, each share has one vote. The results of the poll are released to the Stock Exchange and published on the Company's website shortly after the AGM. In the last three years, quorum of close to 70% was achieved.

8. Dividend policy – Distribution of net profit

In relation to dividend distribution, the Company's Management, after taking into consideration the Company's performance, its prospects and its investment plans, proposes the distribution of dividend of € 0.72 per share before withholding taxes (according to the applicable tax legislation) versus € 0.40 per share for the year 2015.

Furthermore, it must be noted that the Company's Board of Directors, based on the results of the six month period ended on 30.06.2016, approved the distribution of interim dividend of € 0.12 per share. The record date was set for 14.10.2016. Also, the Extra-Ordinary General Meeting of the Company, held on 21.06.2016, approved the distribution of part of the past years undistributed earnings which represented a dividend of € 0.57 per share. Eligible to receive the past years' undistributed earnings' dividend were OPAP's registered shareholders on Friday, 24.06.2016 (record-date).

Based on the aforementioned information, the total dividend (versus the 2015 dividend) before applicable withholding taxes, will be as follows:

	2016	2015
Interim dividend	0.1200	0.1700
Special dividend	0.5700	0.0000
Final dividend	0.6000	0.2300
Total dividend	**1.2900**	**0.4000**

9. Number and par value of shares

All the shares issued by the company are common shares.

The total authorized number of common shares was 319,000,000 on 31.12.2016 with a par value of € 0.30 / share (€ 0.30 in 2015). All issued shares are fully paid.

There was no change in the share capital of the company during the period that ended on 31.12.2016.

10. Subsequent events after the end of fiscal year 2016 and until the announcement of the annual financial report

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 today, 49 Gaming Halls in total operate while one of the main targets of the Company's Management is to multiply the number of operating Gaming Halls.

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. The loan was repayable on 03.04.2017.

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.

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.

11. 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 - 31.12.2016	01.01 - 31.12.2015	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	22.0%	26.9%	(18.3%)
Profit attributable to owners of the Company / Revenue (GGR)	12.2%	15.1%	(19.1%)
Net debt	108,166	(154,598)	(170.0%)
Total debt / Total equity	35.6%	12.2%	191.1%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA)	0.4	(0.4)	(185.8%)

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 year.

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 year.

Net Debt

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

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 year over equity at the end of the year.

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

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

ANNEX

EXPLANATORY REPORT TO THE ORDINARY GENERAL MEETING OF OPAP S.A. SHAREHOLDERS PURSUANT TO ARTICLE 4 PAR. 7-8 OF LAW 3556/2007

The present explanatory report of the company's Board of Directors to the Ordinary General Meeting of OPAP S.A. Shareholders consists of detailed information pursuant to the provisions of art. 4, par. 7 and 8 of L. 3556/2007.

1. Company's Share Capital Structure

The company's Share Capital mounts up to the sum of ninety five million seven hundred thousand (€ 95,700,000), divided to three hundred and nineteen million (319,000,000) nominal common and outstanding voting shares, with nominal value of thirty cents of euro (€ 0.30) each.

The company's Share Capital has not changed during the fiscal period from 1.1.2016 until 31.12.2016.

All shares are admitted to trading at the Athens Stock Exchange Market, classified as Large Cap Stock.

The rights of the Shareholders of OPAP S.A. which stem from the company's share are equivalent to the percentage of their equity investment in the paid-up share capital.

Each share provides all rights and obligations required by the Law and the Statutes and more specifically:

- Participation and voting right to the General Meeting of OPAP S.A.
- The right of being entitled to receive dividend out of annual profits or out of company liquidation, as well as the right on the company's assets in the event of liquidation. Every shareholder listed in the company's share register at the ex-dividend date is entitled to a dividend. The date and the way of the collection of the dividend's distribution are announced by the company through the Media, pursuant to L. 3556/2007 and the relevant decisions of the Exchange Commission. Within five (5) years starting from the year when distribution is approved by the General Meeting, the right of the collection of the dividend is lapsed and the amount not collected is prescribed to the Hellenic Public Sector.
- The right of pre-emption to any share capital increase of the company holding cash and the assumption of new shares.
- The General Meeting of the Company's Shareholders retains all the functions and authorities during the company's liquidation (pursuant to article 46 of its Statutes). The liability of the company's shareholders is limited to the nominal value of shares held.
- The right to receive copies of financial statements and reports of the auditors and the Board of Directors.

2. Restrictions on the transfer of shares of the Company

According to the Law, the Company transfers its shares and this transfer is not subject to restrictions by the Statute.

3. Significant direct and indirect holdings according the provisions of Law 3556/2007

The shareholders (natural persons or legal entities) that according to their notification made up until 31.12.2016 hold directly or indirectly a percentage of shares of more of 5% of its total shares with the respective voting rights, are listed below:

Name	Percentage
Emma Delta Hellenic Holdings Limited	33.00%
The Baupost Group LLC	5.09%
Investors	61.91%

4. Shareholders of any shares with special auditing rights

There are no shares offering to the shareholders special auditing rights in the Company.

5. Restrictions of voting rights

According to the provisions of the company's Statutes, there are no restrictions of shareholders voting rights.

6. Agreements of shareholders, acknowledged by the company, involving restrictions on transfer of shares or exercising of voting rights

The company does not acknowledge the existence of agreements among its shareholders which conclude to restrictions on transfer of shares or exercising of voting rights.

7. Regulations concerning appointment or replacement of members of the Board of Directors and amendment of the Statutes

The regulations of the company's statutes regarding the appointment and replacement of BoD members and the modification of provisions of Statutes do not differentiate from the ones provided in the Codified L. 2190/1920 as amended and currently in force.

8. Competence of the Board of Directors or some of its members regarding issue of new shares or purchase of own shares

According to the Article 8 of the company's Statutes, upon decision of the General Assembly, which is subject to publicity formulations of Article 7b of the codified L. 2190/1920 as currently in force, the Board of Directors can be given the right, upon the Board's decision taken by, at least, a majority of two third (2/3) of its members, to increase the share capital partially or totally by issuing new shares, up to the amount of the paid-up capital the date that the Board of Directors was granted the authority in question. The Board of Directors' authority can be renewed by the General Assembly for a period of time that will not exceed the five-year period for each renewal. No such decision has been made by the General Assembly of the Shareholders.

According to the same article of the Statutes, upon decision of the General Assembly, a program of shares disposal can be established for the members of the Board of Directors and the company's personnel, as well as for the associated companies, in the form of optional right of shares acquisition, with the terms and conditions of paragraph 13, Article 13 of the codified law 2190/1920 as currently in force. No such decision has been made by the General Assembly of the Shareholders.

According to the provisions of Article 16 of the codified L. 2190/1920 as currently in force, the companies listed on the Athens Exchange may acquire own shares, upon decision of the General Assembly of their shareholders, which provides the terms and the conditions of provided acquisitions and, in particular, the maximum number of shares that can be acquired and the duration of this approval. Their acquisition takes place under the Board of Directors responsibility, under the conditions mentioned in the law. No controversy provision exists in the company's Statutes. The Annual Ordinary General Assembly of the Company's Shareholders that was held on 20.04.2015 decided and set the details for the acquisition by the Company of treasury shares, through the Athens Exchange, up to a percentage of 5% of the total paid up share capital of the Company, namely up to 15,950,000 shares. The acquisition of treasury shares shall be made provided that on a case by case basis are considered to be at the Company's own benefit, preferential to other available investment options and as long as the Company's cash flow allows for such acquisitions and for purposes provided for by Regulation 2273/2003 and Decision No. 1/503/13.03.2009 by the Capital Market Commission. The proposed program for the acquisition of treasury shares shall be completed within twenty four months as from the date of the decision of the General Assembly, namely the latest by 19.04.2017, and will be implemented at a maximum acquisition price of 13.00 euros per share and a minimum acquisition price equal to the nominal value price of each share, i.e. 0.30 euros per share. During 2015 and 2016, the Company acquired 406,542 and 581,263 treasury shares, respectively.

9. Important agreements signed by the company, that are put into force, modified or expire in case of change of company control following a public offering and the results of these agreements

There are no agreements that are put into force, modified or expire in case of change of company control following a public offering.

10. Each agreement signed among the company and the members of the Board of Directors or its personnel, which provides for compensation in the event of resignation or dismissals without just cause or termination of service or employment due to public offering

The Company has not entered into any agreements with the members of the Board of Directors or its personnel to compensate these persons, in case they are forced to resign or dismissed unfairly or their services or employment are terminated due to public offer for the acquisition of its shares.

Athens, 28 March 2017

Kamil Ziegler

Chairman of the Board of Directors

III. Annual Financial Statements

The attached Financial Statements as of 31.12.2016 of the Group and the Company were approved by the Board of Directors of OPAP S.A. on 28.03.2017 and have been posted at the Company's website www.opap.gr as well as in the website of Athens Stock Exchange. The attached financial statements will remain at the disposal of investors at least five years from the date of their announcement.

It is noted that the published attached financial information arise from the Financial Statements, 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).

The auditors of the consolidated and separate financial statements of OPAP S.A. for the years ended on 31.12.2016 and 31.12.2015 is the auditing firm KPMG Certified Auditors S.A..

Independent Auditor’s Report

(Translated from the original in Greek)

To the Shareholders of
GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.

Audit Report on the Financial Statements

We have audited the accompanying Stand-alone and Consolidated Financial Statements of GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. (the “Company”) which comprise the Stand-alone and Consolidated Statement of Financial Position as of 31 December 2016 and the Stand-Alone and Consolidated Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Stand-alone and Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these stand-alone and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as incorporated in Greek Law. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the stand-alone and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of stand-alone and consolidated the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Stand-alone and Consolidated Financial Statements give a true and fair view of the financial position of GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. as of 31 December 2016 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement which is incorporated in this report, pursuant to the provisions of paragraph 5 of Article 2 (part B) of Law 4336/2015, we note that:

(a) The Board of Directors' Report includes a Corporate Governance Statement which provides the information set by article 43bb of C.L. 2190/1920.

(b) In our opinion, the Board of Directors' report has been prepared in accordance with the applicable legal requirements of articles 43a and 107a and paragraphs 1c and 1d of Article 43bb of C.L. 2190/1920 and its content corresponds with the accompanying Stand-alone and Consolidated Financial Statements for the year ended 31 December 2016.

(c) Based on the knowledge acquired during our audit, for GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. and its environment, we have not identified material misstatements in the Board of Directors' Report.

Athens, 29 March 2017

KPMG Certified Auditors AE

AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant

AM SOEL 18701

1. Statement of Financial Position

As of 31 December 2016 and for the year then ended

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.12.2016	31.12.2015	31.12.2016	31.12.2015
ASSETS					
Non - current assets					
Intangible assets	11.1	1,216,858	1,222,987	1,041,090	1,063,227
Property, plant & equipment	11.2	67,583	56,238	45,196	32,861
Investment property	11.3	940	1,398	940	1,398
Goodwill	11.4	14,183	14,183	-	-
Investments in subsidiaries	11.5	-	-	280,604	147,604
Investments in associates	11.6	12,175	11,225	-	-
Long – term receivables	11.11	13	112	13	112
Other non - current assets	11.7	6,384	2,962	21,263	24,912
Deferred tax asset	11.8	12,154	9,815	-	-
Total non - current assets		**1,330,291**	**1,318,920**	**1,389,107**	**1,270,114**
Current assets					
Cash and cash equivalents	11.9	273,523	301,695	65,433	231,115
Inventories	11.10	12,469	13,265	2,350	280
Trade receivables	11.11	80,634	55,234	33,667	23,391
Other current assets	11.12	70,757	19,719	50,198	17,630
Total current assets		**437,384**	**389,913**	**151,648**	**272,416**
TOTAL ASSETS		**1,767,675**	**1,708,833**	**1,540,755**	**1,542,530**
EQUITY & LIABILITIES					
Equity					
Share capital	11.13	95,700	95,700	95,700	95,700
Reserves	11.14	32,417	48,773	31,900	48,474
Treasury shares	11.15	(7,454)	(2,719)	(7,454)	(2,719)
Retained earnings		914,614	1,020,068	917,975	1,020,827
Equity attributable to owners of the Company		**1,035,277**	**1,161,822**	**1,038,121**	**1,162,282**
Non-controlling interests	11.16	36,954	41,005	-	-
Total equity		**1,072,231**	**1,202,827**	**1,038,121**	**1,162,282**
Non-current liabilities					
Loans	11.17	263,000	115,000	208,000	115,000
Deferred tax liability	11.8	-	-	3,962	3,493
Employee benefit plans	11.18	1,507	1,036	1,355	932
Provisions	11.19	34,049	59,061	32,673	57,591
Other non-current liabilities	11.20	6,699	5,926	5,306	5,409
Total non-current liabilities		**305,254**	**181,022**	**251,296**	**182,425**

Current liabilities					
Loans	11.17	118,689	32,097	118,689	2,097
Trade payables	11.21	153,348	127,091	65,100	52,562
Tax liabilities	11.22	51,429	129,942	43,960	119,724
Other current liabilities	11.23	66,722	35,853	23,590	23,441
Total current liabilities		**390,189**	**324,984**	**251,338**	**197,824**
Total liabilities		**695,443**	**506,006**	**502,634**	**380,248**
TOTAL EQUITY & LIABILITIES		**1,767,675**	**1,708,833**	**1,540,755**	**1,542,530**

The attached notes on pages 62 to 130 form an integral part of financial statements.

2. Statement of Comprehensive Income

As of 31 December 2016 and for the year then ended

(Amounts in thousands of euro except for per share amounts)

	Notes	GROUP		COMPANY	
		01.01-31.12.2016	01.01-31.12.2015	01.01-31.12.2016	01.01-31.12.2015
Amounts wagered		4,229,974	4,257,317	3,521,958	3,603,419
The Statement of Comprehensive income is as follows:					
Revenue (GGR)		**1,397,565**	**1,399,671**	**1,152,655**	**1,167,601**
GGR contribution and other levies and duties	11.25	(466,743)	(411,964)	(402,819)	(350,420)
Agents' commission	11.26	(357,775)	(362,369)	(292,830)	(300,984)
Net gaming revenue (NGR)		**573,047**	**625,339**	**457,006**	**516,197**
Other operating income	**11.27**	**108,462**	**128,662**	**43,453**	**43,413**
Operating expenses					
Payroll expenses	11.28	(56,199)	(46,098)	(49,038)	(41,370)
Marketing expenses	11.29	(70,585)	(76,171)	(53,168)	(58,351)
Other operating expenses	11.30	(247,185)	(254,628)	(124,360)	(120,476)
Profit before interest, tax, depreciation and amortization (EBITDA)		**307,540**	**377,103**	**273,892**	**339,413**
Depreciation and amortization		(58,286)	(74,332)	(36,684)	(39,995)
Results from operating activities		**249,254**	**302,770**	**237,208**	**299,418**
Finance income	11.31	3,641	1,732	784	890
Finance costs	11.31	(16,928)	(6,400)	(13,181)	(4,287)
Other finance income	11.32	950	1,490	9,103	5,640
Profit before tax		**236,916**	**299,592**	**233,914**	**301,661**
Income tax expense	11.33	(64,060)	(89,692)	(61,826)	(90,571)
Profit for the year		**172,856**	**209,901**	**172,088**	**211,091**
Other comprehensive income – items that will not be reclassified to profit or loss					
Actuarial gains/(losses)	11.18	(253)	51	(247)	37
Related tax	11.33	73	(15)	71	(11)
Other comprehensive income, net of tax		**(179)**	**37**	**(175)**	**26**
Total comprehensive income		**172,677**	**209,937**	**171,913**	**211,116**
Profit attributable to:					
Owners of the Company		170,236	210,719	172,088	211,091
Non-controlling interests		2,620	(819)	-	-
		172,856	**209,901**	**172,088**	**211,091**
Total comprehensive income attributable to:					
Owners of the Company		170,057	210,755	171,913	211,116
Non-controlling interests		2,620	(817)	-	-
		172,677	**209,937**	**171,913**	**211,116**
Basic and diluted earnings (after tax) per share in €		**0.5344**	**0.6609**	**0.5403**	**0.6621**

The attached notes on pages 62 to 130 form an integral part of financial statements.

3. Statement of Changes in Equity

3.1. Consolidated Statement of Changes in Equity

As of 31 December 2016 and for the year then ended

(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
Profit for the year	-	-	-	210,719	(819)	**209,901**
Other comprehensive income	-	-	-	35	2	**37**
Total comprehensive income	**-**	**-**	**-**	**210,755**	**(817)**	**209,937**
Transactions with owners of the Company						
Acquisition of treasury shares (Note 11.15)	-	-	(2,719)	-	-	**(2,719)**
Reserves of subsidiaries (Note 11.14)	-	299	-	(299)	-	**-**
Share capital increase expenses of subsidiary	-	-	-	(479)	(236)	**(715)**
Share capital decrease of subsidiary	-	-	-	-	(21,452)	**(21,452)**
Long-term bonus incentive scheme (Note 11.18)	-	-	-	884	-	**884**
Dividends paid	-	-	-	(213,662)	(3,560)	**(217,222)**
Total transactions with owners of the Company	-	299	(2,719)	(213,556)	(25,248)	(241,224)
Changes in ownership interests						
Acquisition of non controlling interests of subsidiaries	-	-	-	(655)	(294)	**(950)**
Total changes in ownership interests	-	-	-	(655)	(294)	(950)
Balance as of 31 December 2015	95,700	48,773	(2,719)	1,020,068	41,005	1,202,827
Balance as of 1 January 2016	95,700	48,773	(2,719)	1,020,068	41,005	1,202,827
Profit for the year	-	-	-	170,236	2,620	**172,856**
Other comprehensive loss	-	-	-	(180)	-	**(179)**
Total comprehensive income	**-**	**-**	**-**	**170,057**	**2,620**	**172,677**
Transactions with owners of the Company						
Transfer between reserves (Note 11.14)	-	(16,574)	-	16,574	-	**-**
Acquisition of treasury shares (Note 11.15)	-	-	(4,735)	-	-	**(4,735)**
Reserves of subsidiaries (Note 11.14)	-	218	-	(218)	-	**-**
Share capital increase expenses of subsidiaries	-	-	-	(529)	(73)	**(601)**
Share capital decrease of subsidiary (Note 11.16)	-	-	-	-	(6,598)	**(6,598)**
Long-term bonus incentive scheme (Note 11.18)	-	-	-	1,768	-	**1,768**
Dividends paid	-	-	-	(293,106)	-	**(293,106)**
Total transactions with owners of the Company	-	(16,356)	(4,735)	(275,511)	(6,671)	(303,273)
Balance as of 31 December 2016	95,700	32,417	(7,454)	914,614	36,954	1,072,231

3.2. Separate Statement of Changes in Equity

As of 31 December 2016 and for the year then ended

(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**	**-**	**1,022,487**	**1,166,661**
Profit for the year	-	-	-	211,091	**211,091**
Other comprehensive income	-	-	-	26	**26**
Total comprehensive income	**-**	**-**	**-**	**211,116**	**211,116**
Acquisition of treasury shares (Note 11.15)	-	-	(2,719)	-	**(2,719)**
Long-term bonus incentive scheme (Note 11.18)	-	-	-	884	**884**
Dividends paid	-	-	-	(213,661)	**(213,661)**
Balance as of 31 December 2015	**95,700**	**48,474**	**(2,719)**	**1,020,827**	**1,162,282**
Balance as of 1 January 2016	**95,700**	**48,474**	**(2,719)**	**1,020,827**	**1,162,282**
Profit for the year	-	-	-	172,088	**172,088**
Other comprehensive loss	-	-	-	(175)	**(175)**
Total comprehensive income	**-**	**-**	**-**	**171,913**	**171,913**
Transfer between reserves (Note 11.14)	-	(16,574)	-	16,574	**-**
Acquisition of treasury shares (Note 11.15)	-	-	(4,735)	-	**(4,735)**
Long-term bonus incentive scheme (Note 11.18)	-	-	-	1,768	**1,768**
Dividends paid	-	-	-	(293,106)	**(293,106)**
Balance as of 31 December 2016	**95,700**	**31,900**	**(7,454)**	**917,975**	**1,038,121**

The attached notes on pages 62 to 130 form an integral part of financial statements.

4. Cash Flow Statement

As of 31 December 2016 and for the year then ended

(Amounts in thousand of euro)

		GROUP		COMPANY	
	Notes	01.01-31.12.2016	01.01-31.12.2015	01.01-31.12.2016	01.01-31.12.2015
OPERATING ACTIVITIES					
Profit before tax		236,916	299,592	233,914	301,661
Adjustments for:					
Depreciation & Amortization		58,286	59,310	36,684	39,995
Net finance costs	11.31	13,199	4,666	3,206	(2,245)
Employee benefit plans	11.18	3,112	1,174	2,807	1,114
Provisions for bad debts	11.11	72	220	(149)	-
Other provisions		(11,788)	9,128	(11,692)	9,100
Impairment losses on tangible & intangible assets	11.1 & 11.2	29	15,021	-	-
Exchange differences	11.31	88	2	88	2
Impairment of investment in subsidiary	11.5	-	-	12,000	-
Reversal of impairment loss on remeasurement of associates	11.6	(350)	(893)	-	-
Share of profit from associates	11.6	(600)	(600)	-	-
(Gain) /loss from investing activities		(705)	(202)	(642)	5
Other non-cash items		-	-	2,869	1,973
Total		**298,260**	**387,418**	**279,084**	**351,604**
Changes in Working capital					
(Increase) / decrease in inventories		789	(10,289)	(2,071)	(280)
(Increase) / decrease in receivables		(66,996)	35,707	(41,746)	48,194
Increase / (decrease) in payables (except banks)		22,060	(59,424)	(3,505)	(83,503)
Decrease in taxes payable		(27,735)	(6,999)	(29,018)	(4,172)
Total		**226,379**	**346,413**	**202,745**	**311,844**
Interest paid		(15,140)	(5,524)	(11,469)	(3,467)
Income tax paid		(116,937)	(142,454)	(107,801)	(135,743)
Net cash flows from operating activities		**94,301**	**198,436**	**83,475**	**172,634**
INVESTING ACTIVITIES					
Proceeds from sale of tangible & intangible assets		684	321	677	32
Extra charge for the acquisition of subsidiary		(695)	(1,090)	-	-
Loans granted to third parties		(12,700)	-	-	-
Share capital (increase) / decrease in subsidiaries	11.5	-	-	(145,000)	34,500
Purchase of intangible assets	11.1	(18,596)	(11,672)	(5,821)	(2,934)
Purchase of property, plant and equipment	11.2	(24,269)	(27,977)	(20,640)	(18,385)
Dividends received	11.32	-	-	9,103	5,640

Interest received		3,261	1,350	485	532
Net cash flows (used in) / from investing activities		**(52,315)**	**(39,067)**	**(161,196)**	**19,385**
FINANCING ACTIVITIES					
Proceeds from loans & borrowings	11.17	276,689	147,096	221,689	117,097
Payments of loans & borrowings	11.17	(42,097)	-	(12,097)	-
Acquisition of treasury shares	11.15	(4,735)	(2,719)	(4,735)	(2,719)
Payment of finance lease interest		-	(1)	-	-
Payment of finance lease principal		-	(4)	-	-
Share capital increase expenses of subsidiaries		(599)	(715)	-	-
Return of share capital of subsidiary	11.16	(6,598)	(21,452)	-	-
Dividends paid		(292,819)	(277,298)	(292,819)	(273,738)
Net cash flows used in financing activities		**(70,158)**	**(155,093)**	**(87,961)**	**(159,359)**
Net (decrease) / increase in cash and cash equivalents		**(28,172)**	**4,276**	**(165,682)**	**32,660**
Cash and cash equivalents at the beginning of the year	11.9	301,695	297,418	231,115	198,455
Cash and cash equivalents at the end of the year	**11.9**	**273,523**	**301,695**	**65,433**	**231,115**

The attached notes on pages 62 to 130 form an integral part of financial statements.

5. Information about the Company and the Group

5.1. General information

OPAP S.A. was established as a private legal entity in 1958. It was reorganized as a société anonyme in 1999 domiciled in Greece and its accounting as such began in 2000. OPAP's registered offices and principal place of business, is 112 Athinon Avenue, 104 42 Athens, Greece. OPAP's shares are listed in the Athens Stock Exchange.

The Group, beyond the parent company, includes the companies which OPAP S.A., either directly or indirectly controls (see note 8).

The Group's financial statements are consolidated using the full consolidation method from SAZKA Group a.s..

The Financial Statements for the year that ended on 31.12.2016 (including the comparatives for the year that ended on 31 December 2015) were approved by the Board of Directors on 28.03.2017 and are subjected to approval by the General Meeting.

5.2. Nature of operations

On 13.10.2000, the Company acquired from the Hellenic Republic the 20-year exclusive right to conduct, manage, organise and operate by any appropriate means or measures provided by modern technology certain numerical lottery and sports betting games (and any variations of these games) and the Company paid € 322,817 thousand. The Company also acquired the exclusive right to operate and manage any new sports betting games in Greece as well as a right of first refusal to operate any new games permitted by law. The number of games was progressively increased over time and includes at present 13 games. The Company's exclusive right has been extended by a period of 10 years, *i.e.*, until 12.10.2030, for a consideration of (i) a lump sum payment of € 375,000 thousand and (ii) a participation of the Hellenic Republic at an additional rate of 5% of the gross gaming revenues arising from the games concerned, for the period 13.10.2020 – 12.10.2030.

Therefore, the Company currently holds the exclusive right to conduct, manage, organise and operate by any appropriate means six numerical lottery games (JOKER, LOTTO, PROTO, EXTRA 5, SUPER 3 and KINO) and three sports and other betting games (PROPO, PROPOGOAL and STIHIMA [which includes MONITOR GAMES and GO LUCKY]), two new lottery games (BINGO and SUPER 4) and "Prognostika Agonon Basket", "Prognostika Agonon Omadikon Athlimaton" (these last four games have not been launched yet).

The above numerical lotteries and sports betting games are also operated in Cyprus through Company's subsidiaries, OPAP CYPRUS and OPAP SPORTS LTD, respectively.

VLTs License

On November 2011, OPAP was granted a license for the instalment and operation of 35,000 video lottery terminals in Greece. Under the terms of the VLT License, OPAP has already paid a consideration of € 16,000 per VLT (i.e., € 560.0 million in total). Out of these VLTs, 16,500 will be installed and operated by OPAP through its own network, while 18,500 will be operated by Concessionaires, to which OPAP will concede, against consideration, the right to install and operate them.

Hellenic Lotteries

OPAP S.A., through a wholly-owned subsidiary, was the leader of a consortium consisting of OPAP Investment Limited, Lottomatica Giochi e Partecipazioni S.r.l., Intralot Lotteries Limited and Scientific Games Global Gaming S.a r.l. that was declared the provisional winner of the tender for an exclusive license to produce, operate, circulate and manage the state lotteries and Instant Scratch games in Greece from 30.07.2013 for a period of 12 years, which includes the National Ticket, the Popular Ticket, the European Ticket, the Instant State Ticket or Scratch Ticket, the State Housing Ticket and the New Year's Eve Ticket. The Consortium has paid a € 190.0 million fee. In addition, the Consortium will also pay 30.0% of the GGR generated from the Greek State Lotteries (with the exception of the New Year's Lottery) to the Greek State; however such amount is not to be less than € 30.0 million in the first year of operation and € 50.0 million per year for each of the following 11 years (for a total of € 580.0 million for the duration of the Lottery Concession). OPAP INVESTMENT LTD holds 67.0% of the paid-up share capital of HELLENIC LOTTERIES S.A..

Horse Races

On 22.12.2014 Horse Races S.A was established. Its purpose of business is the exercise of the 20-year exclusive right to organize and conduct terrestrial and online mutual horseracing betting in Greece, according to the terms and conditions of the 24.04.2015 Concession Agreement with the Hellenic Republic Asset Development Fund, the general legislative and regulatory framework, as well as the general regulatory framework. The total cost of the aforementioned exclusive right amounted to € 40.0 million.

Other Group Operations

Tora Direct

On 19.11.2014, OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A acquired the 90% of TORA DIRECT S.A (ex PAYZONE HELLAS S.A.) share capital and on 24.08.2015 proceeded to the acquisition of the remaining non-controlling 10% for a total consideration of € 9,135. TORA DIRECT S.A. provides transaction services via electronic means, intangible talk time selling services as well as bill payments services.

Tora Wallet

On 01.09.2016, the company TORA WALLET S.A. was established and its principal activity is the provision of electronic money services and payment services. TORA WALLET S.A. is a 100% subsidiary of OPAP INVESTMENT LTD (a 100% subsidiary of OPAP S.A.).

Distribution Network

OPAP Group activities are offered through a wide online and land-based sales' network. Within Greece, there are 11,718 points of sales for the distribution of OPAP S.A., HELLENIC LOTTERIES S.A. and HORSE RACES S.A. products. Scratch tickets and passive lotteries (products of HELLENIC LOTTERIES S.A.), apart from agents, are also distributed through street vendors, mini-markets and wholesalers. In Cyprus, there are 200 shops, consisting of OPAP CYPRUS LTD and OPAP SPORTS LTD shops.

Three-Member Supervisory Committee of OPAP S.A. (art. 28 par.3A, L.4002/2011)

The Three member Supervisory Committee of OPAP S.A., which is defined by article 28 par.3A of Law 4002/2001, is established by decision of the HGC. One of its members is among HGC's appointed members and the other two members that are selected in accordance with the conditions, requirements and procedures provided for in the Regulation on the Conduct and Control of Games. The Three-member Supervisory Committee attends OPAP S.A's. board meetings to ensure that OPAP S.A., its agents and concessionaires (in relation to the gaming machines) comply with the legislation in force and observe OPAP S.A's. contractual obligations towards the Greek State. The Three member Supervisory Committee specifically monitors OPAP S.A's. conduct to ensure compliance with the terms of the Gaming Concession, the VLT License and the gaming legislation, the protection of consumers against addiction and crime related to games of chance, the protection of minors and other vulnerable groups, the reliability of the games and the payment to players of their winnings, the protection of personal data and the payment of the taxes and contributions due to the Greek State. OPAP S.A's. Board of Directors (or the persons to whom the relevant decision-making powers have been delegated) makes available to the Three member Supervisory Committee any draft recommendations, decisions or other documents relevant to the Committee's responsibilities, prior to any decision being taken. OPAP S.A. is obliged to refrain from adopting any decision for which the Three member Supervisory Committee has expressed its disagreement. The Three member Supervisory Committee will immediately inform the HGC if it considers that OPAP S.A. is in about to breach its contractual obligations towards the Greek State or the legislation in force. The HGC is authorised to rule on any disagreement between OPAP and the Three Member Supervisory Committee.

6. Basis of preparation

The separate financial statements of the Company and the consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee.

The financial statements have been prepared under the historical cost principle and the principle of the going concern.

The preparation of financial statements, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 6.2 “Important accounting decisions, estimations and assumptions”.

The accounting policies adopted in preparing the financial statements for the year that ended on 31.12.2016 are the same as those followed in the preparation of financial statements for the year that ended on 31.12.2015 and described in these.

The comparative figures have been reclassified where was necessary in order to comply with changes in presentation of the current year.

All amounts presented in the financial statements are in thousands of euro unless otherwise stated.

The amounts included in the financial statements have been rounded in thousands of euro. Any differences between the amounts included in the financial statements and the respective amounts included in the notes are attributed to roundings.

6.1. New Standards, amendments to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years.

Standards and Interpretations effective for the current financial period

Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements", to International Financial Reporting Standard 12 "Disclosure of Interests in Other Entities" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures": Investment Entities: Applying the Consolidation Exception

On 18.12.2014, the International Accounting Standards Board issued an amendment to the above standards with which it clarified that the exception provided in IFRS 10 and IAS 28, for the preparation of consolidated financial statements and the application of the equity method respectively, applies also to a parent entity that it is a subsidiary of an investment entity which measures all of its subsidiaries at fair value according to IFRS 10. In addition, with the aforementioned amendment it was clarified that the disclosure requirements of IFRS 12 apply to the investment entities which measure all of their subsidiaries at fair value through profit or loss. The adoption of the above amendment had no impact to the financial statements of the Group and the Company.

Amendment to International Financial Reporting Standard 11 "Joint Arrangements

On 6.5.2014 the International Accounting Standards Board issued an amendment to IFRS 11 with which it is clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business (as defined in IFRS 3), it shall apply all of the principles on business combinations accounting in IFRS 3, and other IFRSs, that do not conflict with the guidance in IFRS 11. In addition, it shall disclose the information required by IFRS 3 and other related standards. This applies both when acquiring the initial interest in the joint operation that constitutes a business and when acquiring an additional interest.

The adoption of the above amendment had no impact to the financial statements of the Group and the Company.

Amendment to International Accounting Standard 1

On 18.12.2014 the International Accounting Standards Board issued an amendment to IAS 1 in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting. The main amendments are summarized below:

• the restriction to disclose only a summary of significant accounting policies is removed;

• it is clarified that even when other standards require specific disclosures as minimum requirements, an entity may not provide them if this is considered immaterial. In addition, in case the disclosures required by the IFRS are insufficient to enable users to understand the impact of particular transactions, the entity shall consider whether to provide additional disclosures;

• it is clarified that the line items that IFRS require to be presented in the statement of financial position and the statement of profit or loss and other comprehensive income are not restrictive and that the entity may present additional line items, headings and subtotals;

• it is clarified that the standard does not specify the presentation order of the notes and that each entity shall determine a systematic manner of presentation taking into account the understandability and comparability of its financial statements.

The adoption of the above amendments had no impact to the financial statements of the Group and the Company.

Amendment to International Accounting Standards 16 and 38 "Clarification of the permissible depreciation and amortization methods"

On 12.5.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 38 with which it expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively. An exception is provided only for intangible assets and only when the following conditions are met:

• when the intangible asset is expressed as a measure of revenue, i.e. when the right over the use of the intangible asset is expressed as a function of revenue to be generated in such a way that the generation of a specific amount of revenue determines the end of the use of the right, or

• when it can be demonstrated that the revenue and the consumption of the economic benefits are highly correlated.

The adoption of the above amendment had no impact to the financial statements of the Group and the Company.

Amendment to International Accounting Standard 16 "Property, Plant and Equipment" and to International Accounting Standard 41 "Agriculture": Bearer Plants

On 30.6.2014 the International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, are the ones that:

a) are used in the production or supply of agricultural produce;

b) are expected to produce products for more than one period; and

c) have remote likelihood of being sold as agricultural produce, except for incidental scrap sales,

shall be accounted for based on IAS 16 instead of IAS 41.

The amendment above is not applicable to the Group's and Company's activities.

Amendment to International Accounting Standard 27 "Separate Financial Statements"

On 12.8.2014 the International Accounting Standards Board issued an amendment to IAS 27 with which it provides the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements. In addition, with the above amendment it is clarified that the financial statements of an investor that does not have investments in subsidiaries but has investments in associates or joint ventures, which under IAS 28 are accounted for with the equity method, do not constitute separate financial statements.

The adoption of the above amendment had no impact to the financial statements of the Group and the Company.

Improvements to International Accounting Standards: cycle 2012-2014

As part of the annual improvements project, the International Accounting Standards Board issued, on 25.09.2014, non- urgent but necessary amendments to various standards. The adoption of the above amendments had no impact to the financial statements of the Group and the Company.

International Financial Reporting Standard 14 "Regulatory deferral accounts"

The new standard addresses the accounting treatment and the disclosures required for regulatory deferral accounts that are maintained in accordance with local legislation when an entity provides rate-regulated goods or services. The scope of this standard is limited to first-time adopters that recognize regulatory deferral accounts in their financial statements in accordance with their previous GAAP. IFRS 14 permits these entities to capitalize expenditure that non-rate regulated entities would recognize as expense. The standard above has no effect at the financial statements of the Group and the Company.

Standards and Interpretations effective for subsequent periods

The Company considers it unlikely that future implementation will have major impact of these Standards and Interpretations.

***International Financial Reporting Standard 9 "Financial Instruments"**: (effective for annual periods beginning on or after January 1, 2018)*

IFRS 9 replaces the provisions of IAS 39 relating to classification and measurement of financial assets and financial liabilities and also includes an expected credit loss model which replaces the model on realized credit losses that is applied today. It also introduces an approach for hedge accounting based on principles and addresses inconsistencies and weaknesses in the current model of IAS 39.

Pursuant to the provisions of the new standard, financial instruments are classified and measured based on the context of the business model in which they are held and the characteristics of contractual cash flows. The adoption of this standard is not expected to have an effect at the financial statements of the Group and the Company.

International Financial Reporting Standard 15 "Revenue from Contracts with Customers" *(effective for annual periods beginning on or after January 1, 2018)*

The purpose of the standard is to provide a single, comprehensible revenue recognition model to all contracts with customers in order to improve comparability between companies in the same industry, different sectors and different markets. It contains the principles to be applied by an entity to determine the amount of revenues and the timing of their recognition. The basic principle is that an entity would recognize revenue in a way that depicts the transfer of goods or services to customers at the amount that it expects to be entitled in exchange for these goods or services.

The Group and the Company are evaluating the impact of adoption of IFRS 15 on the financial statements.

Amendment to International Financial Reporting Standard 2 "Share-based Payment": Classification and Measurement of Share-based Payment Transactions *(Effective for annual periods beginning on or after 1.1.2018)*

On 20.6.2016 the International Accounting Standards Board issued an amendment to IFRS 2 with which the following were clarified:

• in estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions shall follow the same approach as for equity-settled share-based payments,

•where tax law requires an entity to withhold a specified amount of tax (that constitutes a tax obligation of the employee) that relates to share-based payments and shall be remitted to the tax authority, such an arrangement shall be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature,

• if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification.

The amendment above is not expected to have an impact at the financial statements. The amendment has not yet been adopted by the European Union.

***Amendment to International Financial Reporting Standard 4 "Insurance Contracts"** (Effective for annual periods beginning on or after 1.1.2018)*

On 12.9.2016 the International Accounting Standards Board issued an amendment to IFRS 4 with which:

• It provides insurers, whose activities are predominantly connected with insurance, with a temporary exemption from application of IFRS 9 and

•following full adoption of IFRS 9, it gives all entities with insurance contracts the option to present changes in fair value on qualifying designated financial assets in other comprehensive income instead of profit or loss.

The amendment above is not applicable to the financial statements of the Group and the Company. The amendment has not yet been adopted by the European Union.

***Amendment to International Financial Reporting Standard 10 "Consolidated Financial Statements" and to International Accounting Standard 28 "Investments in Associates and Joint Ventures"** (Effective date has not yet been determined)*

Amendments settle in an inconsistency between the provisions of IFRS 10 and IAS 28 on the sale or contribution of assets between an investor and an associate or joint venture. The main effect of the changes is that it is recognized the entire gain or loss of a transaction that includes an activity (either in the form of a subsidiary or not). Partial profit or loss is recognized when the transaction includes assets that do not constitute an activity, even if these assets are in the form of a subsidiary.

The amendments above are not expected to have an effect at the financial statements of the Group and the Company. The amendments have not yet been adopted by the European Union.

***International Financial Reporting Standard 16 "Leases"** (Effective for annual periods beginning on or after 1.1.2019)*

The new standard significantly differentiates the accounting of leases for lessees while essentially maintaining the existing requirements of IAS 17 for the lessors. In particular, under the new requirements, the classification of leases as either operating or finance is eliminated. A lessee is required to recognize, for all leases with term of more than 12 months, the right-of-use asset as well as the corresponding obligation to pay the lease payments. The above treatment is not required when the asset is of low value.

The Group and the Company are evaluating the impact of adoption of IFRS 15 on the financial statements. This standard has not yet been adopted by the European Union.

Amendment to International Accounting Standard 7 "Statement of Cash Flows": Disclosure Initiative *(Effective for annual periods beginning on or after 1.1.2017)*

Based on the amendment of IAS 7 a company is requested to provide disclosures that helps users of financial statements to evaluate changes in those liabilities whose cash flows are classified as financing activities in the cash flow statement. The Group and the Company are evaluating the impact of adoption of the amendment on the financial statements. This standard has not yet been adopted by the European Union.

Amendment to International Accounting Standard 12 "Income Taxes": Recognition of Deferred Tax Assets for Unrealized Losses *(Effective for annual periods beginning on or after 1.1.2017)*

On 19.1.2016 the International Accounting Standards Board issued an amendment to IAS 12 with which the following were clarified:

• Unrealized losses on debt instruments measured at fair value for accounting purposes and at cost for tax purposes may give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the asset by sale or by use.

• The recoverability of a deferred tax asset is assessed in combination with other deferred tax assets. However, if tax law offsets specific types of losses only against a particular type of income, the relative deferred tax asset shall be assessed in combination with other deferred tax assets of the same type.

• During the deferred tax asset recoverability assessment, an entity compares the deductible temporary differences with future taxable profit that excludes tax deductions resulting from the reversal of those deductible temporary differences.

• The estimate of probable future taxable profit may include the recovery of some of an entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

The Group and the Company are evaluating the impact of adoption of the amendment on the financial statements. This standard has not yet been adopted by the European Union.

Amendment to International Accounting Standard 40 "Investment Property": Transfers of Investment Property *(Effective for annual periods beginning on or after 1.1.2018)*

The International Accounting Standards Board issued an amendment to IAS 40 with which it clarified that an entity shall reclass a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A change in management's intentions for the use of a property does not provide evidence of a change in use. In addition, the examples of evidence of a change in use were expanded to include assets under construction and not only transfers of completed properties. The amendment above is not expected to have an effect at the financial statements of the Group and the Company. This standard has not yet been adopted by the European Union.

Improvements to International Accounting Standards – cycle 2014-2016 *(Effective for annual periods beginning on or after 1.1.2017)*

As part of the annual improvements project, the International Accounting Standards Board issued, on 08.12.2016, non- urgent but necessary amendments to various standards. The Group and the Company are evaluating the impact of adoption of IFRS 15 on the financial statements. This standard has not yet been adopted by the European Union.

IFRIC Interpretation 22 "Foreign Currency Transactions and Advance Consideration" *(Effective for annual periods beginning on or after 1.1.2018)*

The Interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. The Interpretation clarified that the date of the transaction, for the purpose of determination of exchange rate to use on initial recognition of the asset, the income or expense, is the date of initial recognition of the non-monetary asset or liability (i.e. advance consideration). Additionally, if there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.

The interpretation is not expected to have an effect at the financial statements of the Group and the Company. This interpretation has not yet been adopted by the European Union.

6.2. Important accounting decisions, estimations and assumptions

The preparation of the financial statements requires management to make estimations and judgments that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The effect of a change in an accounting estimate or judgement shall be recognized prospectively.

6.2.1. Judgements

In the process of applying the entity's accounting policies, judgments, apart from those involving estimations, made by the Management that have the most significant effect on the amounts recognized in the financial statements. Mainly judgements relate to:

- **recoverability of accounts receivable**

Management examines annually the recoverability of the amounts included in accounts receivable, in combination with external information (such as creditability databases, lawyers, etc.) in order to estimate the recoverability of accounts receivable.

6.2.2. Estimates and assumptions

Certain amounts included in or affecting our financial statements and related disclosure must be estimated, requiring us to make assumptions with respect to values or conditions which cannot be known with certainty at the time the financial statements are prepared. A ''critical accounting estimate'' is one which is both important to the portrayal of the company's financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The company evaluates such estimates on an ongoing basis, based upon historical results and experience, consultation with experts, trends and other methods considered reasonable in the particular circumstances, as well as our forecasts as to how these might change in the future. Also see note 7, "Summary of Significant Accounting Policies", which discusses accounting policies that we have selected from acceptable alternatives.

Retirement benefit costs

(see note: 7.17)

Estimated impairment of goodwill and other intangible assets

(see notes: 7.7 and 7.8)

Income taxes

(see note: 7.14)

Provisions

(see note: 7.15)

Contingencies

(see note 7.15)

Useful life of depreciated assets

(see note: 7.5)

Fair value of financial instruments

The Management uses techniques of assessment of fair value of financial instruments where they are not available prices from active market. Details of admissions that used are analyzed in notes what concern in financial instruments. For the application of techniques of assessment, the Management uses the best available estimates and assumptions that are in line with the existing information which participants would use in order to value a financing instrument. Where the information does not exist, the Management uses the best possible estimates for the assumptions to be used. These estimates may differ from the real prices at the closing date of the financial statements.

7. Summary of accounting policies

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. It should be noted, as aforementioned in paragraph 6.2, that accounting estimates and assumptions are used in preparing the financial statements. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

7.1. Basis of consolidation and investments in associates

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group uses the full acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest’s proportionate share of the acquiree’s net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in the income statement. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the amount recognized for non-controlling interest and the fair value of any other participation previously held in the subsidiary acquired the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Non-controlling interest reflects the portion of profit or loss and net assets attributable to equity interests that are not owned by the Group. If the loss of a subsidiary, that concern in non-controlling interest, exceeds the non-controlling interest in the equity of subsidiary, the excess sum is shared out in the shareholders of parent company apart from the sum for which the non-controlling has an obligation and it is capable to make up this loss.

In the Company's separate financial statements, investments in subsidiaries are account for at cost less impairment, if any.

All subsidiaries of Group have as balance date on 31 December.

Intra-group transactions, balances and unrealised gains/losses on transactions between group companies are eliminated.

Associates

Associates are those entities in which the Group has significant influence upon, but not control over their financial and operating strategy, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in which the Group has significant influence are accounted for using the equity method of accounting. Under this method the investment is initially recognized at cost, and is adjusted to recognize the investor's share of the profit or loss after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognized in the income statement and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income.

Gains or losses from transactions with associates are eliminated to the extent of the interest in the associate. Dividends received from associates are eliminated against the carrying value of the investment. The associate's value is adjusted for any accumulated impairment loss. When the Group's share of losses exceeds the carrying amount of the investment, the carrying value of the investment is reduced to nil and recognition of further losses is discontinued, except to the extent the Group has created obligations or has made payments on behalf of the associate.

7.2. Foreign currency translation

OPAP's consolidated financial statements are presented in euro (€), which is also the functional currency of the parent company and the currency of presentation for the Company and all its subsidiaries.

Foreign currency transactions are translated into euro using the exchange rates prevailing at the dates of the transactions (spot exchange rate).

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of remaining balances at year-end exchange rates are recognised in the statement of comprehensive income under financial income or finance costs except when deferred in other comprehensive income as qualifying net investment hedges.

7.3. Operating segments

Segment information is presented based on the internal management reports and information provided to the chief operating decision makers, as required by IFRS 8. An operating segment represents a separate category of games or other services offered by Group entities. Information for operating segments that do not constitute reportable segments is combined and disclosed in the "Other" category.

7.4. Income and expense recognition

Revenue is recognised when it is probable that future economic benefits will flow to the entity and the amount of revenue can be reliably measured. Revenue is measured at the fair value of the consideration received and is shown net of value-added tax, returns, discounts and after eliminating sales within the Group. The amount of revenue is considered to be reliably measurable when all contingencies relating to the sale have been resolved.

Revenues from games

Gaming transactions in which the Company's revenue consists of a commission, fixed percentage of winnings or similar are accounted for in accordance with IAS 18 "Revenue". Gaming revenues are reported net after deduction for player winnings.

Revenue attributable to gaming transactions in which the Company assumes an open position against the player are reported net after deduction of player winnings which are calculated according to the outcome of the game. Income from betting activities represents the net gain or loss from betting activities in the period plus the gain or loss on the revaluation of open positions at period end.

Amounts wagered does not represent the Group's statutory revenue measure and comprises the gross takings received and receivable from customers in respect of games.

Other operating income

Other operating income includes:

- **Revenue from commissions**

The New Year's Eve Lottery is issued once a year and the draw is held on New Year's Eve. Net revenues from this Lottery are attributed to the Greek State. Hellenic Lotteries S.A. produces, operates, distributes, promotes and manages it and receives a 17% management fee on amounts wagered. The fee included all Company costs related to the operations of the New Year's Eve Lottery. This commission is recognized once a year, during December.

- Other revenues

Other revenues include gain from sale of fixed assets, rental income and revenues from other services.

Interest income

Interest income is recognized using the effective interest method that is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When a receivable is impaired, the Group reduces the carrying amount to the amount expected to be recovered, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Dividend income:

Dividend income is recognized to the income statement at the date of distribution approval by the Annual General Meeting of shareholders.

Expenses:

Expenses are recognized in the statement of comprehensive income on accrual basis. Interest expenses are recognized on accrual basis.

7.5. Property, plant and equipment

Items of property, plant and equipment are measured at historical cost less accumulated depreciation and any impairment in value. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequently, they are valued at undepreciated cost less any impairment.

Subsequent expenditure is added to the carrying value of the tangible fixed assets or is booked as a separate fixed asset only if it is probable that future economic benefits will flow to the Group and their cost can be accurately and reliably measured. The repair and maintenance cost is presented in the Statement of Comprehensive Income when such is realized.

Upon sale of the tangible fixed assets, any difference between the proceeds and the book value is presented as profit or loss in the Statement of Comprehensive Income. Expenditure on repairs and maintenance is presented as an expense in the period they occur.

Depreciation of tangible fixed assets (other than Land which is not depreciated) is calculated using the straight line method over their useful life, as follows:

Land	-
Buildings	20 years
Plant & Machinery	3-9 years
Vehicles	6.5 years
Furniture and other equipment	5 years

The residual values and useful economic life of tangible fixed assets are subject to reassessment at each reporting date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately presented as an expense in the Statement of Comprehensive Income.

Assets up to a value of € 1,5 are amortized during the year.

7.6. Intangible assets

Intangible assets include software and concession rights.

Software: Software licenses are recognized at historical and subsequently they are carried at cost less accumulated amortization. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Rights: The exclusive rights granted by the Hellenic Republic to Group companies are initially recognized at cost or estimate and subsequently at amortized cost decreased with any impairment (Refer to note 7.8, for the impairment test procedures).

Extensions to existing exclusive rights and new licenses of new video lotteries on an exclusive basis, are treated as separate assets and are amortized over on a straight line basis.

Intangible assets up to a value of € 1,5 are amortized during the year of acquisition.

7.7. Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interests and the acquisition date fair value of any previous equity interest held over the fair value of the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in the income statement. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment (refer to note 7.8, for a description of impairment testing procedures).

7.8. Impairment of non-financial assets

The Group's goodwill, assets with an indefinite useful life and intangible assets that have not yet come in force are not depreciated and are tested for impairment, when there are indications that their carrying amount is not recoverable. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. An impairment loss is recognized when the carrying amount of these assets (cash generating unit - CGU) is greater than its recoverable amount. Fair value less costs of disposal is the amount received from the sale of an asset at an arm's length transaction in which participating parties have full knowledge and participate voluntarily, after deducting any additional direct cost for the sale of the asset, while value in use is the present value of estimated future cash flows that are expected to flow into the company from the use of the asset and from its disposal at the end of its estimated useful life.

For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

However, the Group's policy is that any changes in present value of future cash flows due to factors outside of the Company's control (eg interest rates), do not constitute reasons for reversal of impairments that had been recorded in previous years.

7.9. Leases

The Group enters into agreements that are not those of the legal type of a lease but pertain to the transfer of the right to use assets (property, plant and equipment) as against certain payments.

The consideration of whether as agreement contains an element of a lease is made at the inception of the agreement, taking into account all the available data and particular circumstances. After the inception of the agreement, there is conducted its revaluation concerning whether it still contains an element of a lease in case any of the below mentioned happen:

a) there is a change in the conditions of the leases apart from cases when the leases is simply prolonged or renewed,

b) there is exercised the right to renew the leases or a prolongation of the leases is decided apart from the cases when the terms of prolongation and renewal were initially included in the leasing period,

c) there is a change in the extent to which the realization depends on the defined assets and

d) there is a material change in the assets.

The Group as the lessee

The ownership of a leased asset is transferred to the lessee in case all the risks and rewards of ownership of the leased assets have been transferred to the lessee irrespective of the legal type of the agreement. At the commencement of the lease term, lessees shall recognise finance leases as assets and liabilities in their balance sheets at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent accounting treatment of assets acquired through finance leases is that the leased land and buildings are revalued at fair value. The leased assets are depreciated over the shorter period between the term of the lease and the useful life unless it is almost certain that the lessee will assume the property of the asset upon the termination of the contract. If the lease transfers the ownership of the asset upon the termination of the contract or if there is the option of purchase at a lower price, then the depreciable period is the asset's useful life. Lease payments are distinguished in the amount referring to interest repayment and capital repayment. The distinction is made in order to achieve a fixed repayment schedule. Interest payments are charged to the income statement.

All the remaining leases are treated as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

The Group as the lessor

The leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initially, the lease payment income less cost of services is charged to the income on a straight-line basis over the period of the lease. The costs, including depreciation, incurred for the acquisition of lease payments income, are charged to the expenses.

7.10. Financial assets

Financial assets include cash and financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets, other than hedging instruments, can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at each reporting date at which a choice of classification or accounting treatment is available.

Regular way purchase or sale of financial assets is recognised on their settlement date. All financial assets that are not classified as at fair value through profit or loss are initially recognised at fair value, plus transaction costs.

The Company determines whether a contract contains an embedded derivative in its agreement. The embedded derivative is separated from the host contract and accounted for as a derivative when the analysis shows that the economic characteristics and risks of the derivative are not closely related to the host contract.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

The Company assesses at each balance sheet date whether a financial asset or Group of financial assets is impaired.

i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivables.

Loans and receivables are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortization process. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs.

Trade receivables are provided against when objective evidence is received that the company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets.

ii) Fair value

The fair values of financial assets that are traded in active markets are defined by their prices. For non-traded assets, fair values are defined with the use of valuation techniques such as analysis of recent transactions, comparative items that are traded and discounted cash flows. The securities that are not traded in an active market that have been classified in the category financial assets available for sale, and whose fair value cannot be determined in an accurate and reliable way, are valued at their acquisition cost.

7.11. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the yearly weighted average cost formula.

7.12. Cash and cash equivalents

Cash and cash equivalents include cash at bank accounts and in hand as well as short term highly liquid investments such as money market instruments and bank deposits with an original maturity of three months or less. Restricted cash is also included in Cash and Cash Equivalents. Restricted cash is cash not available for immediate use. Such cash cannot be used by a Company until a certain point or event in the future.

7.13. Equity

Share capital is determined using the nominal value of shares that have been issued. Ordinary shares are classified as equity.

Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as share premium in shareholders' equity. Share capital issuance costs, net of related tax, are reflected as a deduction from share premium.

Treasury shares consist of Company's own equity shares, which are reacquired and not cancelled. Treasury shares do not reduce the number of shares issued but reduce the number of shares in circulation. Treasury shares are recognized at cost as a deduction from equity. No gain or loss is recognized in the income statement on the purchase, sale, issue or cancellation of the Company's own share capital. Expenses related to the issuance of shares for the purchase of companies are included in the acquisition cost of the company acquired.

7.14. Current and deferred income tax

Income tax for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current income tax is measured on the taxable income for the year using enacted or substantively enacted tax rates at the reporting date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences.

However, in accordance with the rules set out in IAS 12, no deferred taxes are recognised in conjunction with goodwill.

No deferred tax is recognised from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss. No deferred taxes are recognised to temporary differences associated with shares in subsidiaries and joint ventures if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the balance sheet date.

Most changes in deferred tax assets or liabilities are recognised as a part of tax expense in the income statement. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that is charged directly to equity are charged or credited directly to equity. Deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. The Group recognises previously unrecognised deferred tax asset are reassessed at each balance sheet date to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

7.15. Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Timing or amount of the outflow may still be uncertain. No provisions are recognized for future operating losses.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when it is virtually certain that reimbursement will be received if the entity settles the obligation and it is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision. The expense relating to a provision is presented in the income statement, net of the amount recognised for a reimbursement. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. The discount pre-tax rate reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost in the income statement.

All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognised unless assumed in the course of a business combination. These contingent liabilities are recognised in the course of the allocation of purchase price to the assets and liabilities acquired in the business combination. Contingent liabilities are not recognized in the financial statements but are disclosed, except if the probability that there will be an outflow of resources that embody economic benefits is minimum.

Probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets. Contingent assets are not recognized in the financial statements but are disclosed provided that the inflow of economic benefits is probable.

7.16. Financial liabilities

The Group's financial liabilities include bank loans and overdrafts, trade and other payables and finance leasing liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument and derecognised when the obligation under the liability is discharged or cancelled or expires.

All interest related charges are recognised as an expense in "Finance cost" in the income statement.

Finance lease liabilities are measured at initial value less the capital element of lease repayments.

Trade payables and other liabilities are recognised initially at their nominal value and subsequently measured at amortized cost less settlement payments.

Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the amortization process.

Where an existing financial liability is exchanged by another or the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as extinguishment of the original liability and recognition of a new liability. Any difference in the respective carrying amounts is recognised in the income statement.

The bank loans are recorded in liabilities at fair value on the date the funds are released and are presented net of direct issue costs on loans. The direct issue costs on loans carried at amortized cost. The difference between the funds released (net of direct issue costs on loans) and the total borrowed amount, is recognized in installments during the loan using the effective interest method. Interest expenses are recognized when paid and the balance sheet date to the extent such expenses are accrued and not paid.

The loans are divided into long term (mature in more than one year) and short term (mature in one year or less).

7.17. Retirement benefits costs

The parent company, its subsidiaries HELLENIC LOTTERIES S.A., OPAP SERVICES S.A., TORA DIRECT S.A., HORSE RACES S.A. and TORA WALLET S.A. in Greece, pay contributions to employee benefit plans after leaving the service in accordance with the laws and practices of the Group. These programs are separated into defined benefit plans and defined contribution plans.

Defined benefit plans

As defined benefit plan is a benefit plan to an employee after leaving the service, in which benefits are determined by certain parameters such as age, years of service or salary. At defined benefit plan, the value of the liability is equal to the present value of defined benefit payable at the balance sheet date less the fair value of plan assets and of past services cost. The defined benefit liability and the related expense is estimated annually by independent actuaries using the projected credit unit method. The present value of the liability is determined by discounting the estimated future cash flows to the interest rate of high quality corporate bonds or government bonds in the same currency as the liability with proportional liability duration, or interest rate that takes into account the risk and duration of the liability, where the market depth for such bonds is weak. The costs of liability are recognized in income during the rendering of insured services. The expenses for defined benefit plans, as estimated, are recognized in the income statement and are included in the account “Staff Costs”. Additionally, based on the requirements of IAS 19 (Amendment) the actuarial profits/(losses) are recognised in the statement of comprehensive income.

Defined contribution plans

A defined contribution plan is where the entity pays fixed contributions into a separate entity and no legal or constructive obligation to pay further contributions if the fund does not have sufficient assets to pay all employees the benefits relating to employee service in current or prior years. The contributions are recognized as employee benefit expense on an accrual basis. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Long-term bonus incentive scheme

The grant-date fair value of equity share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the numbers of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of SARs, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the SARs. Any changes in the liability are recognized in profit or loss.

7.18. Investment property

In this category the Group classifies property held for long-term rental yields which is not occupied by the Group companies. These investments are initially recognized at their cost, increased by the expenses related to the acquisition transaction. After the initial recognition they are valued at their cost less the accumulated depreciation and the possible accumulated losses from the reduction of their value. Expenses for the maintenance and repairing of the invested upon property, plant and equipment, are recognized in the income statement. For the calculation of depreciation, their useful life has been defined equal to that of owned occupied property.

8. Structure of the Group

The structure of OPAP Group as of 31.12.2016 is the following:

Company's Name	% of investment	Country Of Incorporation	Consolidation Method	Principal Activities
OPAP S.A.	Parent company	Greece		Numerical lottery games and sports betting
HELLENIC LOTTERIES S.A.	67%	Greece	Full consolidation	Lotteries
OPAP CYPRUS LTD	100%	Cyprus	Full consolidation	Numerical lottery games
OPAP SPORTS LTD	100%	Cyprus	Full consolidation	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Full consolidation	Holding company
OPAP SERVICES S.A.	100%	Greece	Full consolidation	Sports events – Promotion – Services
OPAP INVESTMENT LTD	100%	Cyprus	Full consolidation	Gaming activities
TORA DIRECT S.A. (ex PAYZONE HELLAS S.A.) (see below)	100%	Greece	Full consolidation	Services for electronic transactions - Mobile Top-ups - Utility and Bill Payments
HORSE RACES S.A.	100%	Greece	Full consolidation	Mutual Betting on Horse Races
TORA WALLET S.A.	100%	Greece	Full consolidation	eMoney Institution
GLORY TECHNOLOGY LTD	20%	Cyprus	Equity method	Software
NEUROSOFT S.A.	29.53%	Greece	Equity method	Software

The extraordinary General Meeting of OPAP INVESTMENT LTD, 100% subsidiary of OPAP S.A., of 03.11.2015, decided to increase the company's share capital by issuing 100,000 new ordinary shares of € 1 (euro) nominal price each and issue price € 370 (euro) each. The above increase was performed on 05.01.2016.

On 08.03.2016, the extraordinary General Meeting of OPAP SERVICES S.A., 100% subsidiary of OPAP S.A., decided to increase the company's share capital by issuing 5,000,000 new ordinary shares of € 1 (euro) nominal price each.

On 15.07.2016, the extraordinary General Meeting of OPAP INVESTMENT LTD, 100% subsidiary of OPAP S.A., decided to increase the company's share capital by issuing 100,000 new ordinary shares of € 1 (euro) nominal price each and issue price € 1,000 (euro) each.

On 01.09.2016, the company TORA WALLET S.A. was established as an Electronic Money Institution. TORA WALLET S.A. is 100% subsidiary of OPAP INVESTMENT LTD (100% subsidiary of OPAP S.A.).

On 26.09.2016, the extraordinary General Meeting of OPAP SERVICES S.A., 100% subsidiary of OPAP S.A., decided to increase the company's share capital by issuing 3,000,000 new ordinary shares of € 1 (euro) nominal price each.

On 19.10.2016, the extraordinary General Meeting of PAYZONE S.A., 100% subsidiary of OPAP INVESTMENT LTD, approved the rebranding of PAYZONE S.A. to TORA DIRECT S.A.. The relevant decision was published on the General Commercial Registry (Γ.Ε.ΜΗ.) on 25.10.2016.

All subsidiaries report their financial statements on the same date as the Company does.

9. Dividend distribution

Dividend distribution to the shareholders of the parent company and the Group is recognized as a liability named "Other current liabilities", at the date at which the distribution is approved of by the Shareholders' General Meeting.

10. Operating segments

For management information purposes and decision making, the Group is structured in operating segments as presented below:

As of 31 December 2016 and for the year then ended

GROUP 01.01-31.12.2016	Lotteries	Sports Betting	Instant & Passives	Telecommunication & eMoney services	Other	Total
Amounts wagered	2,493,410	1,295,158	441,407	-	-	4,229,974
Revenue (GGR)	841,297	397,215	159,054	-	-	1,397,565
GGR contribution and other levies and duties	(281,637)	(137,323)	(47,783)	-	-	(466,743)
Agents' commission	(212,850)	(102,212)	(41,311)	-	(1,401)	(357,775)
Net gaming revenue (NGR)	346,809	157,679	69,959	-	(1,401)	573,047
Other operating income	3	796	50	89,013	18,600	108,462
Operating expenses	(159,536)	(89,440)	(34,393)	(89,577)	(1,023)	(373,969)
Depreciation and amortization	(24,639)	(14,528)	(15,833)	(199)	(3,087)	(58,286)
Results from operating activities	162,638	54,507	19,783	(763)	13,088	249,254

GROUP 01.01-31.12.2015	Lotteries	Sports Betting	Instant & Passives	Telecommunication & eMoney services	Other	Total
Amounts wagered	2,418,836	1,401,948	436,532	-	-	4,257,317
Revenue (GGR)	829,798	411,984	157,890	-	-	1,399,671
GGR contribution and other levies and duties	(240,699)	(123,555)	(47,709)	-	-	(411,964)
Agents' commission	(208,439)	(111,867)	(40,673)	-	(1,390)	(362,369)
Net gaming revenue (NGR)	380,660	176,561	69,507	-	(1,390)	625,339
Other operating income	-	-	-	108,231	20,431	128,662
Operating expenses	(148,245)	(75,641)	(35,482)	(107,874)	(9,656)	(376,898)
Depreciation and amortization	(26,155)	(13,943)	(31,166)	(163)	(2,905)	(74,332)
Results from operating activities	206,261	86,977	2,859	194	6,479	302,770

Geographical Segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the Company and of the subsidiaries OPAP SERVICES S.A., HELLENIC LOTTERIES S.A., HORSE RACES S.A., TORA DIRECT S.A and TORA WALLET S.A..

For the period that ended on 31 December 2016	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,001,928	228,047	-	**4,229,974**
Revenue (GGR) and Other operating income	1,463,184	76,391	(33,548)	**1,506,027**
Net gaming revenue (NGR)	529,925	43,100	22	**573,047**
Segment Assets	1,902,581	294,847	(429,754)	**1,767,675**
Segment Liabilities	700,863	27,400	(32,820)	**695,443**

For the period that ended on 31 December 2015	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,039,951	217,366	-	**4,257,317**
Revenue (GGR) and Other operating income	1,491,136	74,530	(37,333)	**1,528,334**
Net gaming revenue (NGR)	584,284	41,024	30	**625,339**
Segment Assets	1,817,452	161,754	(270,373)	**1,708,833**
Segment Liabilities	513,358	31,116	(38,468)	**506,006**

11. Notes on the financial statements

11.1. Intangible assets

Intangible assets refer to software, concession rights and customer relationships and analyzed as follows:

GROUP	Software	Rights of games	Customer relationships	Total
Year that ended on 31 December 2015				
Opening net book amount (1 January 2015)	**24,701**	**1,242,534**	**2,763**	**1,269,998**
Additions	3,572	8,100	-	**11,672**
Impairment charge	-	(15,021)	-	**(15,021)**
Amortization charge	(11,254)	(31,974)	(436)	**(43,664)**
Net book amount (31 December 2015)	**17,021**	**1,203,639**	**2,327**	**1,222,987**
Year that ended on 31 December 2016				
Opening net book amount (1 January 2016)	**17,021**	**1,203,639**	**2,327**	**1,222,987**
Additions	6,443	32,401	-	**38,844**
Amortization charge	(12,168)	(32,546)	(259)	**(44,973)**
Net book amount (31 December 2016)	**11,296**	**1,203,494**	**2,068**	**1,216,858**

COMPANY	Software	Rights of games	Total
Year that ended on 31 December 2015			
Opening net book amount (1 January 2015)	**24,479**	**1,063,090**	**1,087,569**
Additions	2,934	-	**2,934**
Amortization charge	(11,135)	(16,141)	**(27,276)**
Net book amount (31 December 2015)	**16,278**	**1,046,949**	**1,063,227**
Year that ended on 31 December 2016			
Opening net book amount (1 January 2016)	**16,278**	**1,046,949**	**1,063,227**
Additions	5,821	-	**5,821**
Amortization charge	(11,816)	(16,141)	**(27,957)**
Net book amount (31 December 2016)	**10,282**	**1,030,808**	**1,041,090**

Additions of the Group of 2016 mainly refer to the remaining acquisition cost for the 20-year exclusive right to organize and conduct horse races mutual betting which is based on the respective concession agreement between Hellenic Republic and HORSE RACES S.A. (€ 32,401).
The rights to future concessions are not depreciated but are tested for impairment until the date they come into force.

In 2015, the impairment of intangible assets of € 15,021 refers to the concession license of HELLENIC LOTTERIES S.A.. The amount recovered through the use of the concession license was decided by discounting future free cash flows arising from the continuous use of it.
The discount rate used was the Weighted Average Cost of Capital which is the average cost of capital for the projects and activities of HELLENIC LOTTERIES S.A.. The approach of using Weighted Average Cost of Capital is based on the fact that the plans of HELLENIC LOTTERIES S.A. is simultaneously funded by loans and equity. Regardless of the taxes, the cost of the loan corresponds to the interest rate. However, given for granted the taxes paid by HELLENIC LOTTERIES S.A., the cost of debt is attributable to the after tax cost of debt. The capital cost is the opportunity cost of the capital investment in a particular company rather than in others with the same risk, for which the creditors and shareholders expect to be compensated. The Weighted Average Cost of Capital is the discount rate that converts the expected future cash flows to present value and was equal to 12%.
In the model of the discounted cash flows are included the free cash flows of the twelve year license of State Lotteries. The growth rate of flows was on average at 2%.
The budgeted earnings before tax, depreciation and amortization are based on expected future benefits taking into account empirical characteristics adapted to the expected growth rate. For budgeted earnings before interest, taxes, depreciation and amortization was calculated an average increase of 6% by 2017 and of 3% by 2025.
The expense charged in the Statement of Comprehensive Income is presented in line Depreciation and Amortization.

Intangible assets of the Group and the Company have not been pledged.

11.2. Property, plant and equipment

GROUP	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Total
Year that ended on 31 December 2015							
Opening net book amount (1 January 2015)	**3,406**	**3,483**	**9,474**	**319**	**26,677**	**844**	**44,204**
Additions	5,405	9,446	(3)	77	13,005	48	**27,977**
Disposal	-	(446)	(771)	(102)	(412)	-	**(1,732)**
Depreciation charge	-	(1,085)	(6,277)	(171)	(8,213)	-	**(15,746)**
Disposals depreciation	-	265	773	69	427	-	**1,534**
Net book amount (31 December 2015)	**8,811**	**11,663**	**3,196**	**192**	**31,484**	**892**	**56,238**
Year that ended on 31 December 2016							
Opening net book amount (1 January 2016)	**8,811**	**11,663**	**3,196**	**192**	**31,484**	**892**	**56,238**
Additions	-	9,187	1,222	14	13,846	-	**24,269**
Transfers from investment properties (Note 11.3)	139	1,018	-	-	-	-	**1,157**
Disposal	(21)	(0)	(20,318)	(42)	(1,349)	(0)	**(21,729)**
Impairment charge	-	-	-	-	(29)	-	**(29)**
Depreciation charge	-	(1,513)	(2,672)	(39)	(9,049)	-	**(13,273)**
Depreciation transfers from investment properties (Note 11.3)	-	(740)	-	-	-	-	**(740)**
Disposals depreciation	-		20,317	41	1,333	-	**21,690**
Net book amount (31 December 2016)	**8,929**	**19,615**	**1,746**	**166**	**36,236**	**892**	**67,583**

COMPANY	Land	Buildings	Machinery	Vehicles	Equipment	Construction in progress	Total
Year that ended on 31 December 2015							
Opening net book amount (1 January 2015)	**3,406**	**3,310**	**9,391**	**173**	**9,965**	**844**	**27,089**
Additions	5,405	9,446	(17)	-	3,504	48	**18,385**
Disposals	-	(245)	(771)	(30)	(412)	-	**(1,459)**
Depreciation charge	-	(1,079)	(6,263)	(30)	(5,206)	-	**(12,577)**
Depreciation disposals	-	222	773	-	427	-	**1,422**
Net book amount (31 December 2015)	**8,811**	**11,654**	**3,113**	**113**	**8,279**	**892**	**32,861**
Year that ended on 31 December 2016							
Opening net book amount (1 January 2016)	**8,811**	**11,654**	**3,113**	**113**	**8,279**	**892**	**32,861**
Additions	-	8,783	837	13	11,006	-	**20,640**
Transfers from investment properties (Note 11.3)	139	1,018	-	-	-	-	**1,157**
Disposals	(21)	-	(20,317)	(15)	(986)	(0)	**(21,339)**
Depreciation charge	-	(1,486)	(2,614)	(26)	(4,560)	-	**(8,686)**
Depreciation transfers from investment properties (Note 11.3)	-	(740)	-	-	-	-	**(740)**
Depreciation disposals	-	-	20,317	15	972	-	**21,304**
Net book amount (31 December 2016)	**8,929**	**19,228**	**1,336**	**100**	**14,712**	**892**	**45,196**

The additions of the year 2016 mainly concern improvement works of owned and leased premises located on Athinon Avenue 112 and 108, Athens, respectively.

Disposals of the year 2016 mainly include sales and destruction of fully depreciated Autonomous Use Terminals (T.A.X.) with gross value of € 15,487 and € 4,785, respectively.

Construction in progress concerns hardware and other equipment that will be used in slot machines games (VLTs).

Within 2016, property located on Cyprus 90-92 street, Peristeri was transferred to property, plant & equipment from investment property, as operating lease period was terminated and it is intended for own use (see Note 11.3).

Property, plant & equipment of the Group and the Company have not been pledged.

11.3. Investment property

According to the demands of IAS 40, Investment property is shown below:

	GROUP	COMPANY
Balance 01.01.2016	**1,398**	**1,398**
Transfer to own used assets (Note 11.2)	(1,157)	(1,157)
Depreciation for the period 01.01.2015 - 31.12.2016	(41)	(41)
Depreciation transfer to own used assets (Note 11.2)	740	740
Balance 31.12.2016	**940**	**940**
Acquisition cost	2,013	2,013
Accumulated depreciation	(1,072)	(1,072)
Net book amount	**940**	**940**

The net book amount as of 31.12.2016 relates to property located on Panepistimiou 25 street (5th floor), Athens. Within 2016, property located on Cyprus 90-92 street, Peristeri, previously recognised as investment property, was transferred to property, plant & equipment, as operating lease period was terminated and it is intended for own use (see Note 11.2).

The income the Company received from leasing of these investments properties amounted to € 256 for the year 2016.

The useful life of buildings is estimated at 20 years and the straight-line method of depreciation is used. According to the Company's estimates, the fair value of the property does not differ substantially from its book value.

11.4. Goodwill

Goodwill acquired through business combinations is analyzed as follows:

	GROUP	
	31.12.2016	**31.12.2015**
OPAP SPORTS LTD	8,435	8,435
TORA DIRECT S.A.	5,749	5,749
Σύνολο	**14,183**	**14,183**

Goodwill is subject to impairment testing from independent valuators at each reporting date. The recoverable amount of the above Group companies was determined using the value in use method. The value in use was determined based on the projected cash flows derived from five year plans approved by management, with these cash flows projected then to infinity.

The basic assumptions used in determining the value in use from the independent valuators are as follows:

OPAP SPORTS LTD

Impairment study assumptions	31.12.2016	31.12.2015
WACC	11.31%	11.05%
% Increase of flows	0.50%	0.50%
Tax rate	12.50%	12.50%
Period of net cash flows	5 years	5 years

TORA DIRECT S.A.

Impairment study assumptions	31.12.2016	31.12.2015
WACC	12.18%	16.74%
% Increase of flows	0.50%	0.50%
Tax rate	29.00%	29.00%
Period of net cash flows	5 years	5 years

The sensitivity analysis on the above assumptions, notably to a change of half point in the discount interest rate (WACC) or the growth rate of cash flows, did not show a situation in which the carrying values would exceed their recoverable amounts.

11.5. Investments in subsidiaries

The subsidiaries of the Company included in the financial statements are the following:

Consolidated subsidiary	% of investment	Acquisition cost	Country of incorporation	Principal activities	Consolidation basis
OPAP CYPRUS LTD	100%	1,704	Cyprus	Numerical lottery games	Full consolidation
OPAP INTERNATIONAL LTD	100%	11,499	Cyprus	Holding Company, Services	Full consolidation
OPAP SERVICES S.A.	100%	28,000	Greece	Sports events, Promotion, Services	Full consolidation
OPAP SPORTS LTD	100%	16,900	Cyprus	Sports betting Company	Full consolidation
OPAP INVESTMENT LTD	100%	241,750	Cyprus	Lottery Games	Full consolidation
Total		**299,854**			
Impairment		(19,250)			
Value on 31.12.2016		**280,604**			

In the Company's separate financial statements, investments in subsidiaries are account for at cost less impairment.

The value in the investment of OPAP SPORTS LTD has been impaired by € 1,300 in the year 2005 and € 5,950 in the year 2007. For the years 2008 - 2016, no further impairment value of subsidiary OPAP SPORTS LTD was necessary, according to the independent firm's valuation report (see Note 11.4).

The value in the investment of OPAP SERVICES S.A. has been impaired by € 12,000 in 2016 due to the fact that the management estimates that the accumulated losses are not likely to be fully recovered.

Investments in subsidiaries are analyzed as follows:

	2016	2015
Investment in subsidiaries on 1st January	**147,604**	**182,104**
Share capital increase/(decrease)	145,000	(34,500)
Impairment losses	(12,000)	-
Investment in subsidiaries on 31st December	**280,604**	**147,604**

On 05.01.2016 and 15.07.2016 the share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 137,000 (€37,000 and € 100,000, respectively).

On 15.03.2016 and 27.09.2016 the share capital of the subsidiary OPAP SERVICES S.A. was increased by € 8,000 (€ 5,000 and € 3,000 respectively).

11.6. Investments in associates

The report date of the financial statements of the associate companies, consolidated with the equity method, does not differ from the reporting date of the parent company.

Investments in associates are analyzed as follows:

	31.12.2016	31.12.2015
GLORY TECHNOLOGY LTD	-	-
NEUROSOFT S.A.	12,175	11,225
Total	**12,175**	**11,225**

Investments in associates include:

A) The share of OPAP S.A. to the net assets of the company GLORY TECHNOLOGY LTD participating with 20%.

GLORY TECHNOLOGY LTD has a contract with OPAP SPORTS LTD until the end of December 2017. Thereafter, the contract is probable to be renewed.

A valuation of the company for the purpose of impairment testing would take into account the flow of future operating flows, determined either by the administration of the company or in the worst case identified by the Financial Department of OPAP S.A. Future these flows should be discounted to a present value interest rate on money.

In this case it appears that the company will generate positive cash flows in the foreseeable time because the estimated end time of the contract, therefore an estimate of the value of the methodology of future cash flows will give zero value.

In the year 2012 impairment loss was recognized equal to the amount of the associate GLORY TECHNOLOGY LTD.

B) The share of subsidiaries OPAP INTERNATIONAL LTD and OPAP CYPRUS LTD of OPAP S.A. to the net assets of the company NEUROSOFT S.A., participating with 29.53%.

In the current year share of profit from the associate NEUROSOFT S.A. was recognised to the amount of € 600 versus year 2015 amount € 600.

In year 2016, due to the recovery of the market value, was deemed necessary the reversal part of investment impairment of the previous years and particularly the amount of € 350 (€ 893 in 2015).

The value arises as follows:

Net accounting balance 31.12.2014	**9,732**
Reversal of investment impairment	893
Share of profit of 2015	600
Net accounting balance 31.12.2015	**11,225**
Reversal of investment impairment	350
Share of profit of 2016	600
Net accounting balance 31.12.2016	**12,175**

11.7. Other non-current assets

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Guarantee deposits	1,335	1,632	680	1,420
Prepayments of retirement benefits	221	221	221	221
Capital Investments under construction	77	76	-	-
Housing loans to personnel	280	321	280	321
Other receivables	4,471	711	20,082	22,950
Total	**6,384**	**2,962**	**21,263**	**24,912**

As of 31.12.2016, other receivables of the Group include loans granted to third parties from OPAP INVESTMENT LTD of € 4,471.

The Company's amount of € 20,082 relates to the rest of capital reserves to be allocated for the completion of the reformation on the agencies' corporate look from the subsidiary OPAP SERVICES S.A., on behalf of OPAP S.A. These funds were transferred to the subsidiary during the years 2004-2007.

11.8. Deferred tax (assets) / liabilities

Deferred taxes are calculated in full on temporary differences under the liability method using the principal tax rates that apply to the countries in which the companies of the Group operate.

The movement in deferred taxes is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance, net deferred asset/(liability)	**9,815**	**(1,284)**	**(3,493)**	**(6,699)**
Charge recognised in profit or loss (Note 11.33)	2,266	11,143	(541)	3,217
Charge recognised in other comprehensive income (Note 11.33)	73	(15)	71	(11)
Closing balance, net deferred asset/(liability)	**12,154**	**9,815**	**(3,962)**	**(3,493)**

The movement in deferred tax assets and liabilities per category during the year is as follows:

GROUP	Net balance at 1 January 2016	Recognised in profit or loss (Note 11.33)	Recognised in Other Comprehensive Income (Note 11.33)	Balance at 31 December 2016
Property, plant and equipment	1,015	669	-	1,683
Intangible assets	(11,386)	1,751	-	(9,635)
Deferred expenses	(7,096)	(419)	-	(7,515)
Employee benefits	300	52	73	425
Provisions	13,140	(2,295)	-	10,845
Accrued liabilities	13,842	2,509	-	16,351
Deferred tax assets/(liabilities)	**9,815**	**2,266**	**73**	**12,154**

COMPANY	Net balance at 1 January 2016	Recognised in profit or loss (Note 11.33)	Recognised in Other Comprehensive Income (Note 11.33)	Balance at 31 December 2016
Property, plant and equipment	1,412	535	-	1,947
Intangible assets	(15,421)	1,938	-	(13,483)
Deferred expenses	(5,244)	374	-	(4,870)
Employee benefits	270	51	71	393
Provisions	13,091	(3,788)	-	9,303
Accrued liabilities	2,400	349	-	2,749
Deferred tax assets/(liabilities)	**(3,493)**	**(541)**	**71**	**(3,962)**

The movement in deferred tax assets and liabilities per category during the prior year is as follows:

GROUP	Net balance at 1 January 2015	Recognised in profit or loss (Note 11.33)	Recognised in Other Comprehensive Income (Note 11.33)	Balance at 31 December 2015
Property, plant and equipment	(447)	1,448	-	1,015
Intangible assets	(15,972)	4,669	-	(11,386)
Deferred expenses	(5,190)	(1,945)	-	(7,096)
Employee benefits	208	107	(15)	300
Provisions	9,591	3,548	-	13,140
Accrued liabilities	10,526	3,315	-	13,842
Deferred tax assets/(liabilities)	**(1,284)**	**11,143**	**(15)**	**9,815**

COMPANY	Net balance at 1 January 2015	Recognised in profit or loss (Note 11.33)	Recognised in Other Comprehensive Income (Note 11.33)	Balance at 31 December 2016
Property, plant and equipment	(49)	1,462	-	1,412
Intangible assets	(15,598)	177	-	(15,421)
Deferred expenses	(4,496)	(748)	-	(5,244)
Employee benefits	194	87	(11)	270
Provisions	9,537	3,553	-	13,091
Accrued liabilities	3,713	(1,314)	-	2,400
Deferred tax assets/(liabilities)	**(6,699)**	**3,217**	**(11)**	**(3,493)**

On 31.12.2016, certain Group entities had accumulated tax losses of €26,475 (31.12.2015: € 11,922). For these accumulated tax losses, no deferred tax asset has been recognized due to the uncertainty of the timing of available taxable profits against which these losses could be offset.

11.9. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Cash in hand	3,105	2,253	1,284	1,416
Short term bank deposits	270,418	299,441	64,148	229,699
Total	**273,523**	**301,695**	**65,433**	**231,115**

Short term bank deposits are comprised by current accounts and time deposits. The effective interest rates are based on floating rates and are negotiated on a case by case basis.

In short term bank deposits is included restricted cash of amount € 2,517, mainly due to guarantees received from the agents and liabilities to suppliers, which is analysed as follows: OPAP S.A. € 297, HELLENIC LOTTERIES S.A. € 533, OPAP SPORTS LTD € 826, OPAP CYPRUS LTD € 335, OPAP SERVICES S.A. € 20 and TORA DIRECT S.A. € 506.

The deposits held by the Company in Greek credit institutions are subject to restrictions of cash withdrawal and working capital transfers, as established with the Act of legislative content 65/28.06.2015 and applied in accordance with the relevant ministerial decisions.

11.10. Inventories

Inventories include VLTs stores under construction of OPAP SERVICES S.A. that will be sold after their completion. These amount to € 9,109 (2015: € 9,098).

Lottery tickets and athletic events prognoses games, coupons for PAME STIHIMA game etc. of the Company are also included amounting to € 2,350 (2015: € 1,346).

Finally, there are inventories amounting to € 992 (2015: € 2,820) of the subsidiary TORA DIRECT S.A. relating mainly to fixed and mobile phone cards and Internet.

The Group and the Company have not pledged their inventories as collateral.

11.11. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Receivables from debtors (revenues from games)	74,851	50,952	22,000	13,691
Receivables from debtors (accounts under arrangement from agencies)	202	711	110	628
Doubtful receivables from agents	35,892	34,881	35,551	34,667
Other receivables	6,112	5,041	11,607	10,157
Sub total short term trade receivables	**117,057**	**91,585**	**69,269**	**59,142**
Less provisions for bad and doubtful debts and for accounts under arrangement	(36,422)	(36,350)	(35,602)	(35,751)
Total short term trade receivables	***80,634***	***55,234***	***33,667***	***23,391***
Long term receivables from agencies (accounts under arrangement)	13	112	13	112
Total long term trade receivables	***13***	***112***	***13***	***112***
Total trade receivables	**80,647**	**55,347**	**33,680**	**23,504**

The significant variation in the trade receivables is due to longer period of settlement from the agents for the year that ended on 31.12.2016 than that ended on 31.12.2015.

Management considers that the Group's main credit risk arises from doubtful receivables of agents including arrangements for unpaid revenues. On 31.12.2016 this debt amounted to € 35,892 (€ 34,881 in 2015), while the accounts under arrangement amounted to € 216 (€ 830 in 2015). In order to cover this risk, the Group established cumulative provision of € 36,422 and the Company € 35,602, respectively. Management considers these provisions to be adequate.

In the year 2016, the part of interest bearing regulations, non-covered by provision, was carried at the current value at discount rate of 1.35% (1.68% in 2015), based on which it was created financial income amounting to € 5 (€ 98 in 2015) increasing by this amount the initial value of the asset.

It should be noted that the provisions for bad and doubtful debts and for accounts under arrangement, amounting to € 36,422, presents a slight differentiation since December 2013, as a result of the effective management of trade receivables. More specifically, the differentiation between 2013 and 2016 amounts to an additional provision of € 223.

The expected inflow of the total trade receivables are presented below:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Expected inflow phases:				
< 3 months	80,555	54,899	33,588	23,055
3 - 6 months	38	171	38	171
6 - 12 months	41	165	41	165
Total short term receivables	**80,634**	**55,234**	**33,667**	**23,391**
> 12 months	13	112	13	112
Total	**80,647**	**55,347**	**33,680**	**23,504**

The Group and the Company have not pledged their receivables as collateral.

11.12. Other current assets

The analysis of other current assets is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Income tax receivables	35,888	-	35,860	-
Housing loans to personnel	55	54	55	54
Other receivable - revenue receivable	14,171	4,516	4,204	4,427
Prepaid expenses	11,523	8,527	9,818	7,531
Intercompany transaction of winners profits with OPAP CYPRUS LTD	-	-	260	5,619
Receivables from taxes	9,120	6,622	-	-
Total	**70,757**	**19,719**	**50,198**	**17,630**

Income tax receivables of the Group includes income tax receivable of the Company and its subsidiaries amounting to € 35,860 and € 28 respectively. In particular, on 31.12.2016 the Company displays income tax receivable due to the fact that the prepaid amount relating to income tax for the year 2016 recorded with the submission of the tax return for the year 2015 was higher compared to the income tax provision recorded for the current year.

Other receivable – revenue receivable of the Group, as of 31.12.2016, includes loans granted to third parties from OPAP INVESTMENT LTD of € 8,994.

Prepaid expenses of the Company mainly consist of prepayments made to football clubs for advertising and sponsoring services according to the terms of separate contracts signed with each of those associations.

Receivables from taxes include the 30% prepaid contribution on the GGR of HELLENIC LOTTERIES S.A., which is paid in the reporting period but it refers to the next one, amounting to € 9,120 (31.12.2015: € 6,622).

11.13. Share capital

The total number of the authorized ordinary shares is:

	GROUP & COMPANY	
	31.12.2016	31.12.2015
Ordinary shares of € 0.30 each	319,000,000	319,000,000
	319,000,000	319,000,000

The shares issued and fully paid are as follows:

	Number of shares	Value (€ '000)
Balance at 1 January 2015	319,000,000	95,700
Balance at 31 December 2015	319,000,000	95,700
Balance at 31 December 2016	**319,000,000**	**95,700**

11.14. Reserves

Reserves are analyzed as follows:

GROUP	Statutory reserves	Untaxed reserves	Total
31.12.2015	32.199	16.574	**48.773**
Changes in the period	218	(16.574)	**(16.356)**
31.12.2016	32.417	-	**32.417**

COMPANY	Statutory reserves	Untaxed reserves	Total
31.12.2015	31.900	16.574	**48.474**
Changes in the period	-	(16.574)	**(16.574)**
31.12.2016	**31.900**	-	**31.900**

The nature and purpose of each reserve account within shareholders' equity is as follows:

Statutory reserves reflect the addition of a minimum of 5% of the annual net profit of parent company added each year, subject to a maximum balance of 1/3 of the outstanding share capital. This amount is not available for distribution. After the allocation of net profit of 2003 this reserve has reached the statutory amount and further addition is not obligatory.

Untaxed reserves came from untaxed earnings. Any portion of this reserve distributed to shareholders is subject to income tax.

The retained earnings of 2016 of the Group and the Company include an amount of € 16,574 which, if distributed will be subject to income tax at the going rate less 10% tax already withheld. The amount relates to dividend income of OPAP S.A. for the period up to 31.12.2013.

At Group level, the increase in statutory reserves is attributed to the formation of statutory reserve from HELLENIC LOTTERIES S.A. of € 218.

11.15. Treasury shares

The Annual Ordinary General Assembly of the Company's Shareholders that was held on 20.04.2015 decided and set the details for the acquisition by the Company of treasury shares, through the Athens Exchange, up to a percentage of 5% of the total paid up share capital of the Company, namely up to 15,950,000 shares. The acquisition of treasury shares shall be made provided that on a case by case basis are considered to be at the Company's own benefit, preferential to other available investment options and as long as the Company's cash flow allows for such acquisitions and for purposes provided for by Regulation 2273/2003 and Decision No. 1/503/13.03.2009 by the Capital Market Commission. The proposed program for the acquisition of treasury shares shall be completed within twenty four months as from the date of the decision of the General Assembly, namely the latest by 19.04.2017, and will be implemented at a maximum acquisition price of 13.00 euros per share and a minimum acquisition price equal to the nominal value price of each share, i.e. 0.30 euros per share.

Furthermore, the Company's Board of Directors was authorized to determine the specific terms and details for the implementation of the program for the acquisition of treasury shares.

Following the above decision, the Company proceeded to the following acquisition of treasury shares:

Treasury shares	Common shares	Acquisition cost
Balance at 1 January 2015	**-**	**-**
Acquisition of treasury shares	406,542	2,719
Balance at 31 December 2015	**406,542**	**2,719**
Acquisition of treasury shares	581,263	4,735
Balance at 31 December 2016	**987,805**	**7,454**

11.16. Non-controlling interests

The Group’s non-controlling interests amount to € 36,910 as of December 31, 2016 (December 31, 2015: € 41,005), relate to HELLENIC LOTTERIES S.A. and represent the 33% on its equity, which is owned by INTRALOT LOTTERIES LIMITED (16.5%) and SCIENTIFIC GAMES GLOBAL GAMING S.R.L. (16.5%).

The basic financial date of HELLENIC LOTTERIES S.A. are presented below:

Summarized statement of financial position as at 31 December	**31.12.2016**	**31.12.2015**
NCI percentage	**33%**	**33%**
Non-current assets	148,545	162,843
Current assets	102,036	62,675
Non-current liabilities	(50,346)	(65)
Current liabilities	(88,254)	(101,197)
Net assets	**111,982**	**124,257**
Net assets attributable to NCI	**36,954**	**41,005**

Summarized statement of comprehensive income for the year ended December 31	**31.12.2016**	**31.12.2015**
Revenue (GGR)	159,054	157,890
Profit	7,939	(2,481)
Other comprehensive income, net of tax	1	4
Total comprehensive income	**7,940**	**(2,477)**
Profit attributable to NCI	2,620	(819)
Other comprehensive income attributable to NCI	0	1

Summarized cash flow information for the year ended December 31	**31.12.2016**	**31.12.2015**
Net cash from operating activities	20,873	13,802
Cash flows (used in) / from investing activities	47	(4,812)
Cash flows used in financing activities	(215)	(46,511)
Net (decrease)/increase in cash and cash equivalents	**20,704**	**(37,521)**

11.17. Loans

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

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Total long-term loans	**263,000**	**115,000**	**208,000**	**115,000**
Short-term loans				
Current portion of long term loans	100,000	32,000	100,000	2,000
Short-term loans (overdraft accounts)	18,689	97	18,689	97
Total short-term loans	**118,689**	**32,097**	**118,689**	**2,097**

The terms and conditions of outstanding loans are as follows:

		GROUP		COMPANY	
Bank	Year of maturity	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Bond Loan, amount € 75.000	2017	75,000	75,000	75,000	75,000
Bond Loan, amount € 50.000	2019	50,000	30,000	-	-
Bond Loan, amount € 15.000	2017	13,000	15,000	13,000	15,000
Bond Loan, amount € 45.000	2020	45,000	27,000	45,000	27,000
Bond Loan, amount € 5.000	2020	5,000	-	-	-
Bond Loan, amount € 100.000	2021	100,000	-	100,000	-
Bond Loan, amount € 75.000	2018	75,000	-	75,000	-
Overdraft, amount € 15.000		12,100	97	12,100	97
Overdraft, amount € 10.000		6,589	-	6,589	-
	Total loans	**381,689**	**147,097**	**326,689**	**117,097**

The average interest rate of both the Group and the Company is 5%.

The maturity of the loans is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Up to 1 year	118,689	32,097	118,689	2,097
1 – 5 years	263,000	115,000	208,000	115,000
Total	**381,689**	**147,097**	**326,689**	**117,097**

The above loan agreements do not contain mortgages and pledges on the assets of the Group and the Company.

11.18. Employee benefit plans

Long-term bonus incentive scheme

On 1 July 2015 OPAP SA introduced a bonus incentive scheme aiming to function as a performance incentive for selected key managers and directors. The scheme provides that the participants will be entitled to acquire shares the provision of which matures in about a year's time. The number of shares each participant will be entitled to acquire will depend on the performance of specified targets the outcome of which will be known in about a year's time. The fair value of each share is valued at the grant date based on the value of each share and the probability that the aforementioned targets will be met.

The number of shares amounts totally to 406 thousand shares. An amount of € 1,768 (2015: € 884) has been recognized as payroll cost in the Statement of Comprehensive Income and as retained earnings in the Statement of Changes in Equity. On 31.12.2016, the above scheme was terminated and none of the specified targets were achieved.

Defined Benefit Plan

Under Greek labor law, employees are entitled to termination payments in the event of retirement with the amount of payment varying in relation to the employee's compensation and length of service The liability arising from the above obligation is actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2016.

The analysis of the plans in Consolidated Statement of Financial Position is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Opening balance	**1,036**	**847**	**932**	**746**
Current service cost (Note 11.28)	268	290	217	231
Interest cost	17	13	15	12
Settlement cost (result)	1,076	482	822	466
Total cost recognized in Statement of Comprehensive Income	**1,361**	**785**	**1,055**	**708**
Actuarial (gain)/loss arising from demographic assumptions	-	(30)	-	(28)
Actuarial (gain)/loss arising from financial assumptions	101	-	92	-
Actuarial (gain)/loss arising from experience adjustment	152	(21)	154	(9)
Total actuarial (gain)/loss recognized in Equity	**253**	**(51)**	**247**	**(37)**
Payments	(1,143)	(545)	(879)	(485)
Closing balance	**1,507**	**1,036**	**1,355**	**932**

The principal actuarial assumptions used in the actuarial valuations of 2016 and 2015 are the following:

	2016	2015
Discount rate	1.35%	1.68%
Expected salary increase percentage	2.00%	2.00%
Average service in the company	16,60 - 28,73	20,17 - 27,74
Inflation rate	2.00%	2.00%

The estimated service cost for the next fiscal year amounts to € 293 for the Company and € 327 for the Group.

The following table shows the change in actuarial liability of the Group and the Company if the discount rate was 0.5% higher or lower than that which has been used and the corresponding change if the expected rate of salary increase was 0.5% higher or lower than the one used:

Sensitivity analysis (Group)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	1,355	-10%
Decrease in discount rate by 0.5%	1,680	11%
Increase of the expected wages' increase by 0.5%	1,663	10%
Decrease of the expected wages' increase by 0.5%	1,362	-10%

Sensitivity analysis (Company)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	1,218	-10%
Decrease in discount rate by 0.5%	1,510	11%
Increase of the expected wages' increase by 0.5%	1,495	10%
Decrease of the expected wages' increase by 0.5%	1,225	-10%

11.19. Provisions

Group’s and Company’s provisions are analyzed as follows:

	GROUP	COMPANY
Balance as of 31.12.2015	**59.061**	**57.591**
Provisions of the period	2.881	2.881
Provision reversal	(12.532)	(12.479)
Used provision	(15.362)	(15.320)
Balance as of 31.12.2016	**34.049**	**32.673**

Part of the amount of € 34,049 (2015: € 59,061), specifically € 32,078 (2015: €45,140), relates mainly to provisions recorded against losses from lawsuits by third parties, agents and employees against the

Company, while an amount of € 1,258 (2015: € 1,300) relates to the cumulative provision for tax differences of OPAP SERVICES S.A. (see note 11.35). The provision reversal for the Company of € 12,479 relates entirely to the aforementioned lawsuits. The reversal took place after considering the respective court decisions issued during 2016, which rejected the relevant lawsuits due to substantive reasons (legal and actual). Management was thus forced to revaluate the likely outcome and concluded that the potential economic outflow was non-probable.

11.20. Other long-term liabilities

Other long - term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Guarantee deposits from lottery agents	6,276	5,926	5,306	5,409
Grants	423	-	-	-
Total	**6,699**	**5,926**	**5,306**	**5,409**

Guarantee deposits from lottery agents represent amounts placed on deposit to jointly secure agents' obligations. These guarantees are paid back to the agents if they cease to act as agents.
Grants relate to capital expenditure investments performed by HORSE RACES S.A. against operating lease payable to ODIE S.A. for the horse race course and its ancillary premises at Markopoulo, Attica. More specifically, it is agreed that the lessee (HORSE RACES S.A.) has the right to perform certain capital expenditures of total amount up to € 2,000, during the first three years of the lease agreement, for improvement of the leased property, under certain conditions. These expenditures will be paid by the lessee and will be offset against the lease payable.

11.21. Trade payables

The analysis of trade payables is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Suppliers (services, assets, etc.)	55,983	46,667	36,591	25,464
Payout to the winners and retained earnings	82,812	69,155	24,470	25,349
Other payables (salaries – subsidies)	14,553	11,269	4,039	1,749
Total	**153,348**	**127,091**	**65,100**	**52,562**

Trade payables are non-interest bearing and are normally settled within 60 days for the Group and the Company.

11.22. Tax liabilities

The analysis of tax liabilities is as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Income tax liabilities	2,287	16,807	-	10,712
Contribution on the net revenues	42,208	106,263	36,700	100,765
Other taxes (withholding, VAT)	6,934	6,872	7,260	8,247
Total	**51,429**	**129,942**	**43,960**	**119,724**

As per L. 4389/2016, a 35% contribution is imposed on OPAP's net revenue (revenue minus players' winnings as per Greek GAAP) as of 01.01.2016, instead of 30% that was applicable since 01.01.2013 as per L. 4093/2012.

The amount of contribution on net revenues for the year ended on 31.12.2016 for the Company amounted to € 402,819 while the outstanding liability as at year ended on 31.12.2016 amounted to € 36,700. Respectively, for the year 2015, the amount of contribution on net revenue amounted to € 350,420 while the outstanding liability as at 31.12.2015 amounted to € 100,765.

The amount payable to the Greek State as at 31.12.2016 relating to the contribution on the net revenues, decreased significantly due to the obligation for monthly payment instead of quarterly, as in force on 31.12.2015.

11.23. Other current liabilities

Other current liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Donations	3,660	2,219	3,660	2,219
Sponsorships	8,197	7,952	693	941
Wages and salaries	6,747	7,917	6,360	7,570
Dividends and interim dividends payable	1,446	1,159	1,446	1,159
Insurance contributions payable	2,172	1,627	1,931	1,487
Other liabilities	24,250	14,979	9,500	10,066
Liability for license on horse races betting	20,251	-	-	-
Total	**66,722**	**35,853**	**23,590**	**23,441**

Other liabilities of the Group present significant variation compared to the previous year mainly, due to the provision of € 5,201 created by OPAP SERVISES S.A. during 2016, relating to extra fines and surcharges and the liability of € 3,299 that HELLENIC LOTTERY S.A. displays to its shareholder SGI on 31.12.2016.

The liability for license on horse races betting relates to a liability to HRADF of € 20,251, based on the Concession Agreement for the grant of an exclusive right to organize and conduct mutual betting on horse races in Greece for a period of twenty years. This liability was settled in January 2017.

11.24. Dividends

The Sixteenth (16th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that 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 had already been distributed to the shareholders in the form of interim dividend in August 2015, the remaining dividend for the fiscal year 2015 amounted to 0.23 euro per share.
The Tenth (10th) Shareholders Extra-Ordinary General Meeting of OPAP S.A. that took place on Tuesday, 21.06.2016 at its headquarters, approved the distribution of part of the past years undistributed earnings which represented a dividend of 0.57 Euro per share.

11.25. GGR contribution and other levies and duties

As per L. 4389/2016, a 35% contribution is imposed on OPAP's net revenue (revenue minus players' winnings as per Greek GAAP) as of 01.01.2016, instead of 30% that was applicable since 01.01.2013 as per L. 4093/2012. Moreover, based on the Betting Tax of Cyprus introduced in 2012, a betting tax of 13% is imposed on net revenues of Opap Sports Ltd. Finally, based on the interstate agreement between Greece and Cyprus, a special levy is paid to the Cypriot State from Opap Cyprus Ltd.
The amount of contribution on net revenue from games for 2016 for the Group amounted to € 466,743 and for the Company amounted to € 402,819.

11.26. Agents' commission

Agents' commissions are commissions accrued to the agents and they are accounted for at a fixed rate of 8% on revenues which are generated by «STIHIMA, GO LUCKY, MONITOR GAMES», KINO and SUPER 3 and 12% for the remaining games. Additionally, sales' network commissions of HELLENIC LOTTERIES S.A. are calculated per type of lottery sales, ranging from 7% to 12% depending on the sales' channel (wholesalers, mini markets, OPAP S.A. sales' network etc.). Finally, agents' commission on HORSE RACES S.A. games are at a fixed rate of 6% on their revenues.

11.27. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Commission on New Year's Eve Lottery revenues	2,220	2,216	-	-
Revenues from prepaid cards and mobile top-ups	88,533	107,431	-	-
Management fees	-	-	27,616	26,128
Other income	17,709	19,015	15,837	17,285
Total	**108,462**	**128,662**	**43,453**	**43,413**

Revenues from prepaid cards and mobile top-ups include sales of TORA DIRECT S.A.. The variation presented above between 2016 and 2015 is mainly due to decrease in mobile telecommunication business.

11.28. Payroll expenses

The analysis of staff cost is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Wages and salaries	44,231	37,232	38,569	33,439
Social security costs	7,909	6,365	6,834	5,646
Long-term bonus incentive scheme (Note 11.18)	1,768	884	1,768	884
Other staff costs	947	834	829	692
Defined benefit plans (Note 11.18)	268	268	217	231
Termination compensations	1,076	516	822	478
Total	**56,199**	**46,098**	**49,038**	**41,370**

The number of permanent and part time employees of the Company as at 31.12.2016 and 31.12.2015 is 843 and 738, respectively, while the employees of the Group as at 31.12.2016 and 31.12.2015 are 1.005 and 860, respectively.

11.29. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
CSR and sponsorships	26,040	38,917	18,542	30,324
Advertising	44,546	37,255	34,627	28,027
Total	**70,585**	**76,171**	**53,168**	**58,351**

Sponsorships' expense of the Company presents a significant reduction compared to the previous year, totaling € 14,241 as the contract with Super League was not renewed.

11.30. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
IT related costs	60,419	56,007	51,833	49,157
Utilities & Telecommunication costs	14,031	12,205	11,961	11,315
Rentals	8,382	5,435	5,323	5,036
Other	70,949	68,728	51,708	54,967
Inventory consumption	93,405	112,254	3,535	-
Total	**247,185**	**254,628**	**124,360**	**120,476**

The decrease in other operating expenses is mainly attributed to the decreased inventory consumption of TORA DIRECT S.A., as a result of its decreased sales (see Note 11.27).

At Company level, other expenses of 2016 include an impairment in the value of the investment of OPAP SERVICES S.A. amounting to € 12,000 (see Note 11.5). Additionally, other expenses of the Company include one-off expenses relating to VLTs business amounting to € 7,271 (2015: € 2,981).

11.31. Financial results income / (expenses)

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Interest and expenses of bond loans	(15,684)	(4,745)	(12,892)	(3,622)
Other financial expenses	(1,226)	(1,643)	(273)	(654)
Capital cost of pension plans	(17)	(12)	(15)	(12)
Finance expenses	**(16,928)**	**(6,400)**	**(13,181)**	**(4,287)**
Bank deposits	1,520	1,517	668	722
Personnel loans	5	5	5	5
Other financial income	2,110	112	106	66
Reversal of previous period discount interest	5	97	5	97
Finance income	**3,641**	**1,732**	**784**	**890**
Net finance expenses recognised in profit or loss	**(13,287)**	**(4,668)**	**(12,397)**	**(3,397)**

Interest and expenses of bond loans, both for the Company and the Group, increased significantly during the year 2016 versus the year 2015 due to the issuance of new bond loans (see note 11.17).

Other financial income of 2016 includes interest from loans granted from OPAP INVESTMENT LTD of € 1,979, out of which € 1,924 has already been received.

11.32. Other finance income

Also, the Company, in 2016, presents dividend income of subsidiaries amounting to € 9,103. Specifically, the dividend from OPAP CYPRUS LTD is € 5,603, from OPAP SPORTS LTD € 500 and from OPAP INVESTMENT LTD € 3,000.

11.33. Income tax expense

Income tax expense included in statement of profit or loss is analyzed as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Current income tax expense	(66,326)	(100,835)	(61,286)	(93,787)
Deferred tax	2,266	11,143	(541)	3,217
Total income taxes	**(64,060)**	**(89,692)**	**(61,826)**	**(90,571)**
Effective tax rate	**27.0%**	**29.9%**	**26.4%**	**30.0%**

Both the Group's and the Company's effective tax rate appears to be lower compared to the previous year. In 2016, the Company recognized a tax income amounting to € 8,609, relating to tax exempt bad debt provision.

A reconciliation between the income tax expense and the accounting profit before tax multiplied by tax rates in force in Greece (29%) is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Profit before tax	**236,916**	**299,592**	**233,914**	**301,661**
Tax calculated at the Company's statutory tax rate (29%)	(68,706)	(86,882)	(67,835)	(87,482)
Tax adjustments in respect of:				
Impairment loss in investments non-deductible	-	-	(3,480)	-
Tax effect of non-deductible expenses	(4,596)	(3,077)	(850)	(3,202)
Tax effect of non-taxable and specially taxed income	3,268	-	3,036	-
Effect of unrecognized deferred tax asset on tax carry forward losses	(5,203)	-	-	-
Effect of different tax rates in other countries	1,722	16	-	-
Other taxes	153	(861)	144	-
Changes in estimates related to prior years	(599)	-	(1,450)	-
Utilization of provision for bad and doubtful debts	8,609	-	8,609	-
Other	1,292	1,113	-	113
Income tax expense	**(64,060)**	**(89,692)**	**(61,826)**	**(90,571)**

Income tax expense included in other comprehensive income is analyzed as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Remeasurement of defined benefit liability	73	(15)	71	(11)
Total	**73**	**(15)**	**71**	**(11)**

11.34. Earnings per share

The basic and diluted earnings per share are calculated as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Net profit attributable to the shareholders of the Company (in €)	170,236,310	210,719,362	172,087,770	211,090,512
Weighted average number of ordinary shares	318,531,770	318,830,608	318,531,770	318,830,608
Basic and diluted earnings per share (in €)	**0.5344**	**0.6609**	**0.5403**	**0.6621**

Basic and diluted earnings per share are the same, as the Company has no dilutive potential categories.

The weighted average number of shares is calculated on 31.12.2016 as follows:

	2016	2015
Issued ordinary shares at 1 January	319,000,000	319,000,000
Effect of treasury shares held	(468,231)	(169,393)
Weighted-average number of ordinary shares at 31 December	**318,531,770**	**318,830,608**

11.35. Related party disclosures

The Group's financial statements the year 2015 were consolidated from Emma Delta Variable Capital Investment and the year 2016 from SAZKA Group a.s..

The term "related parties" includes not only the Group's companies, but also companies in which the parent participates in their share capital with a significant percentage, companies that belong to parent's main shareholders, companies controlled by members of the BoD or key management personnel, as well as close members of their family.

The Group's and the Company's income and expenses for the years of 2016 and 2015 as well as the balances of receivables and payables for the same period that have arisen from related parties' transactions, as defined by IAS 24, as well as their relevant figures are analyzed as follows:

	GROUP		COMPANY	
Income	**01.01-31.12.2016**	**01.01-31.12.2015**	**01.01-31.12.2016**	**01.01-31.12.2015**
Subsidiaries	-	-	36,950	31,887
Associates	1,924	-	-	-
Total	**1,924**	**-**	**36,950**	**31,887**

	GROUP		COMPANY	
Expenses	**01.01-31.12.2016**	**01.01-31.12.2015**	**01.01-31.12.2016**	**01.01-31.12.2015**
Subsidiaries	-	-	5,640	47
Associates	8,303	8,783	3,512	-
Total	**8,303**	**8,783**	**9,152**	**47**

	GROUP		COMPANY	
Receivables	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Subsidiaries	-	-	31,271	38,711
Total	**-**	**-**	**31,271**	**38,711**

	GROUP		COMPANY	
Payables	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
Subsidiaries	-	-	1,488	907
Associates	1,092	1,074	700	824
Total	**1,092**	**1,074**	**2,188**	**1,731**

	GROUP		COMPANY	
Transactions and salaries of executive and administration members	**01.01-31.12.2016**	**01.01-31.12.2015**	**01.01-31.12.2016**	**01.01-31.12.2015**
BoD and key management personnel	10,674	8,296	8,271	6,347
Total	**10,674**	**8,296**	**8,271**	**6,347**

The remuneration of the BoD and key management personnel of the Group is analyzed as follows:

a) the Group's BoD compensation, reached € 735 for the year 2016 and € 750 for the year 2015 and

b) the Group's key management personnel remuneration, reached € 9,939 for the year 2016 and € 7,546 for the year 2015.

The remuneration of the BoD and key management personnel of the Company is analyzed as follows:

a) the Company's BoD compensation, reached € 330 for the year 2016 and € 320 for the year 2015 and

b) the Company's key management personnel remuneration, reached € 7,941 for the year 2016 and € 6,027 for the year 2015.

	GROUP		COMPANY	
Liabilities from BoD compensation & remuneration	**31.12.2016**	**31.12.2015**	**31.12.2016**	**31.12.2015**
BoD and key management personnel	302	215	246	183
Total	**302**	**215**	**246**	**183**

The balance from management's remuneration and Board of Directors' compensation refers to:

a) key management's personnel remuneration and compensation of the Group that amounted to € 302 for the year 2016 and € 215 for the year 2015 and
b) key management's personnel remuneration and compensation of the Company that amounted to € 246 for the year 2016 and € 183 for the year 2015.

All the inter-company transactions and balances of the above have been eliminated in the consolidated financial statements of the Group.

11.36. Other disclosures

Contingent liabilities

A) Tax liabilities

The tax audit of OPAP SERVICES S.A. for the year 2012 was completed during 2016 and the tax authorities imposed additional taxes and surcharges totaling € 2,773. The amount of € 2,297 was paid in advance. The company has the intention to appeal against this decision.

It should be noted that the Company has appealed before the Athens Administrative Court, currently awaiting the hearing of its case, for additional taxes and surcharges totaling € 29,568 imposed in 2014 for the tax year of 2010.

The companies of the Group subject to tax audit by legal auditors, were tax audited by their Certified Auditors Accountants, according to the terms of article 82, par. 5 of the Law 2238/1994 and the article 65A, par. 1 of L. 4174/2013 that has been accordingly revised by L. 4262/2014, and received the Tax Compliance Reports without differences.

More specifically, the audited tax years by Certified Auditors Accountants are:

Company's Name	Fiscal Years
OPAP S.A.	2011-2015
OPAP SERVICES S.A.	2011-2015
HELLENIC LOTTERIES S.A.	2014-2015
TORA DIRECT S.A.	2010-2015

In any case and according to POL. 1006/05.01.2016, Greek companies subject to the Tax Certificate process are not excluded from a tax audit by tax authorities. Subsequently, tax liabilities for these fiscal are not considered to be final. A possible tax audit may impose further taxes and fines, the amount of which is not expected to be material.

Group companies' outside Greece have not been tax audited for the below years:

Company's Name	Fiscal Years
OPAP CYPRUS LTD	2013 – 2016
OPAP SPORTS LTD	2016
OPAP INTERNATIONAL LTD	2004 – 2016
OPAP INVESTMENT LTD	2012 – 2016

A provision of € 1,258 has been recognized by OPAP SERVICES S.A. regarding the unaudited tax years by tax authorities and a provision of € 5,201 for fines and surcharges.

B) Legal matters:

OPAP S.A.'s Legal Department estimations concerning legal claims against OPAP S.A., for which a negative outcome is likely, result in a provision, including interest, for the Company amounting to € 32,078 and for the Group € 32,195, while the total amount of these claims for the Company amounts to € 29,989 and for the Group € 30,179. The total cumulative provision on 31.12.2016 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Labor disputes	21,401	18,785	21,284	18,615
Lawsuits from individuals or legal entities	10,793	26,525	10,793	26,525
Total provision	**32,195**	**45,310**	**32,078**	**45,140**

Furthermore, according to the Legal Counsel, third party lawsuits as against the Group have been filed of a total claim of € 229,378, for which the outcome is estimated as positive for the Group and consequently, no provisions were required.

There are no other pending or outstanding differences related to the Company or the Group as well as court or other administrative authorities' resolutions that might have a material effect on the financial statements or the operation of the Company and its subsidiaries.

Commitments

Future minimum payments under the agreements are as follows:

	GROUP		COMPANY	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Less than 1 year	141,492	156,578	53,885	58,757
1 - 5 years	248,183	320,895	29,083	65,384
More than 5 years	258,198	218,469	1,350	1,950

11.37. Financial risk factors

We present the main risks and uncertainties which the Group is exposed.

1. Risk related to political and economic conditions, as well as market conditions and developments in Greece

On a macroeconomic level, the realization of the Third Economic Adjustment Programme of the Greek economy continues to be subject to a series of conditions, while its implementation does not guarantee the Greek economy's expected return to an established course of sustainable growth, something that may lead to negative effects for the Group's business activities, operational results and financial status.

The Group's activity is significantly affected by decreased consumer spending, which in turn is affected by the current economic conditions in Greece, such as the unemployment rate, interest rates, inflation rate, tax rate and the increase in GDP rate. Moreover, the economic recession, financial uncertainty and a number of the Group's customers potential interpretation that the economic conditions are deteriorating, could result in a decrease of the usage of the various gaming services that the Group offers to the public.

The return to economic stability depends greatly on the actions and decisions of the institutions both in the country and abroad, as well as from the assessment of the Greek economy from international creditors in the context of the third program.

Any further negative development in the economy would affect the normal operations. However, the Management is continually adjusted to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

The gaming sector in Greece is intensively regulated by the Hellenic Gaming Commission. The Greek authorities have the right to unilaterally alter the legislative and regulatory framework that governs the manner and modus operandi of the games that the Group offers.

The developments in the Greek regulatory framework, drive evolving regulatory challenges for the Group. Changes in the regulatory environment may have a substantial impact, through restricting betting activities or changing compliance costs and taxes.

OPAP consistently complies with regulatory standards, while understands and addresses changing regulatory requirements in an efficient and effective manner. At the same time new regulatory regimes which make it commercially unviable for the Company to operate its products can restrict our ability to grow the business. Additionally, a potential failure on the Group's part to comply with the governing rules and the regulatory framework, as well as the enactment of new laws or/and further regulatory enforcement could have a negative impact on the Group's business activities. Additionally, restrictions on advertising can reduce the ability to reach new customers, thus impacting the implementation of the strategic objectives to focus on sustainable value increase.

OPAP is willing to actively engage and maintain dialogue with authorities, regulators and other key stake holders, to continually monitor the changing regulatory/legal landscape and through appropriate policies, processes and controls for a rational and balanced gaming regulation.

Tax Change risk

The Group's business activities and the sector in which it does business are subject to various taxes and charges, such as the special contribution regarding games which is calculated based on the gross gaming revenue, the tax on players' winnings and the income tax of legal entities.

The Company is exposed to the risk of changes to the existing gaming taxation status or the gaming tax rates, creating unexpected increased costs for the business and impacting the implementation of Group's strategic objectives for sustainable revenues and additional investments. The Company is seeking to promptly respond to any potential tax changes, by maintaining the required tax planning resources and developing contingency plans so as to implement the required mitigating actions and to minimize the overall impact.

2. Market risk

Market risk arises from the possibility that changes in market prices such as exchange rates and interest rates affect the results of the Group and the Company or the value of financial instruments held. The management of market risk consists in the effort of the Group and the Company to control their exposure to acceptable limits.

Currency risk

Currency risk is the risk that the fair values of the cash flows of a financial instrument fluctuate due to foreign currency changes. Group operates in Greece and Cyprus, and there are not any agreements with suppliers in currencies other than in euro. All revenues from games are in euro, transactions and costs are denominated or based in euro, subsequently, there is not any substantial foreign exchange risk. Additionally, the vast majority of Group's cost base is, either proportional to our revenues (i.e. payout to winners, agents commission) or to transactions with domestic companies (i.e. IT, marketing).

Interest rate risk

The Group is exposed to interest rate risk principally in relation to outstanding debt. The existing debt facilities, as of 31.12.2016, stand at 381,689 and 326,689 for the Group and the Company, respectively. The Group follows all market developments with regards to the Interest Rate environment and acts accordingly. On 31.12.2016 the Group had no outstanding hedge transactions.

Capital Management

The primary objective of the Group and the Company, relating to capital management is to ensure and maintain strong credit ability and healthy capital ratios to support the business plans and maximize value for the benefit of shareholders.

The Group manages the capital structure and makes the necessary adjustments to conform to changes in business and economic environment in which they operate. The Group and the Company in order to optimize the capital structure, may adjust the dividend paid to shareholders, return capital to shareholders or issue new shares.

The capital for the years 2016 and 2015 is as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Long term loans	263,000	115,000	208,000	115,000
Current portion of long term loans and short-term loans	118,689	32,097	118,689	2,097
Total debt	**381,689**	**147,097**	**326,689**	**117,097**
Minus : Cash and cash equivalents	(273,523)	(301,695)	(65,433)	(231,115)
Net debt	**108,166**	**(154,598)**	**261,257**	**(114,018)**
Total Equity	1,072,231	1,202,827	1,038,121	1,162,282
Profit before interest, tax, depreciation and amortization (EBITDA)	307,540	377,103	273,892	339,413
Total debt / Total Equity	**35.6%**	**12.2%**	**31.5%**	**10.1%**
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA)	**0.4**	**-0.4**	**1.0**	**-0.3**

A change by one basis point in interest rates as of 31.12.2016 would have no effect on the results and the effect on equity would be very small.

The Group's objectives in managing capital is to ensure the ability of smooth operation of the Group in the future in order to provide satisfactory returns to shareholders and other stakeholders and maintain an ideal allocation of capital reducing in this way the cost of capital.

All financial instruments assets and liabilities below are not negotiable and are measured at cost or unamortized cost. The current value for each of these is not considered significantly different from their carrying value as shown below and at the Statement of Financial Position, so no analysis is given.

3. Credit risk

The Group's exposure to credit risk arises mainly from agents' bad debts as well as from the debts of agents for which arrangements have been made. The cumulative figure for the Group for bad debts up to 31.12.2016 amounts to € 35,892 and a respective provision of 100% has been already included in the

Financial Statements. The main credit risk management policy is the establishment of credit limits per agent. Additionally, the Group is taking all necessary steps to mitigate credit risk exposure towards financial institutions. The Group is also exposed towards credit risk in respect of entities with which it has deposited funds or with which it has other contractual relationships. The Group manages credit risk exposure to its agents through various practices. Each agent is required to provide the Group with a warranty deposit as a guarantee. These deposits are aggregated and are available in the event of a default in payment by any agent. In addition, a maximum amount that an agent may owe during each settlement period has been imposed. If the amounts owed by an agent exceed the relevant limit during any settlement period, the agent's terminal is automatically blocked from accepting wagers.

Assets subject to credit risk as at the date of the Statement of Financial Position are analysed as follows:

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Financial Assets Categories				
Cash and cash equivalents	273,523	301,695	65,433	231,115
Trade and other receivables	151,404	84,164	83,878	41,134
Total	**424,927**	**385,859**	**149,311**	**272,249**

	GROUP		COMPANY	
Year that ended on December 31,	**2016**	**2015**	**2016**	**2015**
Within 3 months	424,836	385,411	149,219	271,801
From 3 months to 6 months	38	171	38	171
From 6 months to 1 year	41	165	41	165
Over 1 year	13	112	13	112
Total	**424,927**	**385,859**	**149,311**	**272,249**

All the above Financial Assets are not yet due or impaired except bad debts that are due and impaired receivables as well as by agents who are not due but are impaired. Both these categories are included in Trade Receivables (see Note 11.11) for which full provisions is made.

4. Liquidity risk

The Group manages liquidity risk by managing betting games' payout ratio and the proper design of each game. With the exception of fixed-odds sports betting games, all of the remaining games have a theoretical payout (relating to prizes normally attributed to winners) based on each game's mathematics. As the theoretical payout is calculated on a very large number of draws, small deviations can occur in some of the numerical games in shorter time frames. For example, Kino is a fixed odds game that statistically distributes approximately 69.5% of net receivables to the winners, with deviations mostly around 1%. The Group manages liquidity risk by limiting the size of player winnings. For example, Kino has a maximum prize of € 1.0 million. Maximum winnings/column are also defined for Stihima, a fixed odds betting game in which winning depends on correctly guessing the results of sporting events, and other events that by their nature allow for wagering. For Stihima game a comprehensive risk management methodology is implemented at different stages of the sport-betting cycle, setting different limits and odds per sport, league and game while treating each event differently. At any given time, bets placed are tracked, received and accepted or not accepted. In addition, the trading team can also monitor any high bets placed and negotiate with the bettor so that the bet is within the approval limits. Finally, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities.

The maturity of the financial liabilities as at 31.12.2016 and 31.12.2015 for the Group and Company is analyzed as follows:

GROUP	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2016	**Within 6 months**	**6 till 12 months**	**1 till 5 years**	
Other long term liabilities	-	-	6,699	6,699
Borrowings	87,750	30,939	263,000	381,689
Trade payables	123,476	29,872	-	153,348
Other short term liabilities	66,722	-	-	66,722
Total	**277,949**	**60,811**	**269,699**	**608,459**

GROUP	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2015	**Within 6 months**	**6 till 12 months**	**1 till 5 years**	
Other long term liabilities	-	-	5,926	5,926
Borrowings	30,097	2,000	115,000	147,097
Trade payables	103,116	23,976	-	127,091
Other short term liabilities	35,853	-	-	35,853
Total	**169,066**	**25,976**	**120,926**	**315,967**

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2016	**Within 6 months**	**6 till 12 months**	**1 till 5 years**	
Other long term liabilities	-	-	5,306	5,306
Borrowings	87,750	30,939	208,000	326,689
Trade payables	65,100	-	-	65,100
Other short term liabilities	23,590	-	-	23,590
Total	**176,439**	**30,939**	**213,306**	**420,684**

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
Year that ended on December 31, 2015	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	-	-	5,409	5,409
Borrowings	97	2,000	115,000	117,097
Trade payables	52,562	-	-	52,562
Other short term liabilities	23,441	-	-	23,441
Total	**76,100**	**2,000**	**120,409**	**198,509**

5. Security risk

Reliability and transparency in relation to the operation of the games are ensured by several security measures designed to protect information technology system from breaches in security such as illegal retrieval and illegal storage of data and accidental or intentional destruction of data. Security measures cover data processing system, software applications, the integrity and availability of data and the operation of the on-line network. Additionally, all critical business applications that relate to game operation and availability are hosted in systems that guarantee high availability, including transferring to a Backup Computer System if deemed necessary. Moreover, a critical evaluation of all systems is conducted – whether they are directly related to game availability or not – so that they can be integrated into the Disaster Recovery Plan, if deemed necessary. All applications are integrated in a security backup creation system according to their significance.

6. Additional tax charges

In the previous years the Greek State imposed special tax contributions which materially affected the Group’s and the Company’s income statement. Given the current fiscal position of the Greek State, additional fiscal measures may be taken, which could have a material adverse effect on the Group’s and the Company’s financial condition.

Furthermore, the tax measures implemented as per L. 4389/2016 from 01.01.2016 by way of implementing a 35% tax on net revenue before tax, adversely affected both cash flows and the financial position of both the Group and the Company.

11.38. Subsequent events

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 today, 49 Gaming Halls in total operate while one of the main targets of the Company's Management is to multiply the number of operating Gaming Halls.

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.

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

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.

Chairman of the BoD	Chief Executive Officer	Member of the BoD and Chief Financial Officer	Accounting and Consolidation Director
Kamil Ziegler	**Damian Cope**	**Michal Houst**	**Petros Xarchakos**

IV. Summary Financial Information for the fiscal year 2016

OPAP S.A.

GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A.

Register Number: 46329/06/B/00/15

General Electronic Commercial Registry-G.E.MI. Number: 3823201000

112, Athinon Ave, 104 42 Athens

FINANCIAL DATA AND INFORMATION

FOR THE PERIOD FROM JANUARY 1,2016 TO DECEMBER 31, 2016

(Published in accordance with L. 2190/1920, article 135 for companies preparing annual consolidated and separate financial statements, in accordance with the I.F.R.S.)

The purpose of the following information and financial data is to provide users wuth general information about the results of operations of OPAP S.A. ("Company") and OPAP Group ("Group"). Therefore, we recommend the users of the financial data and information, before making any investment decision or proceeding to any transaction with the Group or the Company, to obtain the necessary information from the website, where the consolidated and separate financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the E.U., are available, together with the auditors' report.

Responsible Supervisory Authority:	Ministry of Economy, Development and Tourism
Company's Website:	www.opap.gr
Board of Directors:	Kamil Ziegler, Damian Cope, Spyros Fokas, Pavel Saroch, Michal Houst, Georgios Melisanidis, Christos Kopelouzos, Pavel Horak, Robert Chvátal, Marco Sala, Igor Rusek, Rudolf Jurcik, Dimitrakis Potamitis
Approval date of the financial statements:	28 March 2017
Certified Auditor:	Nikolaos Vouniseas (Registry No SOEL 18701)
Auditing Company:	KPMG Certified Auditors S.A. (Registry No SOEL 114)
Type of Auditors' Opinion:	Unqualified

FINANCIAL POSITION STATEMENT INFORMATION

(Amounts in thousands of euro)

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
ASSETS				
Intangible assets	1,216,858	1,222,987	1,041,090	1,063,227
Property, plant & equipment	67,583	56,238	45,196	32,861
Investment property	940	1,398	940	1,398
Other non - current assets	44,909	38,297	301,880	172,628
Inventories	12,469	13,265	2,350	280
Trade receivables	80,634	55,234	33,667	23,391
Other current assets	344,280	321,414	115,631	248,745
TOTAL ASSETS	**1,767,675**	**1,708,833**	**1,540,755**	**1,542,530**
LIABILITIES & EQUITY				
Share capital	95,700	95,700	95,700	95,700
Other equity items	939,577	1,066,122	942,421	1,066,582
Equity attributable to owners of the Company (a)	**1,035,277**	**1,161,822**	**1,038,121**	**1,162,282**
Non-controlling interests **(b)**	36,954	41,005	-	-
Total equity (c)=(a)+(b)	**1,072,231**	**1,202,827**	**1,038,121**	**1,162,282**
Provisions / Other non-current liabilities	42,254	66,022	43,296	67,425
Long-term loans	263,000	115,000	208,000	115,000
Short-term loans	118,689	32,097	118,689	2,097
Other current liabilities	271,500	292,887	132,649	195,727
Total liabilities (d)	**695,443**	**506,006**	**502,634**	**380,248**
TOTAL LIABILITIES & EQUITY (c)+(d)	**1,767,675**	**1,708,833**	**1,540,755**	**1,542,530**

COMPREHENSIVE INCOME STATEMENT INFORMATION

(Amounts in thousands of euro)

	GROUP		COMPANY	
	1.1-31.12.2016	**1.1-31.12.2015**	**1.1-31.12.2016**	**1.1-31.12.2015**
Revenue (GGR)	**1,397,565**	**1,399,671**	**1,152,655**	**1,167,601**
Net gaming revenue (NGR)	**573,047**	**625,339**	**457,006**	**516,197**
Results from operating activities	**249,254**	**302,770**	**237,208**	**299,418**
Profit before tax	**236,916**	**299,592**	**233,914**	**301,661**
Profit (A)	**172,856**	**209,901**	**172,088**	**211,091**
-Owners of the Company	170,236	210,719	172,088	211,091
-Non-controlling interests	2,620	(819)	-	-
Other comprehensive income, net of tax (B)	(179)	37	(175)	26
Total comprehensive income (A)+(B)	**172,677**	**209,937**	**171,913**	**211,116**
-Owners of the Company	2,620	(817)	-	-
-Non-controlling interests	1	1	1	1
Basic and diluted earnings (after tax) per share (in €)	0.5344	0.6609	0.5403	0.6621
Dividend proposed per share (in €)	0.7200	0.4000	0.7200	0.4000
Profit before interest, tax, depreciation and amortization (EBITDA)	**307,540**	**377,103**	**273,892**	**339,413**

CHANGES IN EQUITY STATEMENT INFORMATION

(Amounts in thousands of euro)

	GROUP		COMPANY	
	31.12.2016	**31.12.2015**	**31.12.2016**	**31.12.2015**
Balance as of January 1st, 2016 and 2015 respectively	**1,202,827**	**1,235,064**	**1,162,282**	**1,166,661**
Total comprehensive income	172,677	209,937	171,913	211,116
Dividends paid	(293,106)	(217,222)	(293,106)	(213,661)
Acquisition of non-controlling interests of subsidiaries	-	(950)	-	-
Acquisition of treasury shares	(4,735)	(2,719)	(4,735)	(2,719)
Share capital increase expenses of subsidiaries	(601)	(715)	-	-
Share capital decrease of subsidiaries	(6,598)	(21,452)	-	-
Long-term bonus incentive scheme	1,768	884	1,768	884
Balance as of December 31st, 2016 and 2015	**1,072,231**	**1,202,827**	**1,038,121**	**1,162,282**

CASH FLOW STATEMENT INFORMATION

(Amounts in thousands of euro)

	GROUP		COMPANY	
	1.1-31.12.2016	**1.1-31.12.2015**	**1.1-31.12.2016**	**1.1-31.12.2015**
Operating activities				
Profit before tax	236,916	299,592	233,914	301,661
Adjustments for:				
Depreciation and amortization	58,286	59,310	36,684	39,995
Net finance costs	13,199	4,666	3,206	(2,245)
Employee benefit plans	3,112	1,174	2,807	1,114
Provisions for bad debts	72	220	(149)	-
Other provisions	(11,788)	9,128	(11,692)	9,100
Impairment losses on tangible & intangible assets	29	15,021	-	-
Exchange differences	88	2	88	2
Impairment of investment in subsidiary	-	-	12,000	-
Reversal of impairment loss on remeasurement of associates	(350)	(893)	-	-
Share of profit from associates	(600)	(600)	-	-
(Gain) / loss from investing activities	(705)	(202)	(642)	5
Other non-cash items	-	-	2,869	1,973
Changes in Working capital				
(Increase) / decrease in inventories	789	(10,289)	(2,071)	(280)
(Increase) / decrease in receivables	(66,996)	35,707	(41,746)	48,194
Increase / (decrease) in payables (except banks)	22,060	(59,424)	(3,505)	(83,503)
Decrease in taxes payable	(27,735)	(6,999)	(29,018)	(4,172)
Minus:				
Interest paid	(15,140)	(5,524)	(11,469)	(3,467)
Income tax paid	(116,937)	(142,454)	(107,801)	(135,743)
Net cash flows from operating activities (a)	**94,301**	**198,436**	**83,475**	**172,634**
Investing activities				
Proceeds from sale of tangible and intangible assets	684	321	677	32
Purchase of tangible and intangible assets	(42,865)	(39,649)	(26,460)	(21,319)
Extra charge for the acquisition of subsidiary	(695)	(1,090)	-	-
Loans granted	(12,700)	-	-	-
Share capital (increase) / decrease in subsidiaries	-	-	(145,000)	34,500
Interest received	3,261	1,350	485	532
Dividends received	-	-	9,103	5,640
Net cash flows (used in) / from investing activities (b)	**(52,315)**	**(39,067)**	**(161,196)**	**19,385**
Financing activities				
Proceeds from loans & borrowings	276,689	147,096	221,689	117,097
Payments of loans & borrowings	(42,097)	-	(12,097)	-
Acquisition of treasury shares	(4,735)	(2,719)	(4,735)	(2,719)
Payment of finance lease interest	-	(1)	-	-
Payment of finance lease principal	-	(4)	-	-
Share capital increase expenses of subsidiaries	(599)	(715)	-	-
Return of share capital of subsidiary	(6,598)	(21,452)	-	-
Dividends paid	(292,819)	(277,298)	(292,819)	(273,738)
Net cash flows used in financing activities (c)	**(70,158)**	**(155,093)**	**(87,961)**	**(159,359)**
Net (decrease) / increase in cash and cash equivalents (a)+(b)+(c)	**(28,172)**	**4,276**	**(165,682)**	**32,660**
Cash and cash equivalents at the beginning of the year	301,695	297,418	231,115	198,455
Cash and cash equivalents at the end of the year	**273,523**	**301,695**	**65,433**	**231,115**

ADDITIONAL INFORMATION

1a. The unaudited by the tax authorities fiscal years for the Company and the Group's subsidiaries are presented in note 11.36 of the annual financial statements.
1b. For unaudited fiscal years, a cumulative provision has been made concerning tax differences amounting to € 1,258 thousand for the Group.
2. The assets of the Group and the Company have not been pledged.
3a. According to the Company's Legal Counsel, there are lawsuits from third parties concerning claims against the Company amounting to € 32,078 thousand and € 32,195 thousand for the Group for which a provision has been recognized, while the total sum of these claims reaches € 29,989 thousand for the Company and € 30,179 th. for the Group.
3b. Total cumulative provision per category is analyzed as follows:
i) for legal issues € 32,078 thousand for the Company and € 32,195 thousand for the Group,
ii) for unaudited fiscal years by tax authorities € 1,258 thousand for the Group and
iii) for employee benefit plans € 1,355 thousand for the Company and € 1,507 thousand for the Group.
3c. Furthermore, according to the Legal Counsel, third party lawsuits have been filed, of a total claim of € 229,378 thousand for the Group, for which the outcome is estimated as positive and consequently, no provisions were required.
4. The number of thr employees on 31.12.2016 and 31.12.2015 for the Company was 843 and 738, respectively (1,005 and 860, respectively for the Group).
5. The Group's and Company's total inflow, outflow, receivables and payables to related companies and related parties, according to IAS 24, are as follows:

(Amounts in thousands of euro)	GROUP	COMPANY
Inflow	1,924	36,950
Outflow	8,303	9,152
Receivables	0	31,271
Payables	1,092	2,188
Transactions and salaries of executive and administration members	10,674	8,271
Receivables from executive and administration members	0	0
Liabilities from executive and administration members	302	246

From the above transactions, the transactions and balances with the subsidiaries have been removed from the consolidated financial statements.
6. The Company's share capital amounts to € 95,700 thousand, divided into 319,000,000 shares with voting rights, par value of 0.30 euros each.
7. The total number of its treasury shares that the Company holds as at 31.12.2016 is 987,805 of total value € 7,454 thousand and they have been deducted from the Shareholders Equity of the Group and the Company.
8. The Group's structure is described in note 8 of the financial report and more specifically the following: the Group's participating interest, country of incorporation, method of consolidation and principal activity.

9. There have not been any errors or changes in the accounting policies or in the accounting estimates applied in the financial report.
10. The accounting principles according to which the financial report was prepared are in accordance with those used in the annual financial report for the fiscal year 2015.
11. The fixed assets purchases concerning the period 1.1-31.12.2016 reached € 26,460 thousand for the Company and € 39,649 thousand for the Group.
12. There has not been any cease of operations in any of the Group's segments or companies.
13. Any chance differences in sums are due to approximations.
14. The Sixteenth (16th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that 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 had already been distributed to the shareholders in the form of interim dividend in August 2015, the remaining dividend for the fiscal year 2015 amounted to 0.23 euro per share. Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 05.05.2016 (record-date).
15. The Tenth (10th) Shareholders Extra-Ordinary General Meeting of OPAP S.A. that took place on Tuesday, 21.06.2016 at its headquarters, approved the change of the Company's registered office, from Peristeri Attica to the Municipality of Athens. It also approved the increase of the number of the members of the Company's Board of Directors from 12 to 13 and elected Mr. Damian Cope as the new member of the Company's Board of Directors. Finally, it approved the distribution of part of the past years undistributed earnings which represented a dividend of 0.57 Euro per share. Eligible to receive the past years' undistributed earnings' dividend were OPAP's registered shareholders on Friday, 24.06.2016 (record-date).
16. The financial report of 2016 was approved by OPAP S.A.'s BoD, on 28.03.2017 which will propose the approval of a 0.72 euro per share (before tax) dividend distribution (total sum of € 228,829 thousand), at the Annual General Shareholder Meeting (see note 8 of the BoD's Annual Report). It is noted that in the Company's Board of Directors Meeting that was held on 30.08.2016 has decided to distribute a gross amount of € 38,231 thousand or 0.12 euro per share excluding own shares. The remaining proposed dividend is € 190,597 thousand or 0.60 euro per share.

Athens, 28 March 2017

Chairman of the Board	Chief Executive Officer	Member of the BoD and Chief Financial Officer	Accounting and Consolidation Director
Kamil Ziegler Passport No. 40412133	Damian Cope Passport No. 801407564	Michal Houst Passport No. 39893691	Petros Xarchakos ID. No AK 161998