

ANNUAL REPORT
2015

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Annual Report 2015

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Letter from the Chairman and CEO

Dear Shareholder,

I am pleased to present the 2015 OPAP Annual Report. During 2015 we successfully completed the company transformation, while we managed to increase our operating profitability, reach our budgetary targets and significantly enhance our social responsibility actions.

Those achievements were delivered despite the disruptive macroeconomic change which continued to affect growth, softened consumer demand and seriously affected investor sentiment. This challenging environment inevitably influenced OPAP as well, however, we efficiently responded to the capital controls, but also faced a sequence of events which forced us to suspend our VLTs project.

Capturing the opportunities in a challenging market

In the face of such uncertainty, we remained loyal to our strategy and dedicated to creating value for our shareholders and the community that we operate in. We continued to realize targeted, disciplined investments in our brands and significantly improved commercial execution. In this context, we have successfully rejuvenated existing games, namely KINO, Joker and Pame Stoixima. In cooperation with our agents, we improved the quality of our customers' gaming experience in the stores. And we have managed to do all this remaining absolutely focused on the principles of responsible gaming.

These actions along with the expansion to new activities, the cost optimization in our business segments and the significant effort of all of our employees, led to significant im-

provement of our company results and higher contribution to all stakeholders. As a result, in 2015, we managed to grow both on GGR & EBITDA, higher by 1.6% and 8.8% y-o-y respectively. Backed up by our initiatives, KINO and Joker performance remained solid, while cost efficiencies persisted for yet another year.

Fostering a better future for the young generation

In a period of time when society needs are evolving at a blistering pace, we believe that it is our responsibility to focus and support community. Therefore, OPAP does not narrow its operation in driving an outstanding performance. It stays the course in giving back to the community, through its Corporate Responsibility Strategy. In 2015, our company showcased the fruitful results of its programs. More specifically, OPAP delivered two fully renovated floors in the Children's Hospitals, "Agia Sophia" and "P&A Kyriakou" and today it continues working towards its vision to complete the renovation program.

Also, through the "OPAP Sports Academies" program, our company today supports 125 Sports Academies in 48 Prefectures of Greece, instilling sports values to 10.400 children.

In the context of addressing arising social needs, it implements and supports initiatives that improve the living conditions of underprivileged children in the Greek community. All the aforementioned results followed our concrete and solid strategy and had a true, long-lasting impact to more than 1, 7 million of people in the country.

By sharing our experience, documenting and identifying the challenges that lay ahead, we are certain that OPAP will continue to be motivated by opportunities and play a significant part in positively shaping a better future for youth in Greece.

Management & employees

Through this Report, I would like to express my sincere appreciation to all our employees, who have always been the cornerstone of our successful operation as a business. The effort and commitment of all people in OPAP made a difficult year to be remembered for some significant achievements that we are proud of.

The future

Our solid results in 2015 reflect our determination to seize opportunities and consequently deliver sustainable long-term growth. Our efforts for a rational, balanced regulatory and tax framework will continue, leading to the Greek State being the larger beneficiary moving forward.

Finally, I would like to thank our customers who continue choose our brands as a leisure and recreation activity and invite our shareholders to join us at the AGM to be held in Athens on 25 April 2016.

Kamil Ziegler
Chairman of the BoD and CEO



OPAP at a glance


58

years of history
alongside Greek sports


No. 1

social Contributor
in Greece


4,791

points of sale
in Greece and Cyprus.
The largest commercial
network in Greece


1.7 Million

people affected
through our Social
Contribution programs


5,752

additional points of sale
and street vendors for
the distribution of Scratch
tickets & Passive Lotteries


€39 Million

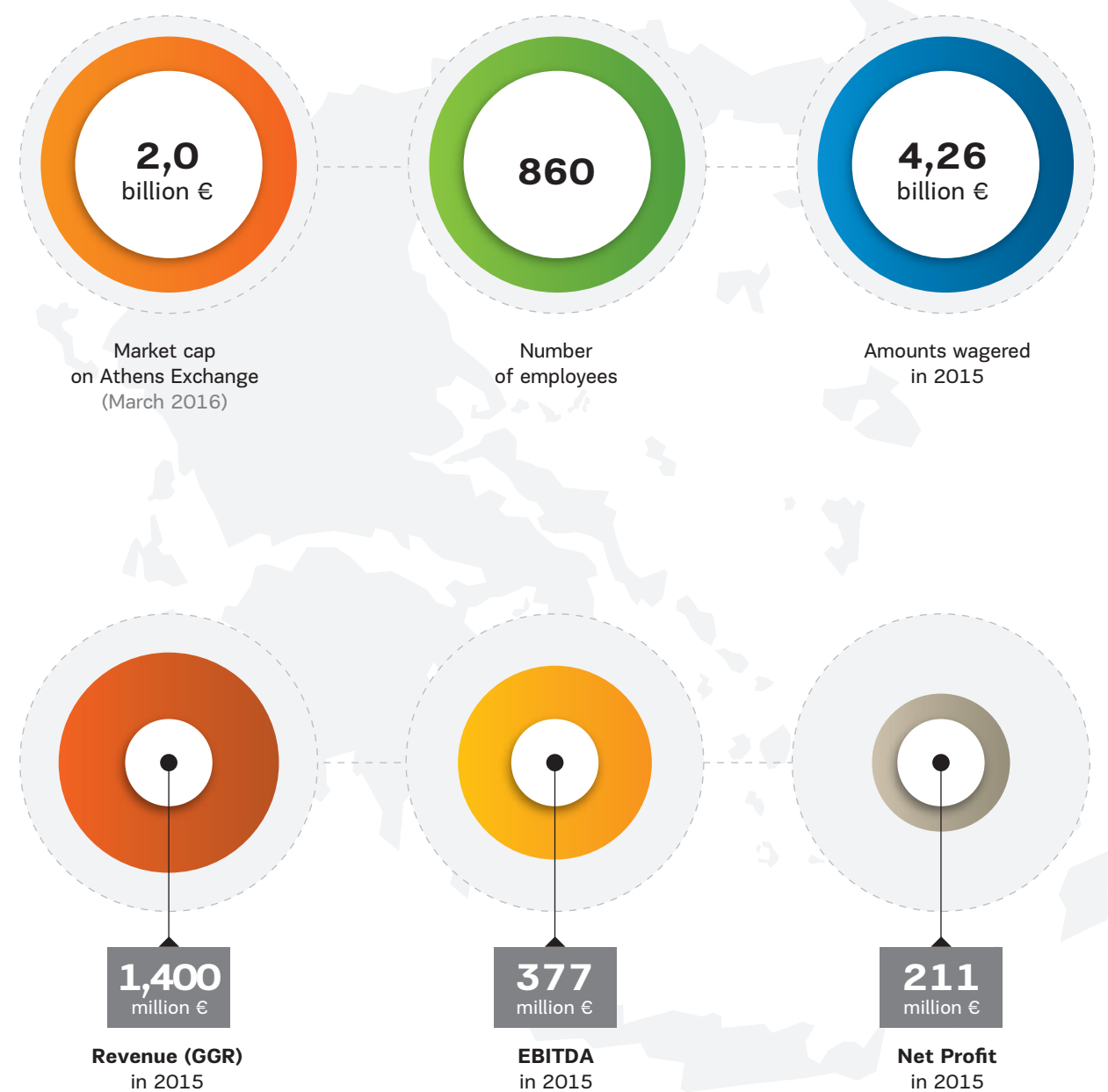
invested in
Social Contribution

72.7%

of the total Greek legal gaming market



Group Figures



Who We Are

We are the exclusive operator for numerical lottery and sports betting games in Greece and an industry leader in Responsible Gaming and Corporate Responsibility.



Who We Are

About OPAP

A landmark of Greece’s corporate history and future.

OPAP, the leading gaming company in Greece and the exclusive operator of all numerical lottery, sports betting and horse racing betting games, was established in 1958 and listed on the Athens Exchange S.A. in 2001.

Through a joint venture OPAP is also the exclusive operator of the state lotteries and instant win games (Scratch) and also holds the exclusive license to operate video lottery terminals (“VLTs”) in Greece.

OPAP has the concession to operate numerical lottery and sports betting games by any

appropriate means provided by modern technology, including land-based (offline) and on-line means, until October 2030. With regards to Pame Stoixima and games under the Pame Stoixima umbrella, such as Monitor Games, we have the exclusive right to operate on-line until October 2020. Our product portfolio currently includes six (6) numerical lottery games (Kino, Joker, Lotto, Proto, Super 3 and Extra 5) and four (4) sports betting games (Pame Stoixima, Propo, Propo-goal and Monitor Games).

Regarding Horse Racing betting, since 2015 we have the exclusive right to organize and conduct land-based and online mutual horse race betting in Greece for 20 and for 5 years respectively.

Our games and services are provided through a wide network of points of sales that is represented by dedicated and branded agent branches throughout Greece (4,599) and Cyprus (192) and additional 5,752 POS and Street Vendors for the distribution of Scratch tickets and Passive lotteries.







4,791
agencies in
Greece & Cyprus



5,752
additional POS and
Street Vendors for the
distribution of Scratch tickets
and Passive lotteries

OPAP Group of Companies

OPAP Group of Companies includes the parent company OPAP S.A. and its subsidiaries.

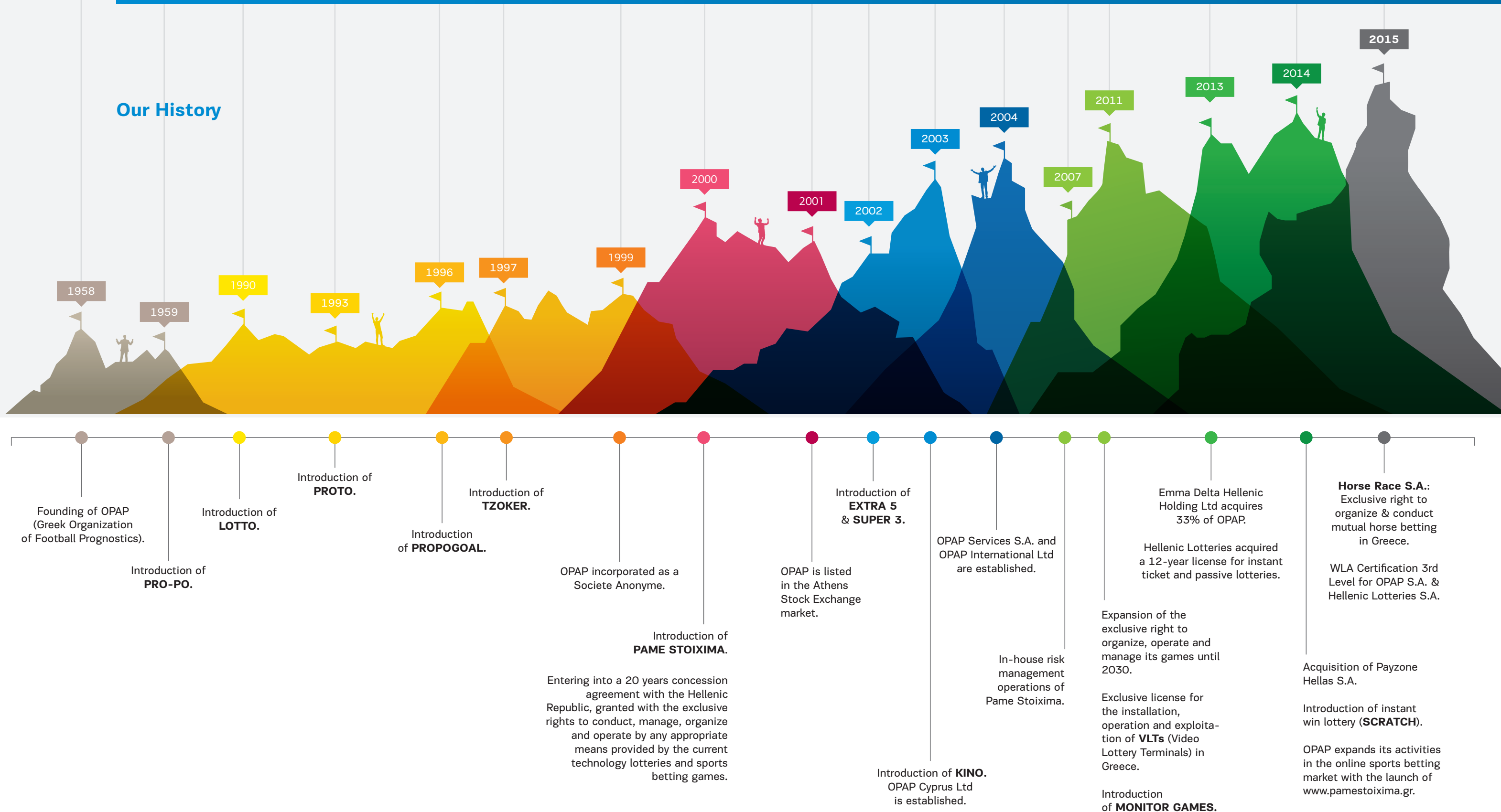
 COMPANY	 HOLDING	 HEAD QUARTERS	 MAIN ACTIVITY
OPAP S.A.	Parent Company	Greece	Numerical, Lottery games & Sports betting
OPAP Cyprus LTD	100%	Cyprus	Numerical, Lottery games
OPAP Sports LTD	100%	Cyprus	Sports betting
OPAP International LTD	100%	Cyprus	Holding company, Services
OPAP Services S.A.	100%	Greece	Sports events, Promotions, Services
OPAP Investment LTD	100%	Cyprus	Holding company, Services
Hellenic Lotteries S.A.	67%	Greece	Lotteries
Payzone Hellas S.A.	100%	Greece	Payment Services
Horse Races S.A.	100%	Greece	Horse races, Mutual Betting on Horse Races
Neurosoft S.A.	30%	Greece	Provision of Software Services
Glory Technology LTD	20%	Cyprus	Provision of Software Services

Industry & Sector Overview

OUR HISTORY

CORPORATE VISION, MISSION, PRINCIPLES AND VALUES
OUR GAMES
DISTRIBUTION NETWORK
VALUE CHAIN

Our History



Who We Are

Our Vision, Mission, Values and Principles

The importance of responsible operation is an integral part of our corporate culture, expressed through our vision, values, principles and mission.

Our Vision

To become a model corporate entity in the Greek Market, by entertaining our players in a responsible way, rewarding our stakeholders and improving the lives of people in our communities.

Our Mission

- Be a Best in Class Company
- Be a role-model of efficiency
- Be an agent of social contribution

Our Principles

- 01. **RESPONSIVENESS**
- 02. **TRANSPARENCY**
- 03. **EFFICIENCY**
- 04. **TEAMWORK**



01. QUALITY

Quality is an expression of our goal to offer reliable products and services. In all aspects of our operations the focus shall be on customers' needs and expectations.

02. RESPONSIBILITY

We are responsible towards our customers, shareholders and all stakeholders for fulfilling our commitments, accepting the responsibility for our actions and developing a culture of Responsible Gaming.

03. INNOVATION

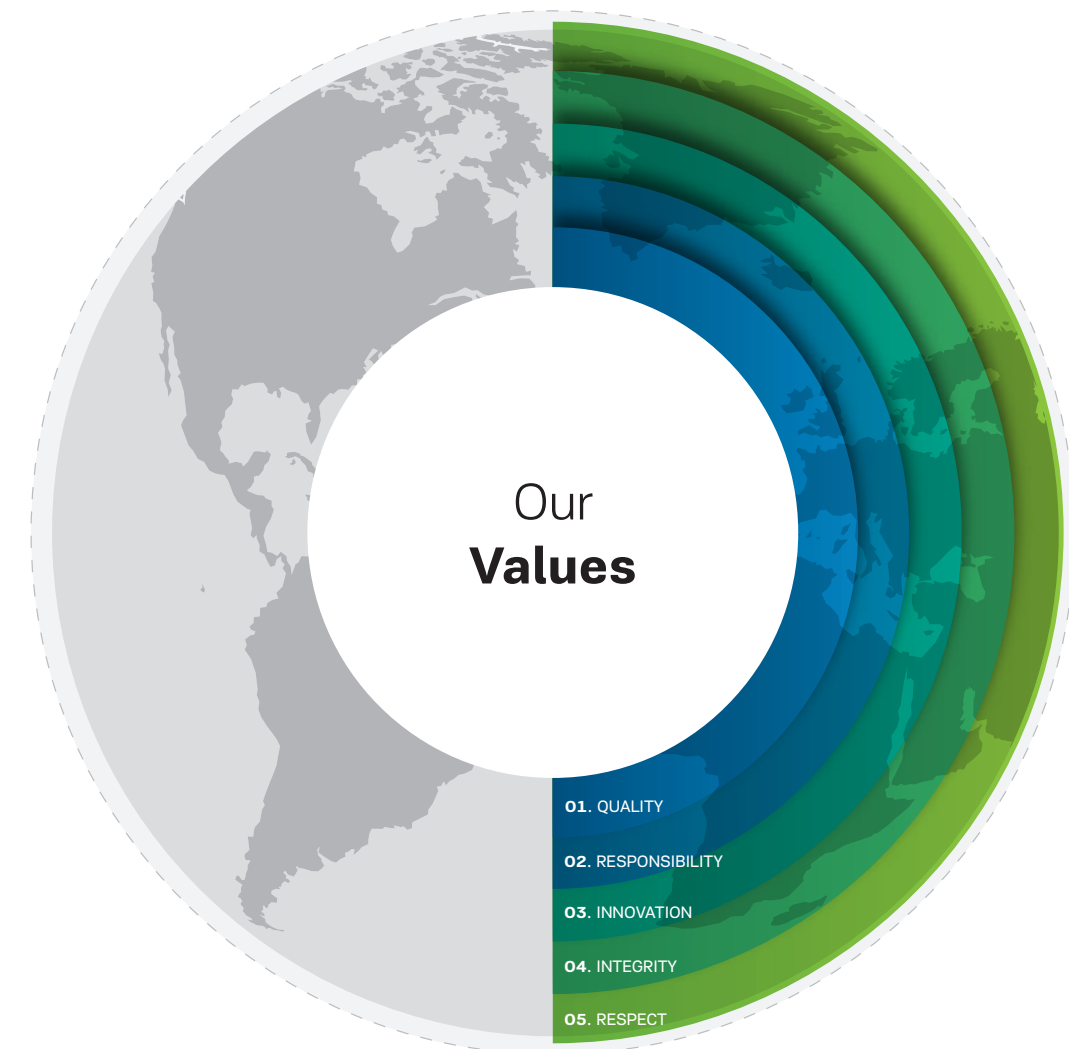
Innovation is the basis of our success and it is a competitive advantage, which allows us to meet the needs of our customers, to create opportunities and to define the future of our business.

04. INTEGRITY

We balance what our customers and business partners ask from us with what people of the communities we operate in, expect from us.

05. RESPECT

Respect our customers, employees, partners and the people of the communities we operate in. Respect starts with listening openly and honestly to the diversity of people and ideas around us.



Who We Are

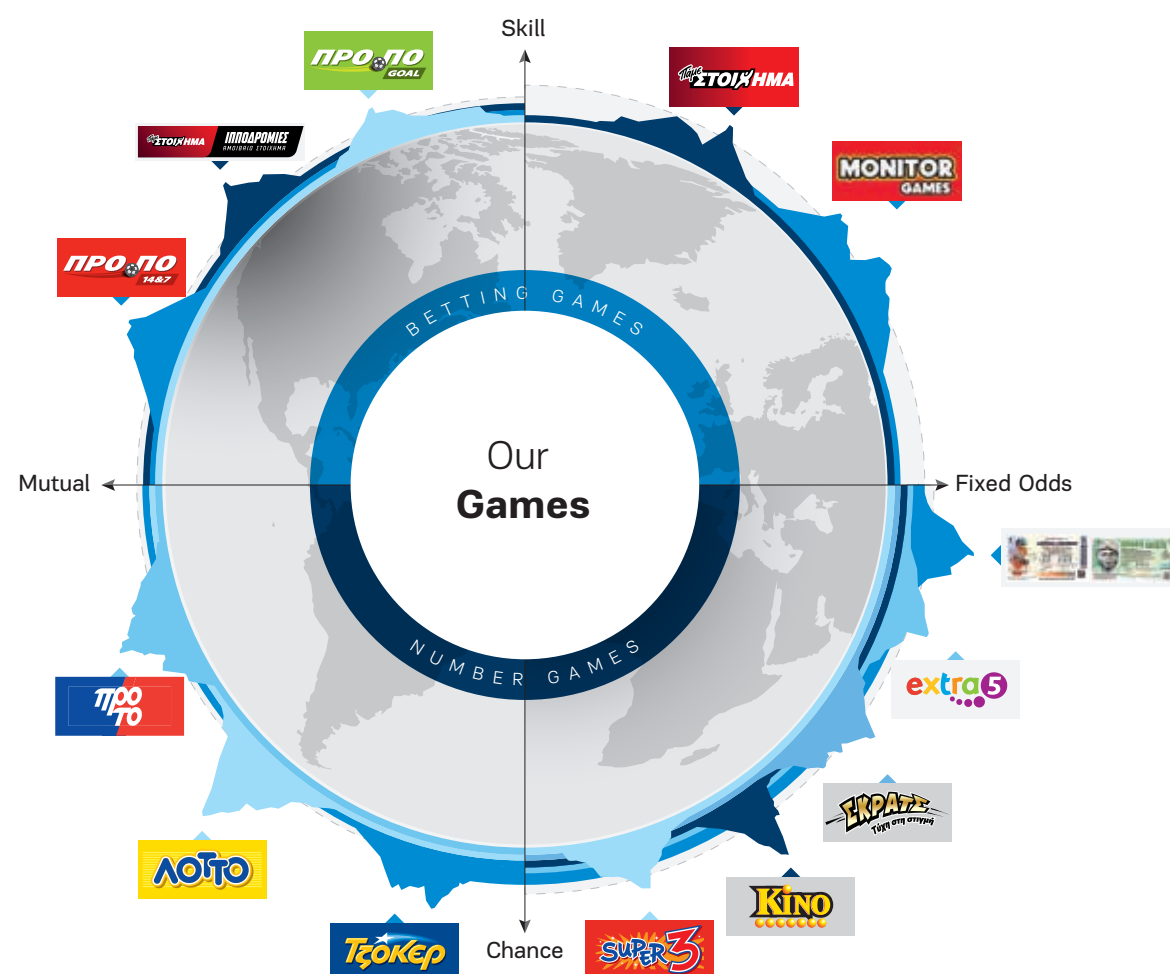
Our Games

General Operating Terms

Our games are broken into categories of fixed-odds and mutual. Fixed-odds betting is a form of wagering against odds offered by a bookmaker. Our fixed-odds games are then further broken into sub categories of lottery, sports betting and virtual games. Mutual betting is a form of wagering in which all bets of a particular type are placed together in a pool

and payoff odds are then calculated by sharing the pool among all winning bets.

The graph below sets out our games on the spectrums of fixed-odds to mutual and those requiring more skill and those relying more on chance.



Who We Are



The largest revenue contributor for OPAP.

Kino is a fixed odds numerical lottery game which was introduced in 2003, fully rolled-out in 2004 and has currently become our most successful game.

Kino is based on draws that take place every five minutes during playing hours and is available for 13 hours daily, for a total of 180 draws per day. For each draw, 20 numbers are drawn out of a total of 80 numbers, using an electronic integrated encryption system that generates random numbers. The customers may select among 12 different types of Kino games, with each type differentiated by the number of correct numbers each customer must select in order to be classified in any winning category of that type of Kino game.

As a new feature of Kino, Kino Bonus was introduced as of November 12th 2015. Being the only enhancement on the game's mechanics since its introduction, Kino Bonus has come to add excitement to the players who choose to play it. By ticking the designated Kino Bonus area in the Kino slip, the player wins if just one of the numbers selected is drawn last during the Kino draw. In essence, Kino Bonus provides the player with the ability to multiply his original Kino winnings and at the same time it provides him with a winning co-efficient for combinations that are not winning in the original KINO game.



One of the largest sportsbooks in Europe.

The Pame Stoixima game, first introduced in 2000, is a fixed-odds betting game in which winning depends on correctly guessing the results of mainly sporting events, but other events as well (given that by their nature allow for wagering).

Pame Stoixima, which means let's bet in Greek, is currently our second most successful game.

The Pame Stoixima game includes absolute fixed-odds (where payouts are fixed and known to customers at the time they wager) and variable fixed-odds (where payouts change during the wagering period in accordance with amounts wagered and are fixed and known to customers only after the end of the wagering period), where winning is dependent upon correctly guessing the results of certain events (sports and other).



The game with the highest awareness amongst our game portfolio.

Joker is a numerical lottery game which was introduced in 1997. It requires the selection of numbers from two fields and an exact match of five numbers (the "main numbers") drawn out of a series of 45 numbers (ranging from 1 to 45), as well as an extra number, which is drawn from a series of 20 numbers (ranging from 1 to 20). Customers can play by marking single columns or using systems (e.g. full, standardized or a combination of the two) and can benefit from eight prize categories.



The game that was launched first.

The Propo game is a sports betting game which was introduced in 1959. Winning is dependent upon correctly predicting the results of a series of 14 football matches or, alternatively, the results of the first seven football matches of the same series.



Super 3 is a numerical fixed-odds lottery game in which winning is dependent upon the prediction of one to three numbers out of a three digit number drawn three times a day. Super 3 was introduced in 2002.



Lotto is a numerical fixed-odds lottery game for selecting numbers and has to do with the accurate prediction of 6 numbers from a series of 49 numbers, from 1 to 49, plus an additional number (7th). Historically, Lotto, which was introduced in 1990, was one of our most successful games.



Proto was introduced in 1992 and is a numerical fixed-odds lottery game that has to do with the exact and in series prediction of the 7 digits of a number starting from 0.000.000 to 9.999.999 which derives from a draw



Extra 5 is a numerical fixed-odds lottery game introduced in 2002, where the player has to accurately predict 5 numbers that are drawn from a series of 35 numbers, from 1 to 35.



Propogoal is a game where winning is dependent upon correctly predicting the football matches (domestic as well as international) with the highest number of goals. OPAP introduced Propogoal in 1996.



Another relatively recently launched game (2011) is Monitor Games which includes a range of fixed-odds virtual games played over video monitors in our dedicated and branded agent branches in real time.



Scratch is an instant win game. Scratch cards require the player to scratch off certain areas hiding numbers or symbols and in case the correct items are revealed the card is a winning card.

More complicated scratch cards offer several different ways to win on one card. Scratch cards come in a large variety of themes, which offer customers new play options.

The high win frequency (approximately one in four cards are winning cards of any type) en-

Who We Are

courages a high level of consumer interest and drives the product's current success. Scratch tickets are distributed through 4,600 dedicated and branded agent branches and 1,500 additional points of sale in supermarkets, kiosks and street vendors throughout Greece.



Laiko is a lottery that pays out a jackpot prize and lottery tickets are issued in either a set of five or as single tickets. Draws are held every Tuesday and the payout for Laiko is over 60% of its gross proceeds.



Ethniko is a subscriber game where approximately 70% of players have a chance of winning. In Ethniko, there is a series of consecutive draws lasting for a four-month duration. For every draw, tickets are sold in sets of ten or as single tickets.



The Pame Stoixima Horse racing game is a mutual horse racing betting game in which winnings depends on correctly guessing the results of horse racing events. It was introduced by OPAP in 2016. The game gives players the chance to bet on horse racing events that are either organized by OPAP in Markopoulo, Attica or on events in France, South Africa and G. Britain & Ireland through partnerships that have been established in these countries.



Who We Are

Distribution Network

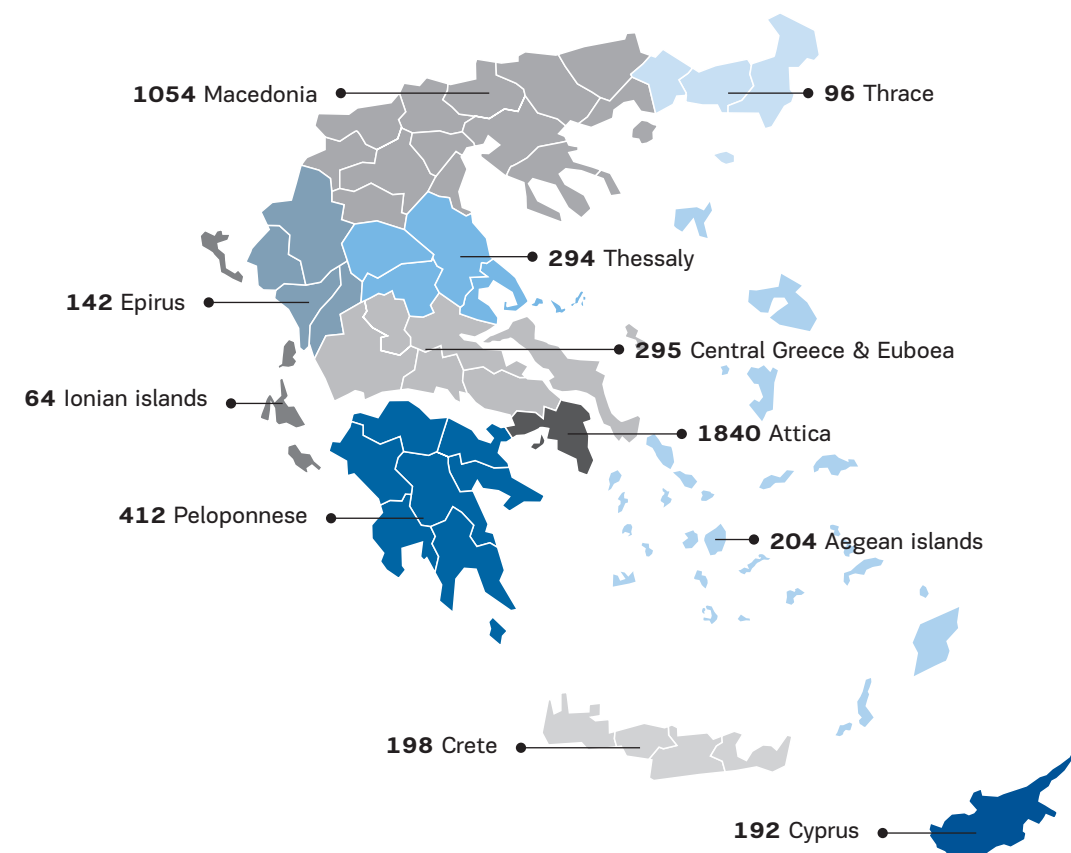
A landmark of Greece's corporate history and future.

You can find us literally everywhere!

We offer the games we operate and the services we provide through, 4,599 dedicated and branded agent branches throughout Greece and 192 in Cyprus, while there are also 5,752 Points of Sales and Street Vendors for the distribution of Scratch tickets and Passive lotteries.

Our agency network is one of the largest exclusive commercial networks in Greece.

The following map shows approximately the geographical distribution of our agencies.



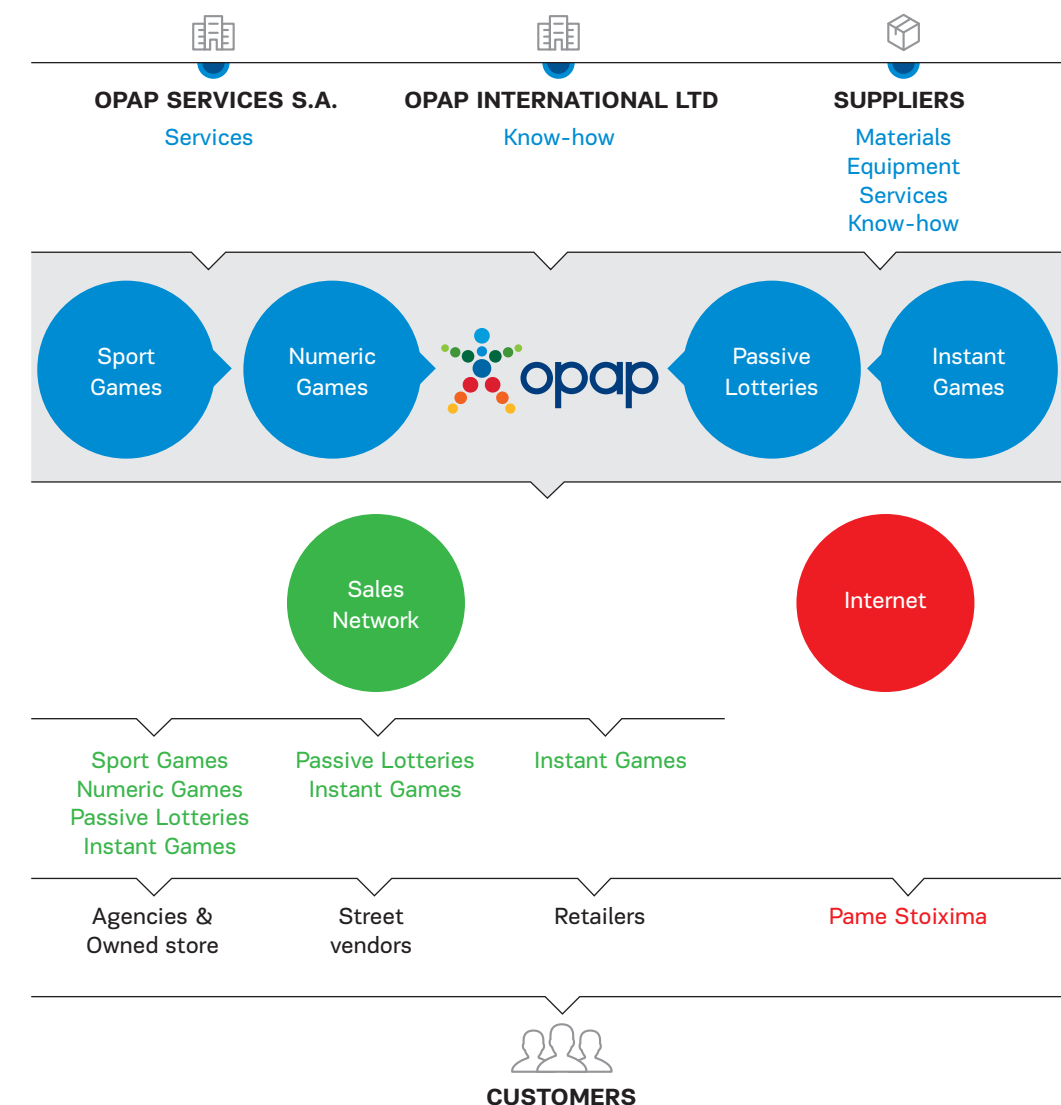
Value Chain

For our operation, we utilize resources from OPAP Services S.A. and OPAP International Ltd (services and know-how) and other suppliers (for materials, equipment and miscellaneous services), which are used to organize, operate and conduct our games of chance.

All our products and services are available through our sales network, which includes our corporate store and OPAP agencies (where we

also provide the necessary equipment, IT systems and services such as training), as well as street vendors and other various retailers (for selling scratch tickets and passive lotteries).

Especially for the PAME STOIXIMA, players can also place their bets through a specially designed online platform (www.pamestoixima.gr).



Business Review

All our actions and targeted business strategy aim at continuously enhancing shareholders' value.



Business Review

Industry & Sector Overview

Greek Economy: 2015: Another volatile year for Greece.

2015 was a year characterized by significant volatility for the Greek economy followed by fraught bailout negotiations, two general elections, “Grexit” fears and capital controls imposition that is still in place which affected almost all sectors. Within this context Greece proved to be more resilient than initially expected, with estimates calling for a minor recession in 2015.

Greece retains its ranking in gaming amongst European countries demonstrating resilient performance y-o-y

Greek Gaming Sector

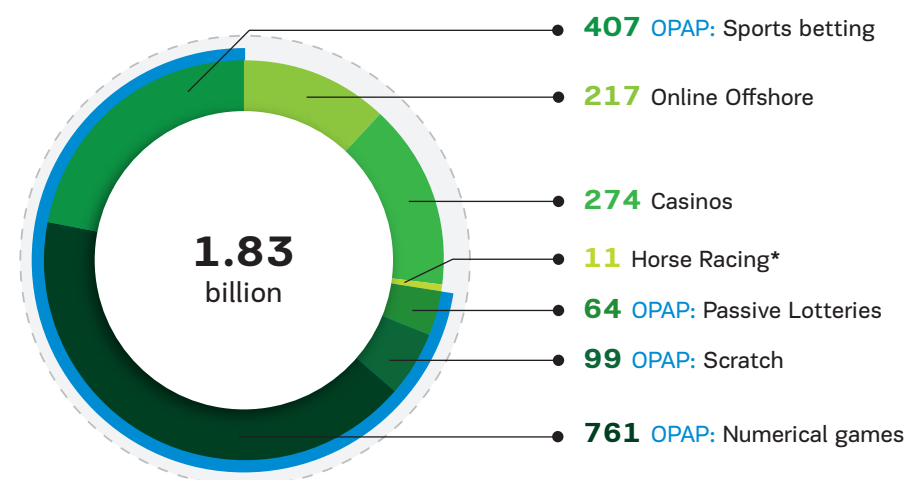
In 2015 the Greek gaming market succeeded to record higher figures since this was the first full year of new products launched, with Greece remaining in the European Union’s ninth place in terms of GGR, with GGR at approximately € 1.83 billion.

According to H2GC numbers for Greece in 2015 (revised for OPAP’s actual figures), OPAP holds a 72.7% GGR market share due mainly to the success of KINO, Scratch and the incorporation of passive lotteries.

Since 2016, and for a 20-year concession period, OPAP is operating also horse races mutual betting.

GGR 2015 (€m)

The graph below demonstrates the GGR of certain European countries both in absolute and relative (to GDP) levels as of December 2015.

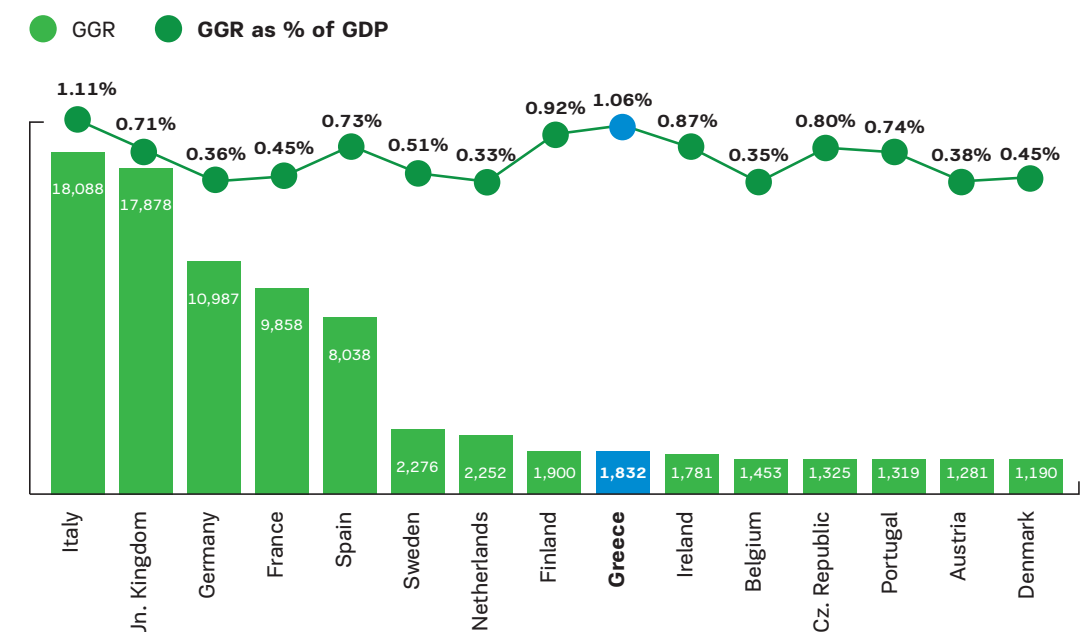


Source: H2GC adjusted for OPAP’s actual figures

*since 08.01.2016 OPAP, through its subsidiary Horse Races S.A., is operating horse races mutual betting.

GGR (€m) and GGR as % of GDP

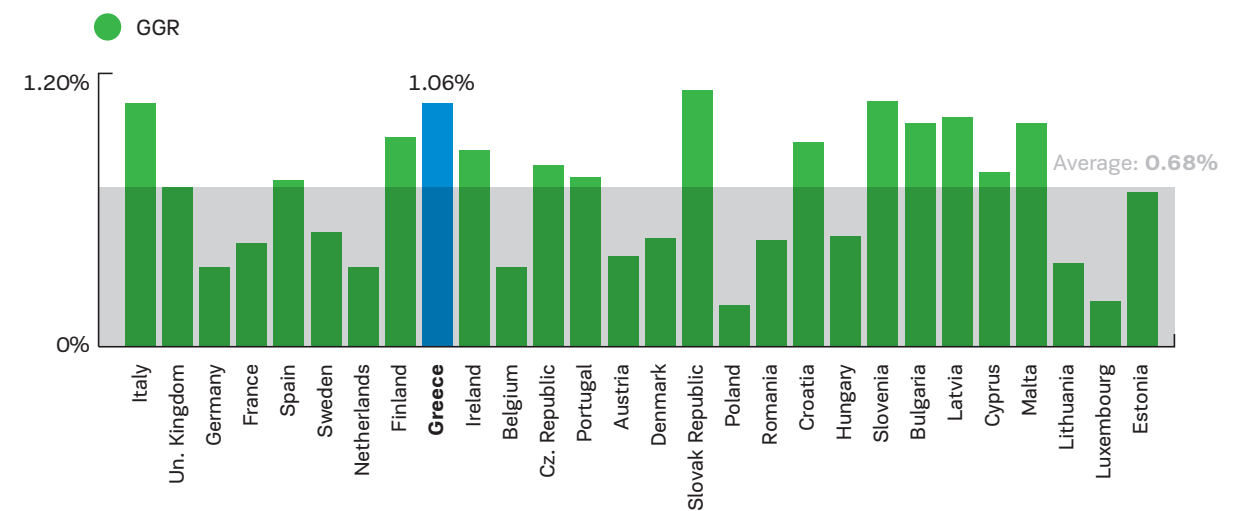
The graph below demonstrates the GGR of certain European countries both in absolute and relative (to GDP) levels as of December 2015.



Source: H2GC, Greek numbers have been adjusted for OPAP’s reported figures

GGR as % of GDP (all 28 EU countries)

In terms of GDP, the Greek gaming sector accounted for 1.06% of the GDP for the year ended December 31, 2015. This performance brings Greece at the 4th place in Europe, while the per adult (inhabitant over 18 years old) gaming expenditure of €194, stands marginally above the EU countries average.



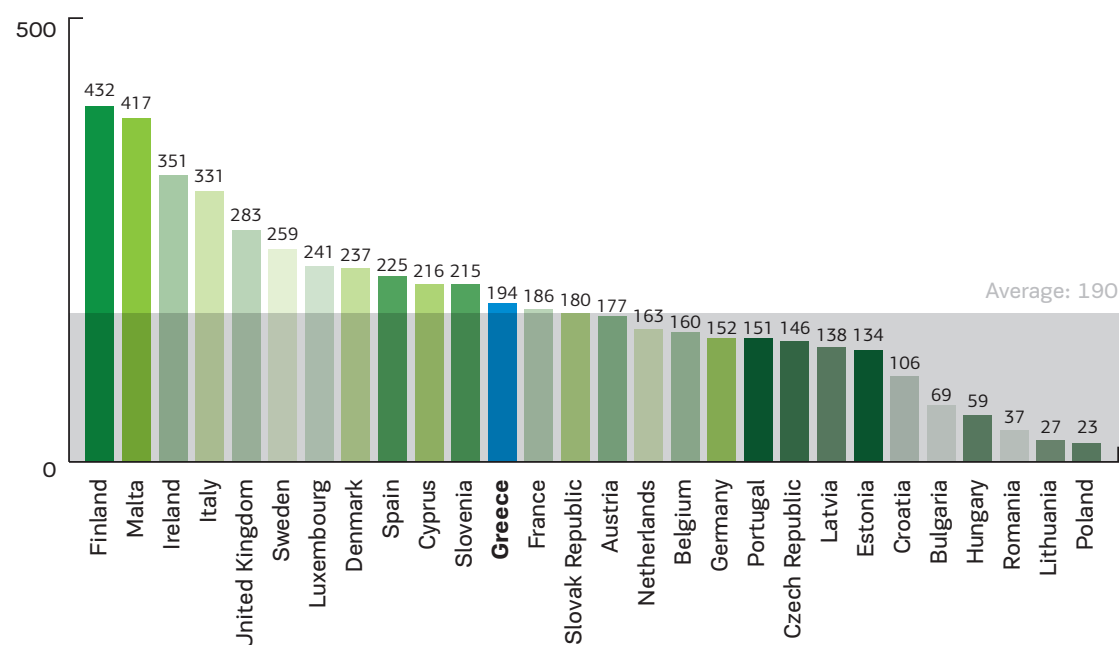
Source: H2GC, Greek numbers have been adjusted for OPAP’s reported figures

Business Review

GGR Per adult

The per adult gaming expenditure in Greece stands marginally above the average of the EU countries at € 194 per annum, according to H2GC, revised for 2015 OPAP reported figures.

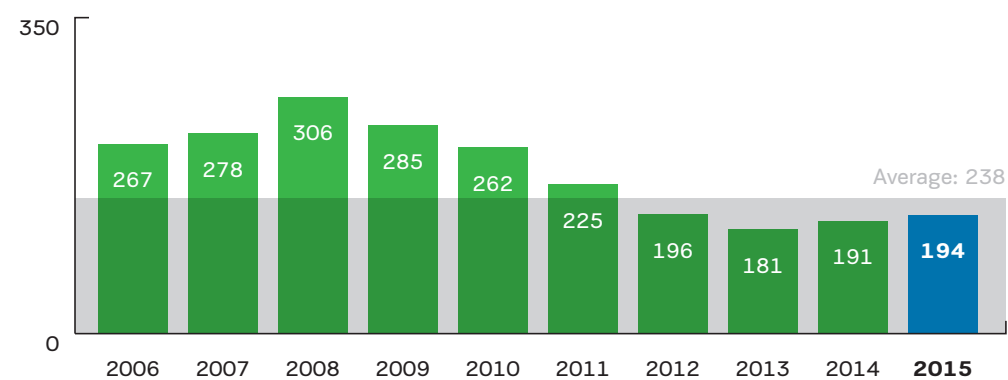
GGR per Adult 2015 (€)



Source: H2GC, Greek numbers have been adjusted for OPAP's reported figures

GGR per adult in Greece (€m)

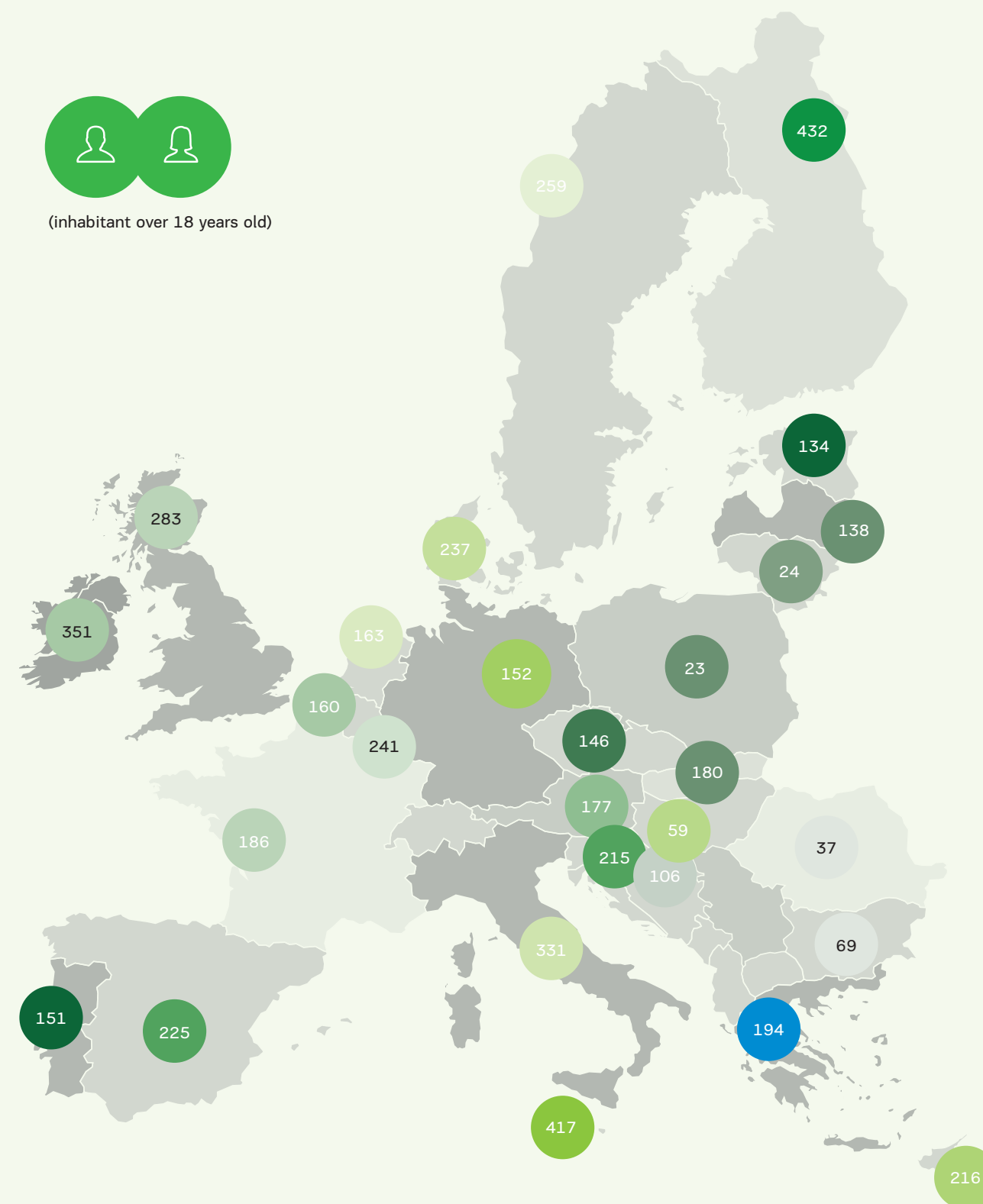
The graph below shows the Greek GGR per adult in euro for the past decade indicating an increase in 2015 for a second consecutive year.



Source: H2GC, 2014 numbers have been adjusted for OPAP's reported figures



(inhabitant over 18 years old)



Business Review

Greek gaming sector specifics

Lottery, scratch games and numerical games

The most popular games in Greece, appealing to a wide range of age groups are lottery, scratch games and numerical games, while some of the factors that drive player demand are draw frequency, playing hours and jackpots. Lotteries represent the most traditional segment of the Greek gaming sector and have historically attracted the largest number of players.

OPAP has an exclusive concession to operate numerical lottery and sports betting games by any appropriate means provided by modern technology until October 2030, and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games), OPAP has an exclusive right to operate online until October 2020.

A consortium led by OPAP and also comprised of Intralot and Scientific Games possesses the exclusive rights for the operation and management of the state lotteries in Greece (12-year concession), while since 2016, OPAP has also the 20-year exclusive license to organize and conduct horse races mutual betting.

Sports betting

Sports betting includes fixed-odds sports betting, as well as pool games, for which participants pay a fixed price into a betting

pool and make a selection on a particular outcome. Sports betting is based on real-life sporting events and takes place at designated betting shops, but also through illegal online websites.

Sports betting also includes live betting, which enables players to bet in real time on sporting events and increasingly contributes to total betting revenues. OPAP is the sole operator of sports betting activities in Greece and holds the license until October 2030.

Almost all of sports betting comes under the umbrella of the Stoixima family of games (the exception being Propo and Propo Goal).

Interactive gaming

OPAP holds the relevant exclusive rights which run until October 2030 for all of our online games, and in the case of Stoixima and games under the Stoixima umbrella (Monitor Games), OPAP has an exclusive right to operate online until October 2020.

Casinos

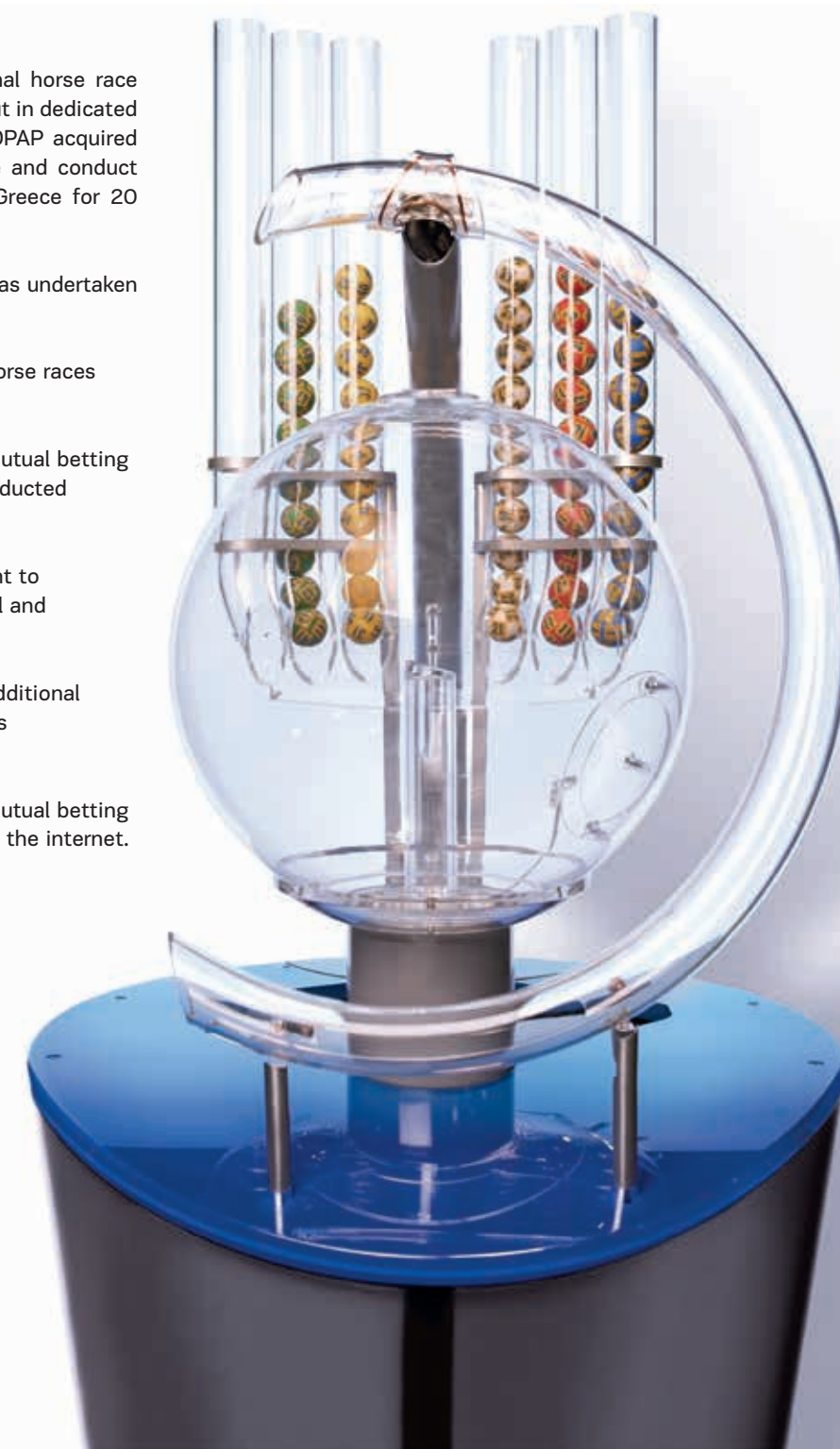
There are nine casinos operating in Greece. The development of the sector has been affected by a drop in casino attendance as a result of a decrease in disposable income and competition from casino operators in neighboring countries.

Horse racing

Horse racing includes traditional horse race betting, which can be carried out in dedicated shops and corners or online. OPAP acquired the exclusive right to organize and conduct mutual horse race betting in Greece for 20 years.

According to this right, OPAP has undertaken the rights for:

- Organizing and conducting horse races in Greece
- Organizing and conducting mutual betting in relation to horse races conducted in Greece
- Carrying out activities relevant to horse race betting at national and international level
- Organizing and conducting additional mutual betting on horse races (sweepstake)
- Organizing and conducting mutual betting on horse races conducted via the internet.



REGULATORY FRAMEWORK

BUSINESS STRATEGY
ACHIEVING FINANCIAL RESULTS

Business Review

Regulatory framework and developments

Regulation of the gaming sector in Greece is carried out by the HGC (Hellenic Gaming Commission), formally established as an independent administrative authority in 2012. HGC aims at securing a legal gaming market

operation, protecting players and the general public – more particularly minors and vulnerable social groups – and securing that State Revenues from the gaming sector operation are attributed.

Gaming Concession

The Gaming Concession entitles us to operate numerical lottery and sports betting games by any appropriate means provided by modern technology, including land-based / offline and online, until October 2030, and in the case of Pame Stoixima and games under the Pame Stoixima umbrella (Monitor Games), we have the exclusive right to operate them online until October 2020.

Lottery Concession

The Lottery Concession, granted to the Consortium, entitled us to the exclusive operation of the Greek state lotteries. The Lottery Concession was ratified by Law 4183/2013.

VLT License

The VLT License entitles us to operate 35.000 VLTs in Greece (for a period of ten years) comprising the total number of VLTs currently allowed in Greece. 16,500 VLTs will be installed and operated by OPAP, while remaining 18,500 VLTs will be operated by at least four and no more than ten operators following a public international tender.

As a result of the introduction of a new VLTs regulation by the Hellenic Gaming Commission in June 2015, there was a radical change of circumstances which led to the actual suspension of OPAP VLTs business activity.

Online Gaming

The Gaming Concession entitles us to exclusively conduct online gaming in Greece. The preliminary framework for online gaming licensing in the future set up in 2011 does not affect the games offered by us exclusively. The HGC has the ability to blacklist any illegal operators by banning online access through the local ISPs. HGC issued a decision with regard to conduct and control of online betting offered by us, while OPAP launched its online sports betting platform in 2014.

Horse Racing Concession

The Horse Racing Concession entitles us to organize and conduct land-based and online mutual horse race betting in Greece for 20 and for 5 years respectively.

According to this right, the company undertakes:

- Organizing and conducting horse races in Greece
- Organizing and conducting mutual betting in relation to horse races conducted in Greece
- Carrying out activities relevant to horse race betting at national and international level
- Organizing and conducting additional mutual betting on horse races (sweepstake)
- Organizing and conducting mutual betting on horse races conducted via the internet. Horse Races operations commenced in January 2016.

Casino (non-OPAP activity)

There are 12 casino licenses, of which 9 are active.

Business Review

Business Strategy

Plan for success!

The objective is to retain the position in the Greek gaming market through:

- The continuous improvement and evolution of the legacy game portfolio
- Focusing on growth opportunities, capitalizing on acquired licenses and concessions
- Continuous optimization of network, cost base, and operations
- Marketing initiatives focused on the relationship between customers and OPAP's brand, emphasizing on responsible gaming
- Maintaining OPAP as a best-in-class European gaming company
- Committing to a prudent financial policy by focusing on cash generation and limited leverage.

Continuously improve and evolve Company's legacy game portfolio

The main target is to continue promoting and developing Group's legacy games in order to strengthen the existing customer base and secure resilient and predictable revenues. The Group will keep updating the games' interfaces, format, and betting/gaming options on a regular basis, so as to rapidly adjust to changes in customers' preferences.

The Group has continued to evolve the Stoixima games offering by enhancing live betting offering as well as, increasing the number of events and betting options available. At the same time, one of the basic goals is to continue to develop its other core product, Kino, as proven in 2015 by the introduction of the Kino Bonus initiative.

The long standing experience in the gaming sector, in conjunction with the marketing ca-

pabilities, will allow the Group to constantly adapt the existing game portfolio to address future demand, satisfying the public interest objective of channeling players to regulated and legal gaming operations. In addition, the modernization of the agent branch network, which the Company is currently undertaking, will be instrumental to showcase the innovations and generate traffic.

Focus on growth opportunities by capitalizing on acquired licenses and concessions to offer a complete and comprehensive gaming offering

Alongside the legacy game improvement strategy, the Company puts emphasis on widening the product offering through the introduction of new games such as Scratch and Horse Races, which have demonstrated their potential in other European geographies. In addition, in an effort to further enrich its product, the Company acquired within 2015 a horse racing license providing with the exclusive right to organize and conduct mutual horse race betting in Greece for 20 years. Having commenced operations in January 2016, the Company will deliver to the public a rejuvenated product aiming at reinforcing & enhancing players' interest.

VLTs

Through the exclusive ten-year Scratch and Horse Races License, separate comprehensive network of gaming halls is seek to host the 16,500 VLTs that will be installed and operated by OPAP, while 18,500 terminals will be put up for tender to be installed and run by sub-concessionaires.

However, OPAP announced on 01.07.2015 that, as a result of the introduction of a new VLTs regulation by the Hellenic Gaming Commission (decision No 158/4/05.06.2015 published in the Government Gazette issue B 1120/12/6/15), there is a radical change of circumstances which leads to the actual suspension of OPAP VLTs business activity.

In any case, OPAP S.A. assures its investors, its partners and its employees that it remains absolutely focused on its investment and shall continue to take all appropriate actions to arrive at a reasonable and balanced regulatory framework that secures public interest and public revenues and at the same time allows the economic viability of the VLT business for OPAP S.A. and its operators.

Hellenic Lotteries S.A.

Following the acquisition of the exclusive Lottery Concession through Hellenic Lotteries S.A., a range of instant win games were re-launched in May 2014, which had been absent for ten years from the Greek market. The plan is to further widen the lottery and scratch cards distribution network as well as their offering, with new ticket series that are attractive both in terms of design and payout ratio and a selection of nominal values in order to attract a diverse range of customers.

Online operations

The online services were launched in June 2014, initially with the offering of Stoixima game only.

The company is dedicated to further enrich its sports betting online product with new betting content and to initiate new custom-

er-oriented marketing actions so as to attract more customers. Additionally, the Group is focusing on initiatives to reduce access to illegal online products, by providing constant support to the Greek State in its opposition to illegal online gaming providers.

Continue to optimize the network, as well as the cost base and operations

The Company's management team has and will continue to strengthen the controls over cost base by reviewing and renegotiating main contracts and/or commissions agreements, restructuring the internal organization and optimizing network's efficiency.

With focus on cost efficiencies, through successful renegotiation of key contracts and efficient media buying, the Group will seek to enhance exposure while maintaining strong brand awareness and goodwill. Furthermore, since the privatization, management has re-evaluated the staffing levels, policies and needs.

Implement marketing initiatives to further develop the relationship with the customers, strengthen OPAP's brand and continue to be a leading advocate of responsible gaming

OPAP is deeply embedded in the Greek society and closely connected to its customers. Going forward, one of the priorities is to further develop this relationship, by focusing on customer experience.

Business Review

The Group's operations have a significant impact on the public's gaming activities and should be carried out in a socially responsible manner that reflects public interest objectives relating to the gaming industry. To this end, the marketing strategy includes sponsoring events and activities in the fields of sports, culture, healthcare, education and environment, in addition to selective advertising and promotional activities. Furthermore, continuous efforts are made to combat illegal gaming in Greece by working closely with dedicated State and independent authorities to identify and implement measures designed to control illegal gaming. OPAP's social responsibility activities enhance trust in the brand and help direct the public's gaming activity away from the illegal sector.

Maintain OPAP as a best-in-class European gaming company

OPAP aims to be established as one of the most successful and recognized gaming companies in Europe. Through the development of a complete and comprehensive product offering across most of the gaming industry and a dense, modern, dedicated and branded agency network, OPAP will be able to compare positively with the most developed peers.

The intention is, not only to maintain the status as a strong player in the European gaming sector based on revenues and market capitalization, but also to promote and invest in the brand. To this end, growth opportunities are reviewed, and will continue to be reviewed, through organic expansion and, selectively, through bolt-on acquisitions to the extent possible.

Commit to a prudent financial policy by focusing on cash generation and limited leverage

The Group has a strong track record of profitability. The aim is to increase EBITDA primarily driven by the new product offering and focusing on cost efficiency and robust cash flow generation. There is a clear intention to distribute the bulk of the FCF as dividend, excluding any potential investments, in a counterbalanced manner (i.e. semi-annually twice a year). The Company remains committed to a prudent financial policy.

An asset-light agent business model will be maintained with targeted investments in personnel, network and equipment. The proven ability to effectively manage payout ratio coupled with the largely variable cost structure and fixed cost optimization initiatives, will allow the Group to maintain a high level of cash flow from operating activities. The high cash conversion rate is reinforced by the moderate ongoing maintenance capital expenditure requirements and the absence of any major upfront concession payments in the short-to-medium term.

The management is confident that the flexible operating structure, effective cost management and structurally capital expenditure requirements, coupled with the well-invested game offering, represent key elements of an attractive financial profile.



Business Review

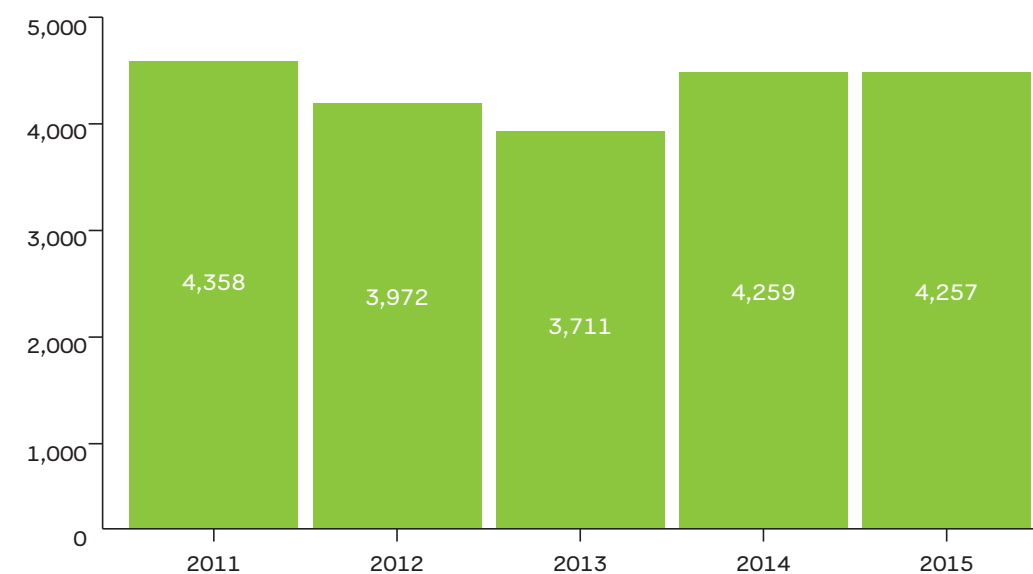
Achieving Financial Results

In a challenging year marked by the imposition of the domestic capital controls, the extended bank holiday period and mild GDP contraction, OPAP's financials remained resilient further demonstrating the success of our strategy post the Company's privatization. Well planned and targeted rejuvenation actions related to our legacy games, as well as continuous focus on cost control were the main drivers behind the solid numbers.

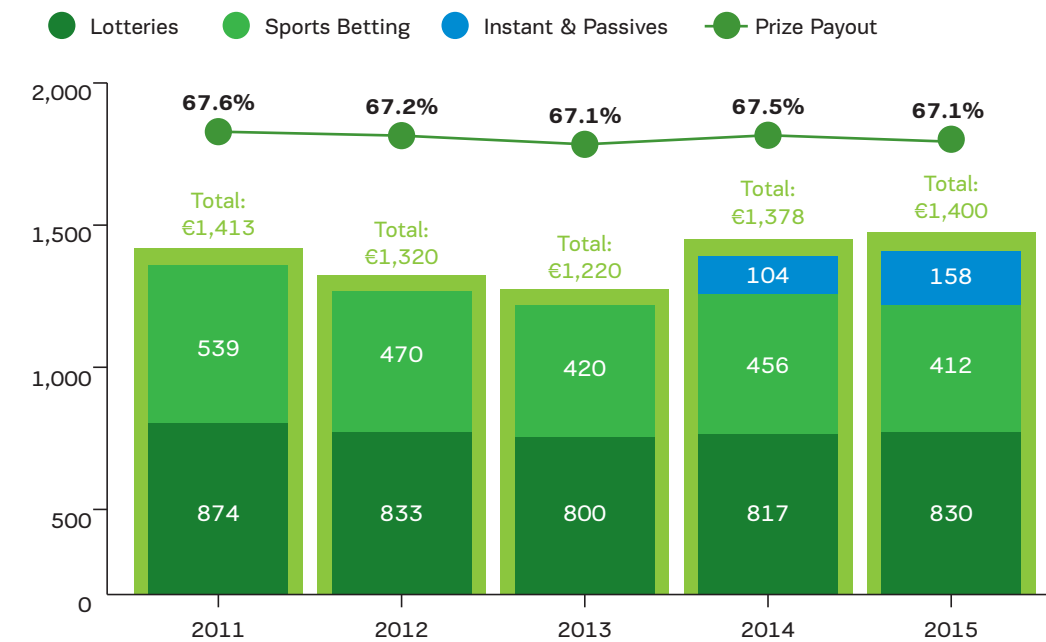
Overall, OPAP's Group Revenue (GGR) remained on a growth path at €1,399.7m higher by 1.6% y-o-y.

In terms of operating profitability, EBITDA reached €377.1m up by 8.8% y-o-y and net profit reached €210.7m up by 8.1% y-o-y.

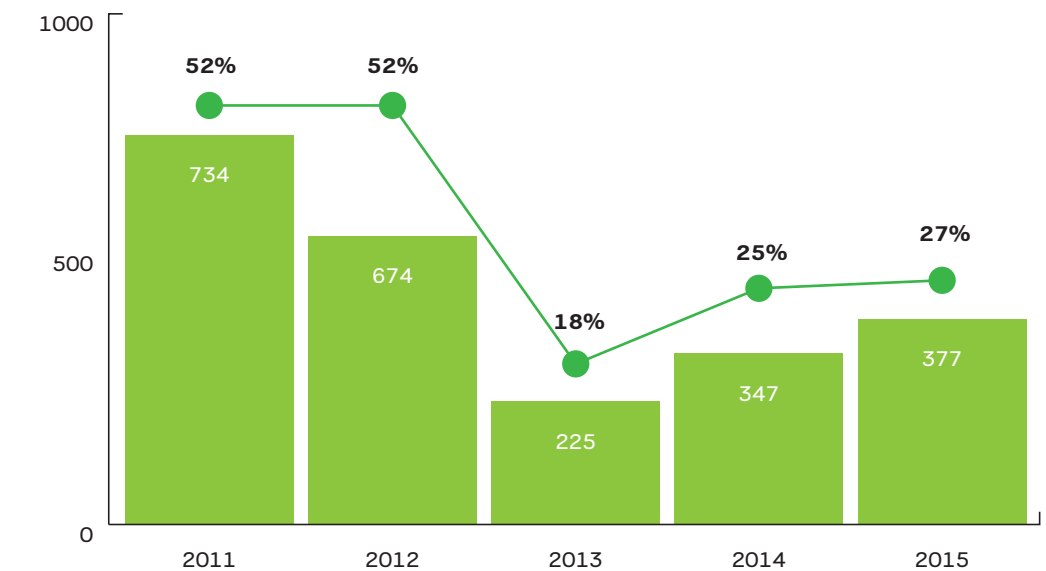
Amounts wagered (€ m)



Revenue (GGR) per category (€ m) & Prize Payout (%)

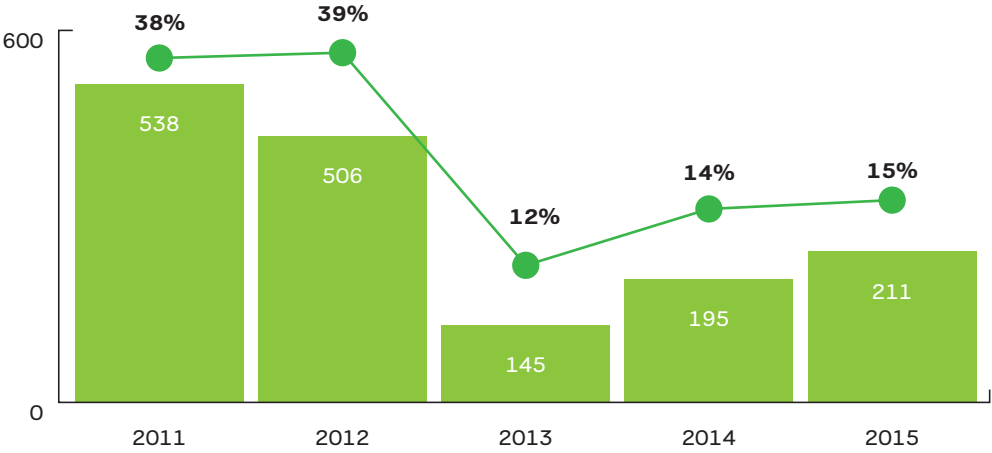


EBITDA (€ m) & EBITDA Margin (%)

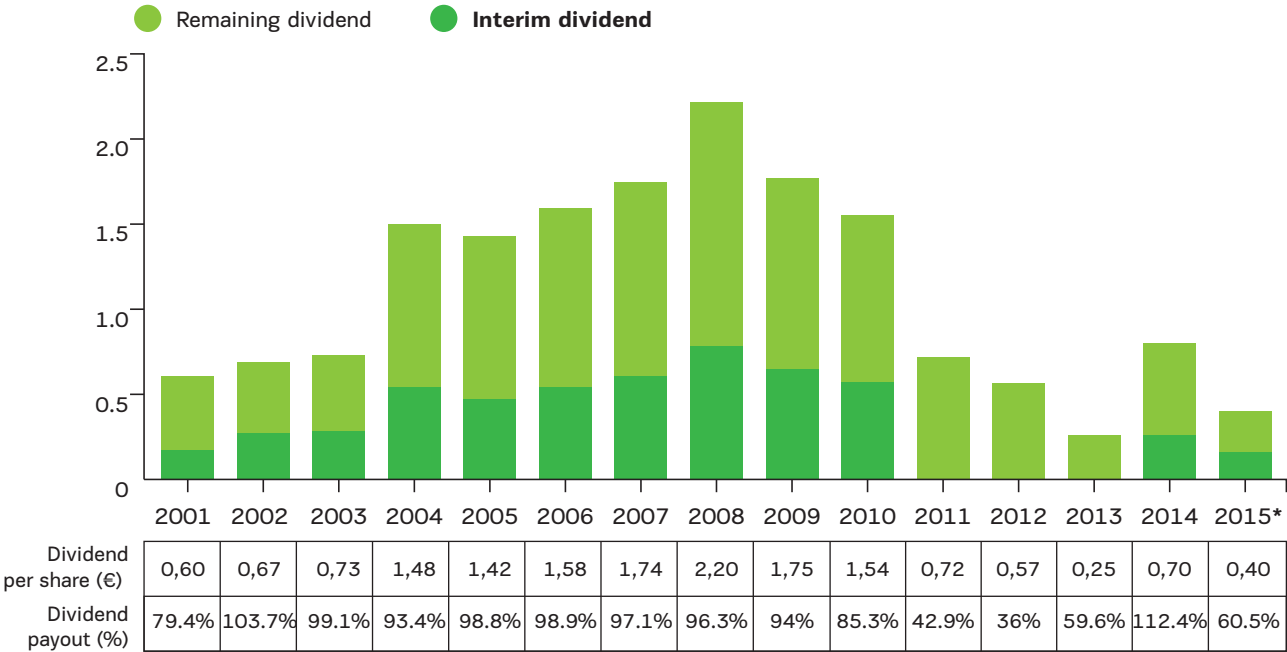


Business Review

Net Profit (€ m) & Net Profit Margin (%)



Dividend Policy

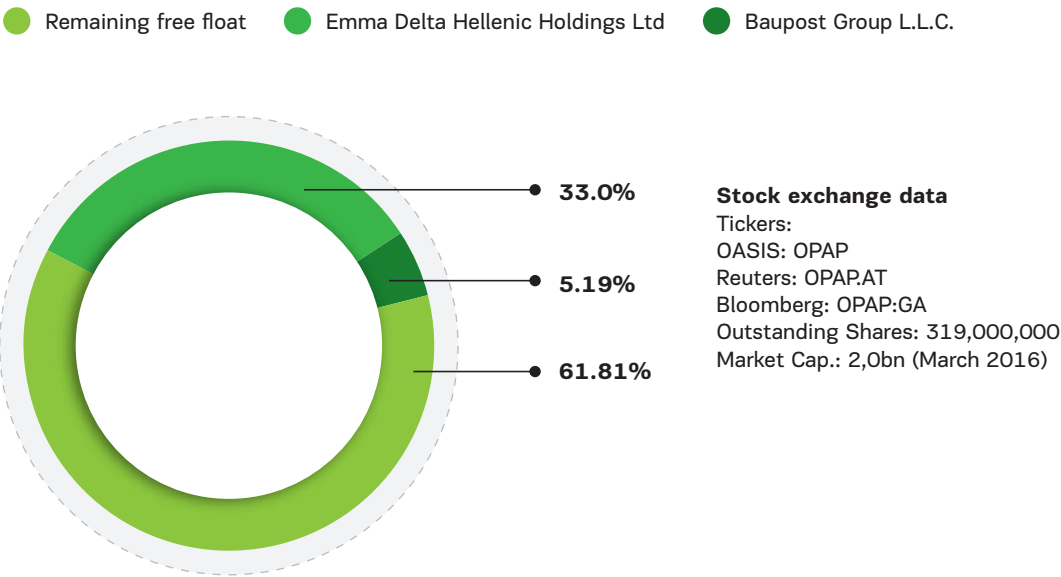


*Subject to AGM approval

Key figures of statement of financial position

	2011	2012	2013	2014	2015
Total non-current assets	1,219.3	1,214.2	1,304.3	1,343.4	1,318.9
Cash & cash equivalents	195.9	367.6	242.0	297.4	301.7
Other current assets	89.0	149.0	55.0	111.9	88.2
Total current assets	284.9	516.6	297.0	409.4	389.9
Total Assets	1,504.2	1,730.8	1,601.3	1,752.7	1,708.8
Total equity	889.5	1,162.5	1,125.3	1,235.1	1,202.8
Short-term loans	33.4	84.9	165.4	0.1	32.1
Other sort-term liabilities	156.1	219.0	235.0	457.9	292.9
Total short-term liabilities	189.5	303.9	400.4	458.0	325.0
Long-term loans	250.6	165.7	0	0	115.0
Other long-term liabilities	174.5	98.7	75.6	59.8	66.0
Total long-term liabilities	425.1	264.4	75.6	59.8	181.0
Total Equity & Liabilities	1,504.2	1,730.8	1,601.3	1,752.7	1,708.8

Shareholder structure



Protecting Our Players

We seek to make gaming and betting safer for all people. Therefore, we undertake every effort to continuously support our customers in order to meet their needs in a responsible and transparent manner.



Protecting Our Players

Responsible Gaming

Our Philosophy

Responsible Gaming is a central element in OPAP's sustainability strategy.

In particular, OPAP as the leading gaming operator in Greece aims to create and offer to the players the best products, by adopting the highest standards of integrity and responsibility and at the same time producing value for its shareholders and the society in which it operates.

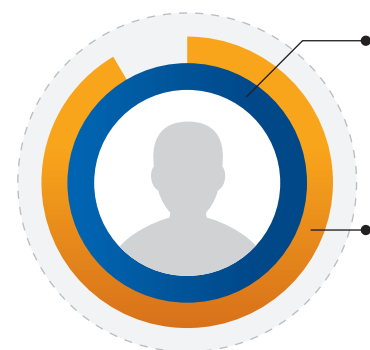
This means optimizing growth of the business by operating in an ethical, responsible, safe, and legal manner, through a model of sustainable development.

The company understands that because of its potential social impact, responsible management of its business is inseparable from other business activities.



PLAY RESPONSIBLY

2015 Highlights



1st

Integrated Awareness Campaign

about Responsible Gaming was launched in Greece



Level 3

certification by World Lotteries Association (WLA)

for OPAP S.A. & Hellenic Lotteries S.A. on the Responsible Gaming practices that both companies apply



OPAPP

mobile app was the 1st to feature Responsible Gaming

rules and principles in a dedicated section



1114

helpline which provides psychological support

and tele-counseling to people with problems related to excessive play and their family, with complete discretion. The Helpline operates in collaboration with KETHEA-ALFA

Our Framework

OPAP's extensive experience in the gaming industry, demonstrates that a responsible gaming approach should incorporate and govern all management activities of the business in order to safeguard the interests of players and the

community in general. The Company's responsible gaming framework, which reflects the one adopted by the World Lottery Association, consists of activities that aim to ensure responsible growth.

Responsible Gaming Framework



Protecting Our Players



1. Research

In order to continue in contributing to society's understanding of problematic gaming, we see it as our duty to monitor the phenomenon. We go beyond our financial support to independent research organizations and welcome industry dialogue that gives us the opportunity to strive for best practices every day.



2. Employees

We recognize that our employees play a vital role in player protection. Ensuring that all our employees are informed about responsible gaming issues enables us to have a common understanding of underage protection and responsible gaming, and equips them to look after our customers better.

By delivering integrated communication campaigns and standalone messaging, we provide our employees with regular and informative updates regarding responsible gaming, as part of our internal communication plans. In addition in 2015 we developed and distributed to our employees the company's Responsible Gaming Policy that informs them about the company's commitment to operate at a responsible way and the standards expected of them in meeting this commitment. Also our company, in collaboration with the "National Kapodestrian University" designs training courses for our employees across the business in order to be aware of the strategy, the priorities and the regulatory framework in this field, as well as targeted training sessions addressing specific business needs. In the Contact Center for example, we provide support on how to best refer certain players to treatment organization such as KETHEA. We must point

out that the training on Responsible Gaming is mandatory for all employees, since it is vital for our company to ensure the full compliance of our employees with the Responsible Gaming principles and rules.



3. Agents Program

We work hard to ensure that our agents share our commitment regarding Responsible Gaming, are aware of the measures we have in place and know how to apply them. In particular, we provide mandatory training for all new agents through our sales team that covers responsible play, underage protection, treatment referral and consumer protection issues. We also communicate with our agents in a range of ways. We run awareness raising campaigns in order to inform and sensitize our sales network about responsible gaming, we send regular messages on lottery terminals which convey a constant feed of information and we upload announcements on agents' portal advising and updating the agents on OPAP's specific policies and relevant regulations. In addition, we offer to the agents and their teams access to a dedicated online platform where they can find information about responsible gaming issues. Furthermore, we developed and distributed to our network, the Responsible Gaming Policy that outlines the rules and principles which should govern the behavior and professional conduct of Agents, as well as of the employees of OPAP Agencies.

Finally, we expect each and every one of our agents to act as our advocate and uphold the values of OPAP. If an agent falls short of what is expected of him and what has been agreed to as part of his contractually binding OPAP agreement regarding Responsible

gaming, we have established a process to deal with that, including the right to terminate his contract with us.



4. Game Design

We believe that prevention, rather than cure, should always come first and this is why we offer to players games that are both responsible and fun to play. Training our employees and partners on responsible gaming has enabled us to create a common understanding of what types of games we can launch.

Also we have incorporated responsible gaming messages to all our products in order to inform and sensitize players. In particular we ensure that all of our products display the responsible gaming logo and the Helpline number. Information about the odds of winning a prize is also featured on all our products.



5. Advertising and Marketing Communications

Development and application of a self-regulating code, in addition to applicable jurisdictional legislation on advertising games of chance to ensure appropriate and responsible communication. Advertising and marketing communications have always been an important aspect of our business strategy, allowing us to effectively promote the work we do.

Our aim is to ensure that our advertising and marketing communications are appropriate to our audience and do not encourage excessive or underage play. For this reason, we have developed our advertising and marketing

communication policy that ensures that our marketing activities do not encourage underage or excessive play. In addition, our marketing and advertising agencies are thoroughly briefed in order to be able to work with us by closely following our policy.



6. Remote Gaming Channels

Development of online self-limitation, self-exclusion and self-evaluation tools to prevent excessive playing and to forbid access to games by minors. We aim to assist our customers to play responsible in the online environment. Our success in protecting players in the online environment results from the fact that we implement the following practices:

- Age and ID verification system
- Self-exclusion options for players. Self-excluded players are not allowed to register with a new account or connect to the Gaming system. Also OPAP does not send marketing material to players who are temporarily or permanently self-excluded from participating in Online Gaming
- Customer spend control
- Information about Responsible Gaming and sources of advice and support
- Every player can have only one account
- The use of credit cards or credit for gaming purposes is not allowed
- Players can see their betting activity in detail (e.g. winnings and losses, deposits)
- In case players request a deposit limit increase, at least 24 hours should elapse after the relevant request submission, in order to be implemented
- Information on Game odds has been incorporated in all OPAP online Game Guides.

Protecting Our Players



7. Player Education

Educating consumers about gaming is extremely important. We believe we can play our part in increasing awareness and ensuring that gaming always remains fun. This is why we put such an important emphasis on player and general public education. In order to be effective, we seek to use all relevant platforms possible to reach our players and provide them with the right information about responsible gaming. To do this, we ensure all of our products display the Responsible Gaming logo and the Helpline number. Information and odds of winning a prize is also featured on all of our products and a visible sticker located at the entrance of the stores reminds players that the minimum playing age is 18. All of our agents have responsible gaming information materials readily available for players.

Also extensive information regarding Responsible Gaming is available online, on OPAP's dedicated microsite, <http://responsiblegaming.opap.gr/>, its corporate site as well as on every product's site. Also with the aim to help players that have concerns about their playing habits we created an interactive player's self-assessment questionnaire, which can be found on our Responsible Gaming site. Furthermore we run the first integrated awareness raising campaign in Greece with the aim to communicate to players that "a game is fun only when it's responsible" and the 2 basic rules of responsible gaming:

- Don't play if you are under 18 years old
- Don't exceed your limits

Finally in collaboration with the Adolescent Health Unit, we designed an educational intervention program titled "Youth Power" that addresses pre-teenage children. The program aims, through an experiential approach to inform and educate children on a series of high risk issues such as addictive substances, gambling, alcohol, smoking, online risks

and dangers, school bullying and other. It also aims to equip children with the needed ammunition in order to shield themselves towards the aforementioned challenges.



8. Treatment Referral

Although prevention is always more preferable than cure, it is not possible to ignore the fact that a minority of players will face some problems related to excessive play. For this reason, we collaborate with the treatment organization KETHEA ALFA and we offer psychological support and advice not only to players but also to their family members.

It is worth mentioning that information about treatment services is included on all of our products, our communication campaigns and that our employees, partners and retailers are aware of the referral process. Enhanced tools and information are available on the dedicated microsite <http://responsiblegaming.opap.gr/>, such as the questionnaire "What type of player are you?" This test aims to remind players that playing should remain a fun activity.



9. Stakeholder Engagement

Stakeholder engagement forms the basis of how we do business and shapes our strategic direction. In particular, in order to promote an open and constructive dialogue on Responsible Gaming we conduct one to one meetings with key stakeholders, we form working teams with experts in order to design and implement programs that aim to protect the players, we seek consultation from the World Lottery Association and the European Lotteries and we participate in the events and seminars organized by these 2 leading organizations.



10. Reporting, Measurement and Certification

We have a long-lasting and deeply embedded approach to reporting and transparency, which is critical to enable us and our stakeholders to track our progress and identify improvement opportunities. Our strategies to prevent underage and excessive play are based on the World Lottery Association Principles and Framework for Responsible Gaming and the European Lotteries Responsible Gaming Standards. Also we include in our financial and CSR report a dedicated section regarding the initiatives we implement in the frame of Responsible Gaming.

In addition, OPAP S.A. and Hellenic Lotteries S.A., were certified in 2015 by the World Lotteries Association for the application in their daily operations of the principles of Responsible Gaming. They are the only Greek companies to have attained Level 3 certification – with Level 4 being the highest – confirming the commitment of the OPAP Group in protecting consumers, serving as a model organization in the games of chance industry in Greece.



Supporting Our Society

We remain true to our commitment for responsible growth and social support.

With the key objective of bringing hope back to Greek youth, we have structured our Societal Support strategy on three pillars, addressing real needs of young people, by undertaking initiatives that make a true difference.



Supporting Our Society

Our Philosophy

We firmly believe that our long term success goes side by side with creating additional value for the country and the communities we operate in.

Therefore we behave in a socially responsible manner and strive to make an active contribution to the Greek community, by improving the quality of people's lives, as well as proactively handle our potential impact on the environment.

On that principle we have developed a Societal Support Strategy, which allows us to implement large scale initiatives that have a true, long lasting and positive impact to the community and create value for our company.

Through our Societal Support Strategy, which focuses on the areas of Health, Sports and Employment, we aim to "Give Back to Youth", who have experienced the hardest hit in the midst of the financial crisis and constitute the most valuable asset for Greece's growth and future.

Our objective

We combine our business success with prosperity and quality of life, for the citizens of the communities we operate in and to minimize our environmental impact.

For this reason, we:



2015 Highlights



392

activities were sponsored through our Societal Support & Sponsoring Program



1,7 Million

people were positively affected through our Programs



Sports Academies

program stands by the side of 10.400 children, 20,000 parents and 450 coaches



2 floors

renovated in the Children's Hospitals "Agia Sofia" & "Panagioti & Aglaia Kyriakou"



Grand Sponsor

of Hellenic Paralympic Committee for fourth consecutive year



€163,150

imposed as penalties for incidents of violence by OPAP and reinvested to enhance safety measures in stadiums



155

blood units were collected through our employees' voluntary donation programs



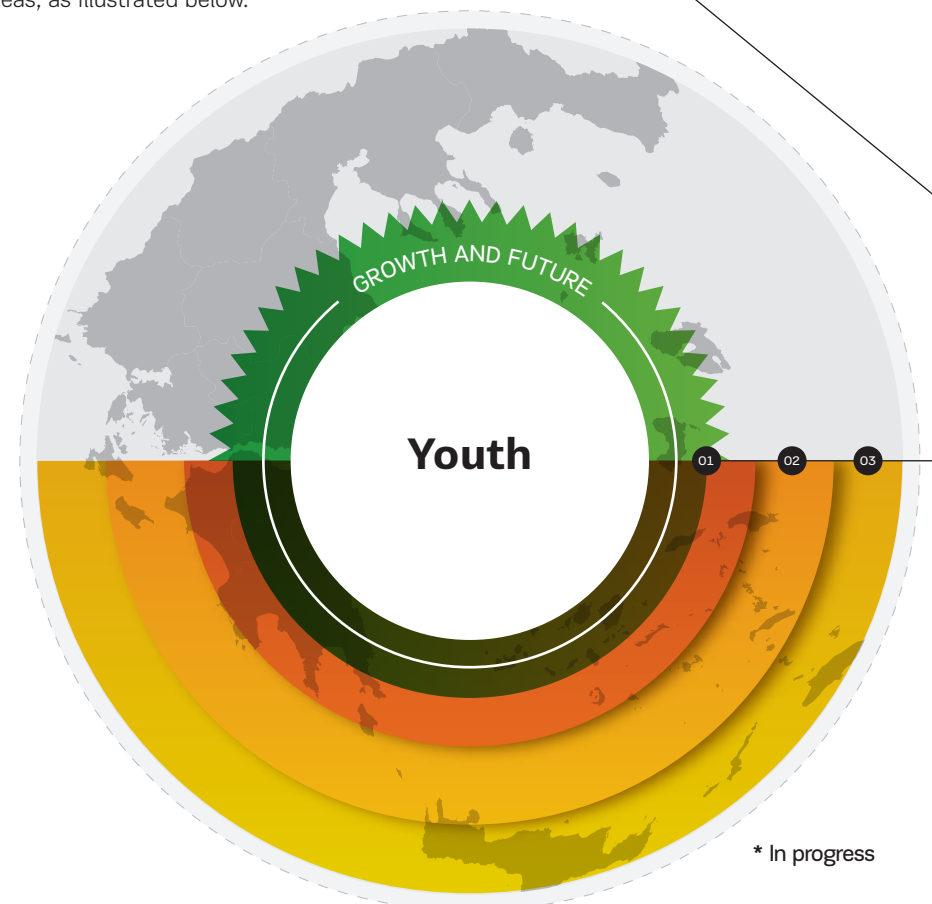
125

academies supported in 48 Greek Prefectures

Supporting Our Society

We contribute through targeted Corporate Responsibility programs & activities.

Further to the redesign of our Societal Support Strategy in 2014, we operate with the key objective of bringing back hope to Greece's youth, helping to secure a better future for them. In this context, we undertake large-scale initiatives of societal support that make a difference by addressing real social needs on three different areas, as illustrated below.



Our focus pillars

01. HEALTH

Supporting the well being of the Greek society

02. SPORTS

Supporting the future of Greek sports

03. EMPLOYMENT*

Supporting the growth of the Greek society

* In progress

Health

Renovation of two major Children's Hospitals in Greece.

Building on its already rich contribution to the Health sector and prioritizing the improvement of living conditions for children, OPAP undertook in April 2014 the initiative to renovate the two most important, oldest and largest Children's Hospitals in Greece; "Aghia Sophia" and "Panagioti & Aglaia Kyriakou".

OPAP's Hospitals renovation program that comes at this difficult time for our country, aims to operationally and technically upgrade to its full extent the Hospital Nursing Units and Outpatient Clinics in need, to create a pleasant therapeutic environment for the sick children and their relatives via the proper design, chromatic treatment and the entire renovation of hospital premises, waiting and examination rooms of young patients and to improve the working conditions for the medical and nursing staff.

This ambitious renovation project is already in full development so that the two Public Pediatric Hospitals that are dedicated in serving children from all over Greece, offer their medical services in top-notch conditions.

In particular by demonstrating consistency between words and actions, OPAP in 2015 delivered two completely renovated floors to "Aghia Sofia" and "Panagiotis & Aglaia Kyriakou" Children's Hospitals. Specifically, the works that have been completed are the following:

- Replacement of the main elevator at the Children's Hospital "Panagiotis & Aglaia Kyriakou".
- Renovation of the two Nursing Units of the 5th floor of the "Aghia Sofia" Hospital, which extend to an area of 1,800 square meters and have a capacity of 50 beds and Neonatal Increased Care Unit with a capacity of 50 incubators.
- Renovation of Nursing Unit on the A' Wing of "Panagioti & Aglaia Kyriakou" 3rd floor, with 550 square meters total area and capacity of 34 beds.
- Repair and partial replacement of the hospitals' equipment and special internal decoration aiming to create an appropriate therapeutic environment for the children's rehabilitation in complete accordance with the contemporary medical concepts.
- Preparatory studies and works for the projects that will be implemented in 2016.

It is scientifically proven, that the quality of the patient's environment plays an important role during someone's therapy. Thus OPAP aims to reform the therapeutic environment of these two Hospitals, using creativity and imagination to build a pleasant place for children.

The whole visual approach at Pediatric Hospital "Aghia Sofia" is inspired from the historical, social and intellectual evolution of mankind, presenting the great achievements of human intellect as a game.

Also, the main theme at Children's Hospital "Panagioti & Aglaia Kyriakou" is child's games with moving and famous items that travel us from the earthly environment to the clouds along with children's imagination.

HEALTH

SPORTS
SENSITIVE SOCIAL GROUPS AND COMMUNITY SUPPORT
ENVIRONMENTAL PROTECTION

Supporting Our Society

Quotes about the program

“We welcome OPAP S.A.’s initiative to undertake the renovation of the Nursing Departments of the Pediatric Hospitals, the first phase of which has already been implemented. And we hope for the continuation of our cooperation in the future with new actions.”



EMMANOUIL PAPASAVVAS

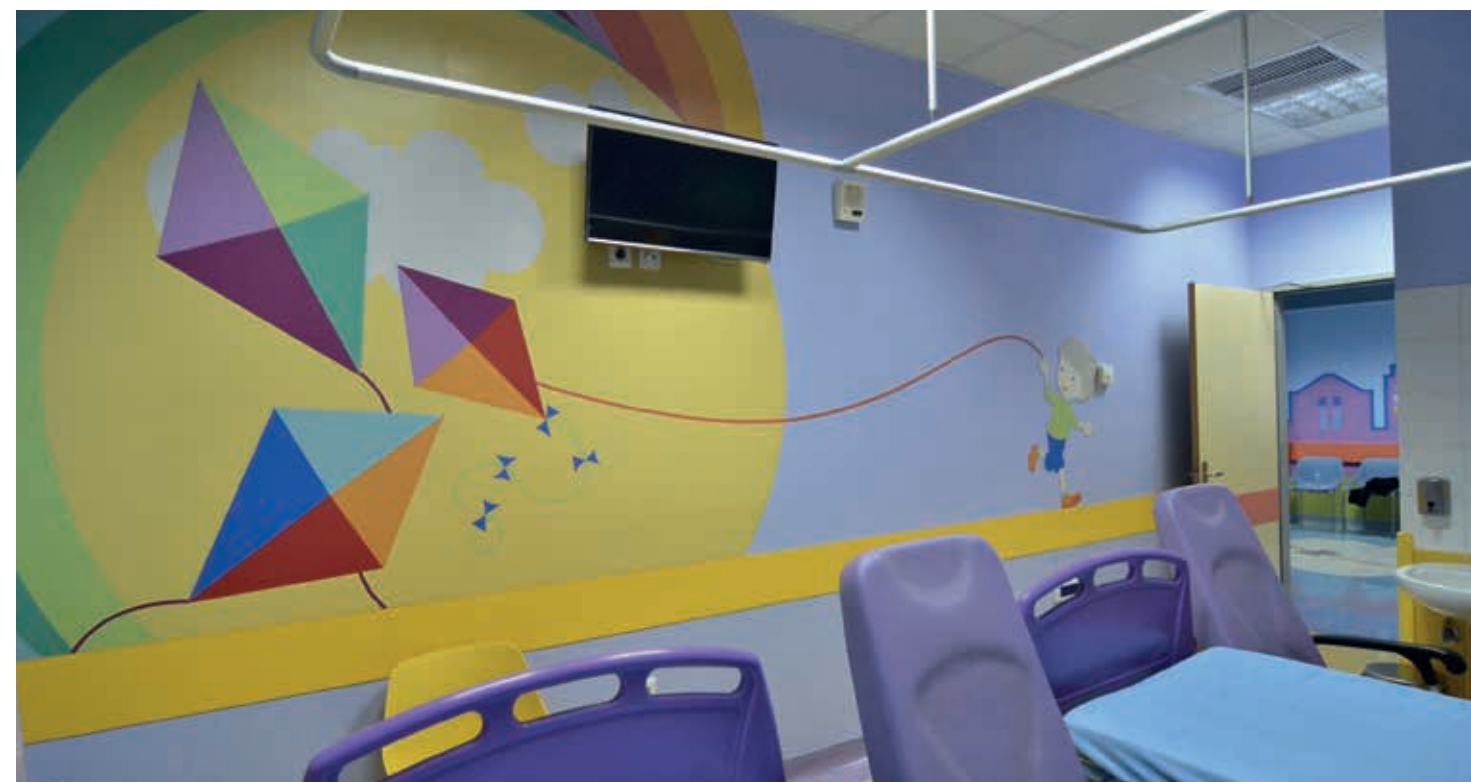
Joint Governor of Interconnected Hospitals “Aghia Sophia” & “Panagiotis & Aglaia Kyriakou”

“I express our heartfelt thanks to our major sponsor OPAP. The impressive renovation and decoration we all admired will offer our young patients a more pleasant and functional environment. I believe other sponsors will follow OPAP’s example acting always in accordance with legal procedures and the consent of the Ministry of Health.”



MARIONGA FRAGAKI

President of “Panagioti & Aglaia Kyriakou” Hospital



HEALTH

SPORTS
SENSITIVE SOCIAL GROUPS AND COMMUNITY SUPPORT
ENVIRONMENTAL PROTECTION

Supporting Our Society

Health

Route of Contribution

On the occasion of the 33rd Authentic Marathon of Athens, and following the success of the previous year, OPAP as a Grand Sponsor of the Athens Marathon invited everyone to actively download the innovative mobile application “Route of Contribution” and support virtually the Company’s Renovation Project of the 2 major Children’s Hospital; “Agia Sofia” and “Panagioti & Aglaïas Kyriakou”

Specifically, via the “Route of Contribution” application, OPAP gave to everyone the opportunity to play, run and contribute by participating in 9 challenges which gradually “unlocked” in a space of four weeks until the day of the Athens Marathon. Responding correctly to the Quiz questions, running the distances required, taking selfies, inviting friends and sharing with them on social media, anyone could virtually contribute up to 20 euros. Even on the day of the 33rd Marathon, on November 8th, all the application users, runners, visitors, even television viewers could further raise the amount that OPAP would offer with one simple “check in”.

More than 82,500 users downloaded the application and thousands of people visited the website of the program www.diadromiprosforas.gr, participating and offering to this important cause.

The entire virtual contribution amount was gathered and converted automatically by OPAP into financial support for the renovation of the two pediatric hospitals, with the overall amount exceeding €613,000 from all actions of the Athens Marathon, which constitutes a part of OPAP’s total investment for the renovation of the 2 hospitals.



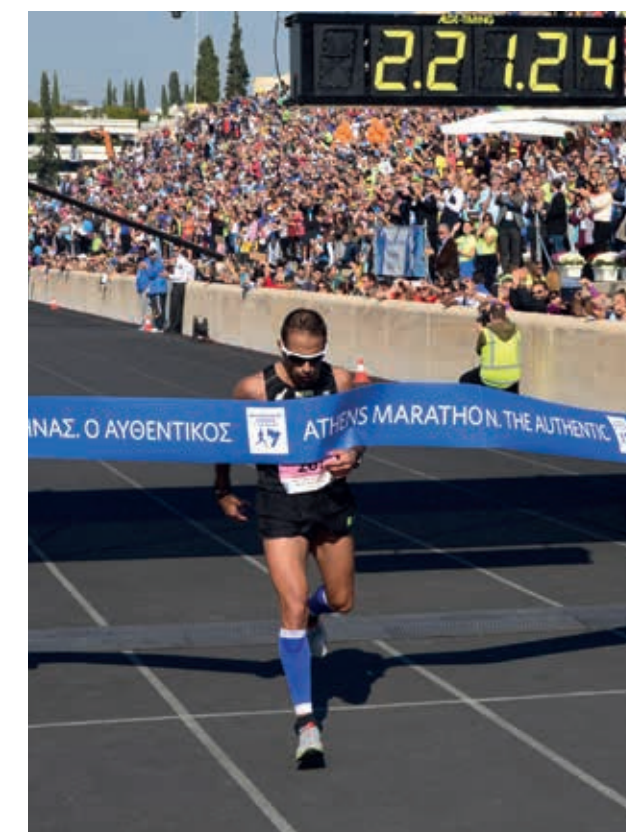
613,000 €

virtually raised from all actions of the Athens Marathon



82,500

users downloaded the application



HEALTH

SPORTS
SENSITIVE SOCIAL GROUPS AND COMMUNITY SUPPORT
ENVIRONMENTAL PROTECTION

Supporting Our Society

Health

“Assessment of Students Body Composition, Dietary Habits and Physical Activity Level”

The “Evaluation of Students’ Physique, Eating Habits and Physical Activity” program, which is supported by OPAP and is implemented since 2012 in all schools of Greece by Harokopio University, evaluates health parameters of Greek student population over time.

The program includes an annual recording of physical characteristics, dietary habits, physical activity and fitness of students in all educational levels, as well as their assessment for all students, free of charge.

The program documents and assesses health parameters in an extensive number of students. More specifically, during 2014-2015, a total of 360,015 students participated from 3,978 schools (kindergartens, primary, secondary and high schools).

According to the results of the project “Assessment of Students Body Composition, Dietary

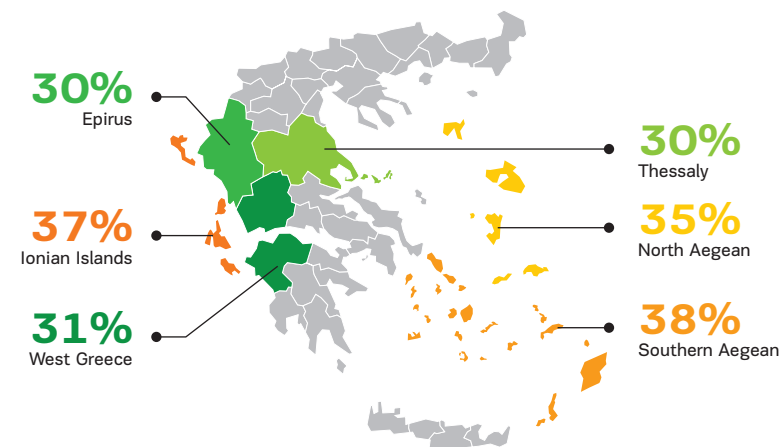
 **360,015**

**students participated
from 3,978 schools
(kindergartens, primary,
secondary and high schools)**

Habits and Physical Activity Level” for the school year 2014-15, 23% and 10% of the students were classified as overweight and obese, respectively, with boys presenting higher rates of obesity compared to girls (11% vs. 9%). The problem of excess adiposity was mainly detected at 8 to 11 year-old children, since almost 4 out of 10 students who were in the onset of puberty were overweight or obese.

The regions of Greece with the highest rates of overweight or obese children were those of the Southern Aegean (38%), North Aegean (37%) and the Ionian Islands (35%), while the lowest rates were observed in the regions of Epirus (30%), West Greece (30%) and Thessaly (31%).

The regions of Greece with the highest rates of overweight or obese children



Supporting Our Society

Sports

Sports Academies

Children are the future of the world and they are the ones that can make the world a better place.

Based on this fact, OPAP developed the innovative program “Sports Academies”. In particular, the program serves real needs in sports and creates value for the future generation, benefiting in a holistic way all the interested parties.

Through a solid, concise and effective activation, today, OPAP supports 125 amateur academies in 48 prefectures of the country, which have been selected through a transparent and innovative online procedure, standing by 10.400 young athletes and their 20.000 parents, while it has enrolled coaching experts, to provide ongoing consultation and training to the 450 academy coaches and continually enhance their technical knowledge.

Academies that participate in the program benefit from an integrated educational program which includes:

- A dedicated website (www.sportsacademies.opap.gr), which allows parents, children and coaches to receive information and support from experts.

- A Scientific Team of specialized pediatricians, psychologists and nutritionists, who offer scientific support, directions and advices to parents, children and coaches, for better physical and psychological health.
- A Team of Coaches with great experience in training 7 to 10 years old children, who organize workshops, visits the academies and participates in trainings, in order to provide proper directions to the academies’ coaches, based on UEFA international standards.
- An Ambassadors Team, consisting of current and former athletes known for their ethos, that serve as role models, participate in the football festivals organized by OPAP and offer valuable advice to children.
- Insurance coverage for all children during trainings and games.
- High quality sports gear for all children, ensuring high standard training conditions for all of them.

Through this program, OPAP aims to bring children closer to sports and set completely new standards in sports education, thus contributing to the establishment a solid ground for the future of sports in Greece.

The program highlights the educational and fun role of sports, by focusing on values that are inherent like fair play, respect, ethos and teamwork and follows UEFA’s guidelines and principles regarding Grassroots, which is the best sport model for young athletes in the world.

The program’s key facts & figures


1 Year

of implementation


125

 academies supported
in 48 Greek Prefectures

10,400

 young athletes
were supported

450

 coaches were retrained
to enhance their technical
knowledge and skills

20,000

 parents were supported
through scientific
consultation

2,000

 hours of educational
seminars for parents,
children & coaches

6,000

balls for the children


10,400

 pairs of shin guards for
every participating child

3,000

 correct-size bibs
for the young athletes

Supporting Our Society

Quotes about the program

“It is an exceptional initiative that aims to communicate the fundamental principles of fair play, balanced nutrition and psychological health, through a popular sport.”

The key objective of the nutritional dimension of the program is the formation of a framework that will promote both children’s sport skills, but also their health, in general.”



ANASTASIOS PAPALAZAROU
Dietitian and President of the NGO “Child Nutrition”

“Children are immensely benefited through the program, since our objective is to encourage them in playing football regardless their level. Through OPAP’s program, the Academies will improve their operation and will provide the children with the best possible mediums for their training.”



KOSTAS TSANAS
Manager of the program’s Team of Coaches, Youth National Team Head Coach,
Hellenic Football Generation Grassroots Manager



Supporting Our Society

Sensitive Social Groups & Community Support

Despite redesigning our Societal Support Strategy focus on pillars (health, sports and employment); OPAP continues its long-standing contribution to support sensitive social groups as well as addressing other arising community needs.

Sports Academies

OPAP is committed to promoting inclusion, diversity, and excellence, both in the workplace and in the world of competitive sports. As the Grand Sponsor of the Paralympic Committee, we are proud to participate in the effort of providing opportunities to Paralympic athletes and increase awareness and popularity of sports for people with impairment.

Our motivation comes from Paralympic athletes themselves. These elite performers, who have conquered adversity through hard work, self-confidence, and single-minded determination to achieve excellence in their sports and lives, continually inspire us.

In this context we invest, since 2011, in offering them the needed resources to reach the maximum of their potential.

Quotes about the program

“It is a fact that without OPAP’s help, the Paralympic Movement would not have been able to achieve all its distinctions in world championships and participate in top sport events. OPAP is on our side and this is a great honor for us!”



GEORGE FOUNTOULAKIS
President of the Greek Paralympic Committee
and National Sport Federation for Persons with Disabilities



Supporting Our Society

Sensitive Social Groups & Community Support Wishing Ornaments

For the second consecutive year, OPAP implemented its “Wishing Ornaments” program, offering Christmas happiness to underprivileged children.

The initiative had three key objectives:

1. Share Christmas joy with as many children in need as possible
2. Motivate and engage people in our effort, sending a strong message of solidarity and togetherness
3. Leave behind us a significant legacy that will improve the living conditions of these children, through implementing strong infrastructure and construction works.

For the project scope, we collaborated with “Together for Children” association, a non-profit NGO that works on the field of child welfare and offers every form of assistance to more than 3,000 children and young people across Greece.

OPAP invited 3,273 children supported by the “Together for Children” Association to draw on a simple piece of paper their Christmas wish. These wishes were exhibited during Christmas

season in the Art Galleries that the company developed, in the 3 Largest Shopping Malls of the country (2 in Athens and 1 in Thessaloniki).

Thousands of people in Athens and Thessaloniki, as well as OPAP employees embraced OPAP’s call to give life to these Christmas wishes and contributed in sharing Christmas joy and happiness with the children, by making their wishes come true. Their impressive participation resulted in making all 3,273 children’s wishes come true, twice as many compared to the previous year.

As a next step, OPAP undertook the implementation of works in 13 Institutions that are supported by the “Together for Children” Association. In particular, OPAP, within 2016, will carry out construction, repair and maintenance works, as well as supply of technological equipment and modernization of services and facilities for the unions supported by the association.

It must be noted that within 2015, OPAP fully delivered the construction works that were part of its 2014 “Wishing Ornaments” activation, serving the needs of 1,692 underprivileged children. More specifically, OPAP has concluded with the construction of a modern play-ground for the “The Smile of the Child” and small scaled infrastructure works to the “SOS Children Villages”.

Quotes about the program

“We would like to thank OPAP for standing on our side in our difficult work. OPAP’s help is valuable to us, since it enables us to continue our efforts for relieving children in need.”



Yianna Panagiotidou
BoD member in “Together for Children” Association



Supporting Our Society

Sensitive Social Groups & Community Support

We recognize the importance of our sponsoring practices as we have the ability to change people's lives on local and national level.

Since our objective is to reflect the core values that are essential for our responsible operations, in our sponsorships contracts, which include central contracts, as well as individual contracts with teams:

- We have included a term that approximately 20% of the contract's value will be invested in young people
- We have introduced clauses against violence since 2010, in order to enhance safety and security in stadiums (e.g. installation of cameras and turnstiles)
- We cooperate with an independent auditing company to monitor expenditures in all contracts
- We recursively monitor expenditures in central contracts.

We ensure transparency of donations and sponsorships

To ensure that donations and sponsorships are utilized as per the requirement for which



163,150 €

imposed as penalties for incidents of violence by OPAP and reinvested to enhance safety measures in stadiums

they were approved, their recipients are required to attach and submit the necessary documentation before they are paid.

Especially in cases of construction projects, we perform on-site inspections and we additionally ask for photographs and other related documentation as a proof that they have proceeded and carried out the project.

We cultivate the importance of volunteer contribution

We believe that it is our responsibility to cultivate the importance of volunteer contribution to our employees, in order to utilize their skills for the good of society, as well as integrate the concept of responsibility in their way of thinking and behavior. The voluntary blood donation at OPAP began in 2005 and takes place every six months at our headquarters. Following the relevant initiative of our Group's Employee Unions, we have established a Blood Bank with a large number of available blood units, as a result of our employees' participation and voluntary cooperation with respective hospitals.

Within 2015, we implemented 2 blood donation programs and gathered in total 155 blood units, out of which 90 were utilized for our employees' needs.



Supporting Our Society

Environmental Protection

Human activity can have harmful effects on ecological systems, climate and public health.

Recognizing this, we commit ourselves in reducing our environmental footprint and promoting environmental stewardship at all levels of our organization.

Our goal is to minimize our organization’s impact and maximize youth’s ability to live, work, and play in our shared natural environment, with equal access to clean air, clean water, and natural resources.

In this context, we have established organization-wide environmental processes, which have as a key component our compliance with the current environmental legislation and its relevant provisions.

To ensure that our company is in full accordance with the law and minimize our environmental impact, we perform all the necessary environmental impact assessments, throughout the year.

Environmental Management System

By applying our ISO 14001 certified Environmental Management System, we aim to reduce our environmental footprint, (i.e.: reducing energy use, water and paper consumption, which are the main environmental impacts linked to our operations).

Environmental Results

SOURCE	CONSUMPTION 2013	CONSUMPTION 2014	CONSUMPTION 2015
⚙ Diesel - Heating (lt)	24,000	22,748	46,000
🔥 Natural Gas (m³)	20,752.6	13,369	4,284.59*
💡 Electricity (KWh)	6,417,357	6,384,272	4,960,391**
📄 Paper (kgr)	24,197	21,964	16,964,64
💧 Water (m³)	11,579.2	7,647	10,404

*Natural Gas was used only by our Thessaloniki facilities, until 27/02/2016.
**Electricity consumption refers to all our buildings (in Athens, Kifisia Thessaloniki, as well as our owned store).



Caring About Our Employees

At the core of our workplace strategy is the development, engagement and support of our people.



Caring About Our Employees

We establish a positive work environment for our employees.

We recognize that achieving our strategic objectives and driving business growth are closely connected to the talent and the engagement of our people.

In the face of the extreme market conditions that we have been experiencing, we aim to further preserve work positions and cultivate a work environment of transparency, respect, equality and safety for all employees.

Our vision is to make our people feel committed and proud to be part of OPAP Team.

Our Objective

We aim to create a work environment, which is safe, fair and facilitates the professional and personal development of employees.

For this reason we:

- Create work positions
- Ensure Health & Safety in our work environment
- Do not tolerate child, forced and abusive labor
- Inform, train and appraise our employees.

Equality and Fairness

Our policy is not to discriminate within the work environment due to race, gender, marital status, political beliefs, religion, origin, sexual orientation, age and disabilities, regarding issues such as wage discrimination and promotions.

Our commitment relies upon the principle of equal treatment of our employees, allowing them to develop and advance professionally, solely depending on their performance, their abilities and needs of OPAP.

It must be noted that:

- There were no complaints or grievances regarding discrimination incidents or unfair treatment within OPAP
- There were no complaints or grievances regarding human rights violation or labor practices
- The minimum salary in OPAP was in all cases higher than the legal basic salary (or the higher collective agreement salary), as defined by local legislation
- The proportion of salary for men and women is almost equal, within similar hierarchical level/area of activity/job family, with statistically insignificant variations

2015 Highlights


831

employees in Greece


47%

of women within the overall workforce


5.7%

of permanent job openings within 2015 were covered by internal candidates


97%

of employees are full-time


39 Years

is the average age of our employees


6.86%

average turnover rate reached


2,967

hours of training


111

employees trained

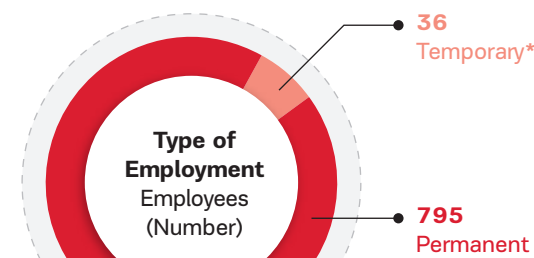
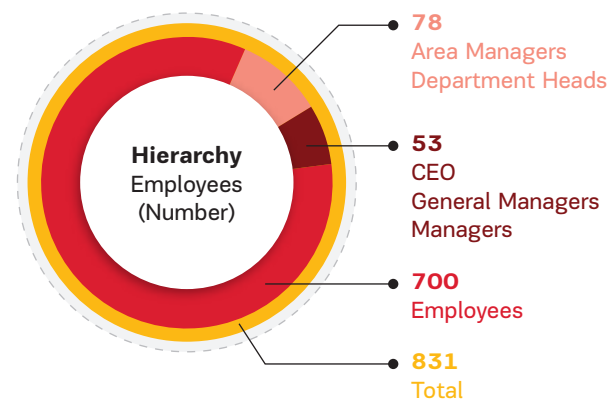

€146,409

invested in training

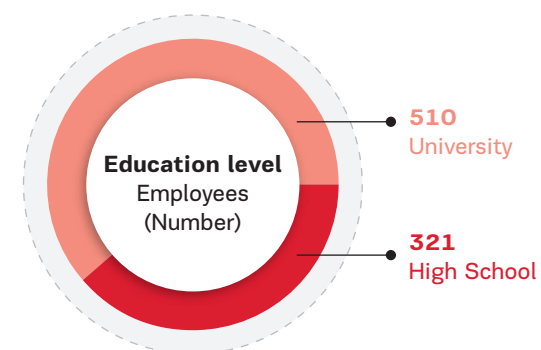
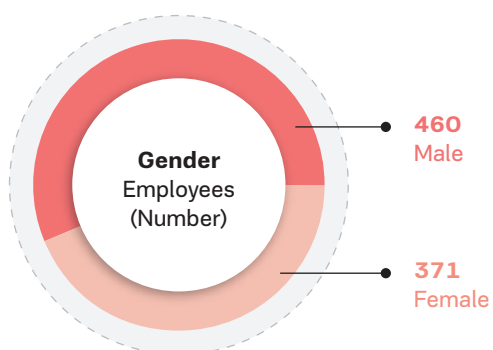
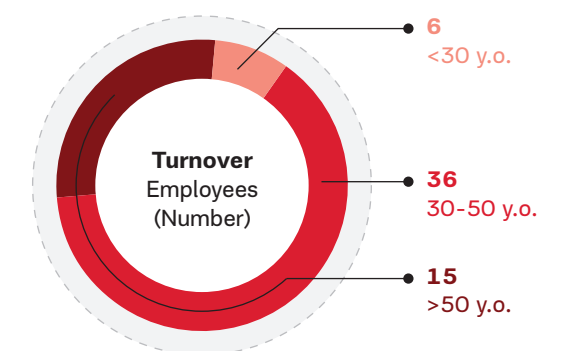
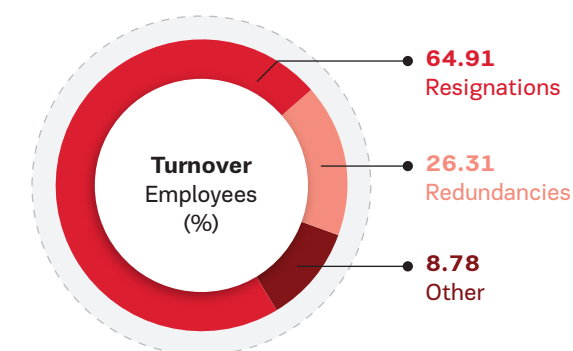
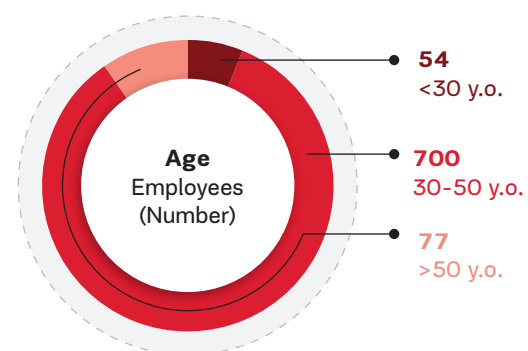
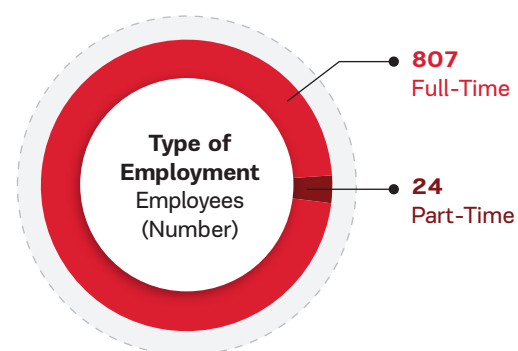
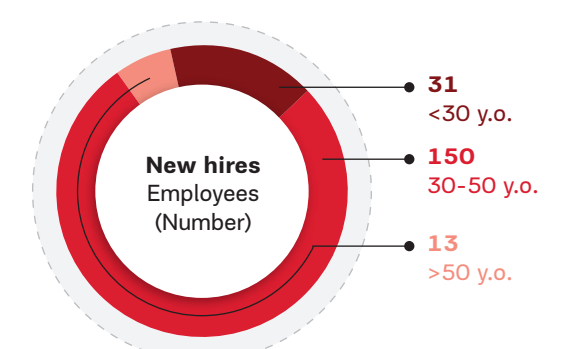
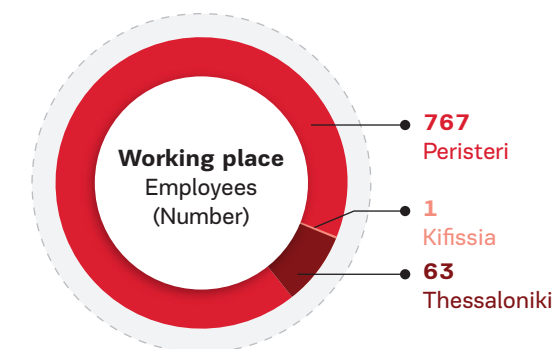
* Data refer to 31/12/2015, for the companies to OPAP S.A., OPAP Services S.A., Hellenic Lotteries S.A., Horse Races S.A, Payzone Hellas S.A

Caring About Our Employees

Employee Distribution



*During 2015 we had 20 people working with OPAP as external partners



Duration of Employment Employees (%)



* Data refer to 31/12/2015, for the companies to OPAP S.A., OPAP Services S.A., Hellenic Lotteries S.A., Horse Races S.A., Payzone Hellas S.A

Caring About Our Employees

Training and Development

OPAP implements a wide range of training programs, as we fully understand the importance of continuous and proper training to our employees, in order for us to effectively safeguard implementation of our corporate strategy and long-term business success. For this reason, we train our employees in areas such as:

- **Soft Skills:** Leadership, etc.
- **Technical Skills:** Accounting, Procurement, SharePoint, etc.
- **Certificates:** PMP, TOGAF, etc.

OPAP Academy

In 2015, OPAP launched the “OPAP Academy”. OPAP Academy is the vehicle that connects knowledge and performance with business, fostering the active involvement of all employees to the achievement of the business results.

The scope is to introduce the new unified OPAP corporate culture and common communication platform, through a structured Training Plan.

OPAP Academy's key role is to:

- Re-Engineer and Upskill our Competencies.
- Promote Teamwork & Interpersonal Relations
- Increase our Customer Orientation
- Encourage our “out of the box” thinking
- Empower Initiative and Effectiveness.

OPAP Academy's strategic priorities are:

- Establish a continuously learning and development culture
- Build and sustain a high performing mindset
- Strengthen leadership team's competencies.
- Develop our talent pool.

Aiming to connect OPAP Academy with the actual and current business goals, a mapping of all Training Needs across Units and Levels was generated, by conducting meetings with all Unit Heads and Division Directors, focused at:

- Clarifying competencies and skills based training requirements per employee
- Using diagnostic methods to ensure identification of all employees' training needs
- Aligning training priorities in 2016 and 2017
- Capturing all current and future organizational changes in accordance with their business plan.

Upon completion of the meetings, findings were recorded and analyzed, leading to the design and structure of the OPAP Academy.

The first training initiative that was implemented in 2015 after the launch of the OPAP Academy was the “Leaders of High Performing Teams” workshop. Participants were 37 Senior Level Managers/Directors (N-2) cross-functionally from all Units in mixed groups and the duration was 2 days (16h).

The implementation of the Training Plan will run throughout 2016 & 2017 and will include various training courses, such as:

- **Soft Skills**
Management, Presentation Skills, Negotiation Skills, etc.
- **Technical Skills**
Accounting, Sales, Procurement, SharePoint, etc.
- **PC Skills**
Excel, PPT, Word, etc.
- **Business English**



ANNUAL FINANCIAL REPORT 2015

ANNUAL FINANCIAL REPORT 2015



FROM JANUARY 1ST TO DECEMBER 31ST 2015
ACCORDING TO ARTICLE 4 OF L. 3556/2007

OPAPGR
INFO@OPAPGR

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I. Representation of the Members of the Board of Directors

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

The members of the OPAP S.A. BoD, of parent company (the “Company”):

1. Kamil Ziegler, Chairman and Chief Executive Officer,
2. Michal Houst, Member,
3. Spyridon Fokas, A' Vice-Chairman

notify and certify that as far as we know:

- a) the Group of OPAP S.A. (the “Group”) individual and consolidated Financial Reporting from 01.01.2015 to 31.12.2015 which have been prepared according to the IFRS, truthfully represent the elements of the assets and the liabilities, the equity and the statement of comprehensive income of the publisher as well as of the companies included in the consolidation, 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 BoD report truthfully represents the progress, the position and the performance of Company as well as of the Companies included in the consolidation and 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.

Peristeri, 24 March 2016

Chairman of the BoD & CEO

**Chief Financial Officer &
Member of the BoD**

A' Vice-Chairman of the BoD

Kamil Ziegler

Michal Houst

Spyridon Fokas

II. Board of Directors' Report for the period 1.1.2015 - 31.12.2015

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

The Report at hand concerns the year 2015 and has been drafted in compliance with clauses set forth in L. 2190/1920 article 43a par. 3a, article 108 and article 37. Also according to L. 3556/2007 articles 2c, 6, 7 & 8, and the Hellenic Capital Market Commission Decisions 7/448/11.10.2007 article 2, 1/434/3.7.2007 and the Company's Articles of Association, we submit you for the period 01.01.2015 - 31.12.2015 the annual financial report of BoD which includes audited Individual and Consolidated Financial Statements, notes to the Financial Statements and audit report by the certified public accountants auditors.

The report describes the financial outcome of the Group OPAP S.A. (the "Group") respectively for the year 2015 as well as important facts that have occurred during the same period and had a significant effect on the Financial Statements. It also describes the main risks and uncertainties and the expected course and development of companies of Group. Finally, the corporate governance, the dividend policy, the number and the face value of all shares as well as any transactions that took place between the company and related parties are mentioned.

A. Financial progress and performances of year 2015

Progress and Changes in Financial Figures, Performances

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

1. Games' revenues (GGR) amounted to € 1,399,671 thousand in 2015 vs. the revenues of 2014 amount of € 1,377,679 thousand increased by 1.60%, which reflects: a) the NATIONAL, POPULAR and INSTANT LOTTERY (SCRATCH) revenues amounted to € 157,890 thousand (2014: € 104,081 thousand due to the change of the consolidation method of Hellenic Lotteries dated 19.06.2014), b) KINO revenues increase by 0.28%, c) PAME STIHIMA (offline and on-line) revenues' decrease by 9.66% (including betting matches of FIFA World Cup during summer period of 2014) and d) JOKER revenues' increase by 12.08%.
2. The Contribution on the Net Revenues (including the return to the Republic of Cyprus from OPAP CYPRUS LTD) amounted to € 411,964 thousand vs. € 404,535 thousand in 2014, increased by 1.84%.
3. Net Gaming Revenues (GGR minus GGR Contribution and other levies & duties and agents' commissions) amounted to € 625,339 thousand vs. € 613,491 thousand in 2014, increased by 1.93%.
4. Profit before depreciation and amortization, interest and taxes (EBITDA) amounted to € 377,103 thousand vs. € 346,524 thousand in 2014, increased by 8.82%.
5. Profit before tax decreased by 1.96% and amounted to € 299,592 thousand vs. € 305,579 thousand in 2014.

6. Profit after tax increased by 5.36% amounting to € 209,901 thousand vs. € 199,224 thousand in 2014.
7. Group cash flows are mainly determined by parent company cash flows:
 - a) Operating activities cash inflows during the year 2015 decreased by 30.25%, reaching € 198,436 thousand vs. € 284,505 thousand of the year 2014.
 - b) Investing activities cash outflows amount of € 39,067 thousand in 2015 mainly reflect the acquisition cost of tangible and intangible assets (€ 39,649 thousand). The investing activities cash inflows amount of € 32,850 thousand in the relevant period 2014 mainly reflect the increase of cash and cash equivalents due to the change of the consolidation method of HELLENIC LOTTERIES S.A. (€ 49,210 thousand) and in first consolidation of PAYZONE S.A. (€ 3,709).
 - c) Cash outflows from financing activities amount of € 155,093 thousand.

Basic economic figures at the Company level are presented below:

1. Games' Revenues amounted to € 1,167,601 thousand vs. € 1,202,529 thousand in 2014, decreased by 2.90%.
2. Profit before interest, tax, depreciation and amortization (EBITDA) amounted to € 339,413 thousand vs. € 328,534 thousand in 2014, increased by 3.31%.
3. Profit before tax increased by 1.47% and amounted to € 301,661 thousand vs. € 297,277 thousand in 2014.
4. Profit after tax increased by 9.22% amounting to € 211,091 thousand vs. € 193,262 thousand in 2014.

B. Main developments during the year of 2015 and their effect in the financial statements

Tax audit 2010 - Repayment

As far as the additional taxes and surcharges which were imposed by tax authorities in the context of 2010 tax audit are concerned, on 29.01.2015 the remaining amount of € 14,754 thousand was paid in full.

15th Annual Ordinary General Meeting of the Shareholders

The Fifteenth (15th) Annual Ordinary General Meeting of the shareholders of OPAP S.A. that took place on Monday, 20.04.2015 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.7017 euro per share for the fiscal year 2014. Since the amount of 0.2017 euro per share has already been distributed to the shareholders as interim dividend pursuant to decision no 11 of the Board of Directors' Meeting of the Company dated 20.11.2014, the remaining dividend for the fiscal year 2014 amounted to 0.50 euro per share prior to the relevant tax withhold. Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 23.04.2015 (record-

date). The Ex-dividend date for the fiscal year 2014 remaining dividend was set to be Wednesday, 22.04.2015. The payment of the remaining dividend commenced on Wednesday, 29.04.2015 and processed via the entitled shareholder's Dematerialized Security System's Operators and via the network of Piraeus Bank.

Acquisition of 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 of treasury shares, through the Athens Exchange, up to a percentage of 5% of the Company's total paid up share capital, namely up to 15,950,000 shares. The acquisition of the Company's own 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 Capital Market Commission's Decision No. 1/503/13.03.2009. 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.

The Company on 03.04 and 05.08.2015 purchased 406,542 treasury shares of total acquisition cost € 2,719.

Horse Race Betting – Signing of concession agreement

On 06.11.2015, the Greek Parliament ratified the as of 24.04.2015 concession agreement for the 20-year exclusive license to organize and conduct horse races mutual betting between the HORSE RACES S.A. (100% subsidiary company) and the Hellenic Republic Asset Development Fund (HRADF). The total consideration amounts to € 40,501. The Company commenced operations in January 2016, aiming at reinforcing and enhancing players' interest delivering to the public, offering a rejuvenated product.

Bond Loan Renewal

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

On 07.04.2015, HELLENIC LOTTERIES S.A. entered also into an Agreement with Alpha Bank for the renewal of a Revolving Bond Loan, originally signed on 30.04.2014, for an amount up to € 30,000 for a period of one year (ending May 2016).

Common Bond Loan

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

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

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

Credit facility contract

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

VLTs - Developments

OPAP announced on 01.07.2015 that, as a result of the introduction of a new VLTs regulation by the Hellenic Gaming Commission (decision No 158/4/05.06.2015 published in the Government Gazette issue B 1120/12.06.2015), there was a radical change of circumstances which led to the actual suspension of OPAP VLTs business activity.

As a result of the abrupt and counterproductive interventions in the regulatory framework the company has been forced to file a request for arbitration under the 2011 VLT License Agreement with the London Court of International Arbitration for damages in excess of € 1 billion, in order to protect its established rights and justified interests.

The current regulatory framework contains a number of unprecedented restrictions, which defy international best practices of responsible gaming and render OPAP S.A.'s VLT business no longer economically viable.

Despite repeated attempts ever since by the company to work with all the competent State authorities to arrive at a reasonable and balanced VLT regulatory framework that secures public interest and public revenues and at the same time allows the economic viability of the VLT business for OPAP S.A. and its business partners, in accordance with the 2011 VLT License Agreement, the regulatory framework has not been changed.

In any case, OPAP S.A. assures its investors, its partners and its employees that it remains absolutely focused on its investments and shall continue to take all appropriate actions to arrive at a reasonable and balanced legal framework that secures public interest and public revenues and at the same time restores OPAP S.A.'s rights and the economic viability of OPAP S.A.'s business as guaranteed under OPAP S.A.'s exclusive license agreements with the Hellenic Republic.

PAYZONE HELLAS S.A. – Acquisition of the remaining 10%

On 24.08.2015, OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A. proceeded to the acquisition of the remaining non-controlling 10% of PAYZONE HELLAS S.A. for a total consideration of € 867, holding now 100% of the company.

Payment of interim dividend for the fiscal year 2015

The Company's Board of Directors decided during its meeting on 24.08.2015 to distribute a gross amount of € 54,161 or 0.17 euro per share excluding own shares, as interim dividend for the fiscal year 2015.

The interim dividend of the amount of 0.17 euro per share is subject to 10% withholding tax in accordance to Law 4110/2013, i.e. 0.017 euro per share. Therefore the net payable amount to the shareholders, following the above mentioned tax withhold, amounted to 0.153 euro per share.

OPAP's registered Shareholders on Monday, 14.09.2015 (record-date) were eligible to receive the payment. The cutoff date was set to be Friday, 11.09.2015. The payment to entitled Shareholders commenced on Friday, 18.09.2015 and processed through the Piraeus Bank.

Change in shareholding of Group

On 26.06.2015, OPAP S.A. announced that, pursuant to the provisions of L.3556/2007 and following a disclosure received on 25.06.2015 by BlackRock Inc., the latter proceeded to the sale of OPAP S.A. shares. The transaction date during which the participation descended below the threshold limit of 5% was on 22.04.2015.

The shareholders (natural persons or legal entities) that according to their notification made up until 31.12.2015 hold directly or indirectly a percentage of shares of more of 5% of its total shares with the respective voting rights, are listed below:



C. Main risks and uncertainties

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

Risk from the impact of adverse financial circumstances on the Greek economy

The macroeconomic and financial environment in Greece remains volatile during 2016 due to developments and discussions at national and international level on the review of the terms of Greece's funding program. On 29.06.2015 the Greek Government imposed capital controls and declared bank holiday that lasted until 19.07.2015, facts that have significantly affected consumer behavior and spending capacity.

During the third quarter of 2015, the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were completed on the basis of the announcements at the Euro Summit on 12.7.2015 resulting in an agreement for a new financial support by the European Stability Mechanism. The relative agreement with the European Stability Mechanism (ESM), that was signed on 19.8.2015, among others, provides for the coverage of the financing needs of the Greek State for the medium-term period from 2015 to 2018, provided that the economic reforms that are expected to contribute to the economic stability and the sustainable development of the Greek economy will be implemented.

Although any further negative development in the economy would affect the normal operations as well as from the assessment of the Greek economy from international creditors in the context of the above mentioned agreement, Management continually adjusts to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

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, restrictions on advertising can reduce our ability to reach new customers, thus impacting our 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 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 our 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.

The following describe in more detail the specific risks that make the market risk and their management policies by the Group and the Company.

Currency risk

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).

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 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 while maximum winnings/column are also defined for Stihima.

Cash flow risk and fair value change risk due to interest rate changes

The Group is exposed to interest rate risk principally in relation to outstanding debt. The existing debt facilities, as of 31.12.2015, were the two Company's Bond Loan, the HELLENIC LOTTERIES S.A. Bond Loan and the Horse Races S.A. Bond Loan. The Group follows all the market developments with regards to the Interest Rate environment and acts accordingly. On 31.12.2015 the Group had no outstanding hedge transactions.

Risk from PAME STIHIMA operations

The Stihima game, is 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. As such, the Group's sports-betting team has implemented a comprehensive risk management methodology at different stages of the sport-betting cycle. Different limits have been set per sport, league and game, and treat each event differently. The Group uses most of the feeds available in the betting industry and cooperates with a number of the most well-known odds compilers to create the initial odds of any available event. After the compilers publish their initial odds, odds are changed by taking into account the overall market (through various feeds in the betting industry) and by own books. 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. Liability of each game is monitored through the entire book. In case the limits have been exceeded, a

visual warning is given to the team. Furthermore, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities. Finally, all agents and online customers are categorized by setting and monitoring individual personal limits.

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.

D. Company's strategy and Group's prospects for the year 2016

Business Strategy: Plan for success!

The objective is to further strengthen the position in the Greek gaming scene and retain high profitability through:

- The continuous improvement, evolution of the legacy game portfolio
- Focusing on growth opportunities, capitalizing on acquired licenses and concessions
- Continuous optimization of network, cost base, and operations
- Marketing initiatives focused on the relationship with customers and on brand and emphasize on responsible gaming
- Maintaining OPAP as a best-in-class European gaming company
- Committing to a prudent financial policy by focusing on cash generation and limited leverage

Continuously improve and evolve legacy game portfolio

The main target is to continue promoting and developing Group's legacy games in order to strengthen the existing customer base and secure resilient and predictable revenues. The Group will keep updating the games' interfaces, format, and betting/gaming options on a regular basis, so as to rapidly adjust to changes in customers' preferences.

The Group has continued to evolve the Stihima games offering by enhancing live betting offering as well as, increasing the number of events and betting options available. At the same time, one of the basic goals is to continue to develop its other core product, Kino, as proven in 2015 by the introduction of the Kino Bonus initiative.

The long standing experience in the gaming sector, in conjunction with the marketing capabilities, will allow the Group to constantly adapt the existing game portfolio to address future demand, satisfying the

public interest objective of channeling players to regulated and legal gaming operations. In addition, the modernization of the agent branch network, which the Company is currently undertaking, will be instrumental to showcase the innovations and generate traffic.

Focus on growth opportunities by capitalizing on recently acquired licenses and concessions to offer a complete and comprehensive gaming offering

Alongside the legacy game improvement strategy, the Company puts emphasis on widening the product offering through the introduction of new games such as Scratch and horse races, which have demonstrated their potential in other European geographies. In addition, in an effort to further enrich its product, the Company acquired within 2015 a horse racing license providing with the exclusive right to organize and conduct mutual horse race betting in Greece for 20 years. Having commenced operations in January 2016, the Company will deliver to the public a rejuvenated product aiming at reinforcing & enhancing players' interest.

Hellenic Lotteries S.A.

Following the acquisition of the exclusive Lottery Concession through Hellenic Lotteries S.A., a range of instant win games were re-launched in May 2014, which had been absent for ten years from the Greek market. The plan is to further widen the lottery and scratch cards distribution network as well as their offering, with new ticket series that are attractive both in terms of design and payout ratio and a selection of nominal values in order to attract a diverse range of customers.

Online operations

The online services were launched in June 2014, initially with the offering of Stihima game only.

The company is dedicated to further enrich its sports betting online product with new betting content and to initiate new customer-oriented marketing actions so as to attract more customers. Additionally, the Group is focusing on initiatives to reduce access to illegal online products, by providing constant support to the Greek State in its opposition to illegal online gaming providers.

Continue to optimize the network, as well as the cost base and operations

The Company's management team has and will continue to strengthen the controls over cost base by reviewing and renegotiating main contracts and/or commissions agreements, restructuring the internal organization and optimizing network's efficiency.

With focus on cost efficiencies, through successful renegotiation of key contracts and efficient media buying, the Group will seek to enhance exposure while maintaining strong brand awareness and goodwill. Furthermore, since the privatization, management has re-evaluated the staffing levels, policies and needs.

Implement marketing initiatives to further develop the relationship with the customers, strengthen OPAP's brand and continue to be a leading advocate of responsible gaming

OPAP is deeply embedded in the Greek society and closely connected to its customers. Going forward, one of the priorities is to further develop this relationship by focusing on customer experience.

The Group's operations have a significant impact on the public's gaming activities and should be carried out in a socially responsible manner that reflects public interest objectives relating to the gaming industry. To this end, the marketing strategy includes sponsoring events and activities in the fields of sports, culture, healthcare, education and environment, in addition to selective advertising and promotional activities. Furthermore, continuous efforts are made to combat illegal gaming in Greece by working closely with dedicated State and independent authorities to identify and implement measures designed to control illegal gaming. OPAP's social responsibility activities enhance trust in the brand and help direct the public's gaming activity away from the illegal sector.

Maintain OPAP as a best-in-class European gaming company

OPAP aims to be established as one of the most successful and recognized gaming companies in Europe. Through the development of a complete and comprehensive product offering across most of the gaming industry and a dense, modern, dedicated and branded agency network, OPAP will be able to compare positively with the most developed peers. The intention is, not only to maintain the status as a strong player in the European gaming sector based on revenues and market capitalization, but also to promote and invest in the brand. To this end, growth opportunities are reviewed, and will continue to be reviewed, through organic expansion and, selectively, through bolt-on acquisitions to the extent possible.

Commit to a prudent financial policy by focusing on cash generation and limited leverage

The Group has a strong track record of profitability. The aim is to increase EBITDA primarily driven by the new product offering and focusing on cost efficiency and robust cash flow generation. There is a clear intention to distribute the bulk of the FCF as dividend, excluding any potential investments, in a counterbalanced manner (i.e. semi-annually twice a year). The Company remains committed to a prudent financial policy.

An asset-light agent business model will be maintained with targeted investments in personnel, network and equipment. The proven ability to effectively manage payout ratio coupled with the largely variable cost structure and fixed cost optimization initiatives, will allow the Group to maintain a high level of cash flow from operating activities. The high cash conversion rate is reinforced by the moderate ongoing maintenance capital expenditure requirements and the absence of any major upfront concession payments in the short-to-medium term.

The management is confident that the flexible operating structure, effective cost management and structurally capital expenditure requirements, coupled with the well-invested game offering, represent key elements of an attractive financial profile.

E. Related Parties significant transactions

In the following tables significant transactions are presented among the Group and the Company of 2015 and the related parties as defined by IAS 24:

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

Company	Expenses	Income	Payables	Receivables
(Amounts in thousands euro)				
OPAP SERVICES S.A.	41	50	897	22,950
OPAP SPORTS LTD	0	1,000	0	0
OPAP INTERNATIONAL LTD	0	0	0	505
OPAP CYPRUS LTD	0	24,653	0	11,641
OPAP INVESTMENT LTD	0	0	0	802
HELLENIC LOTTERIES S.A.	6	6,171	10	2,795
HORSE RACES S.A.	0	12	0	18

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

Company	Expenses	Income	Assets' Purchase	Payables	Receivables
(Amounts in thousands euro)					
GLORY TECHNOLOGY LTD	775	0	0	0	0
NEUROSOFT A.E.	3,710	0	2,258	824	0
EMMA EMERGING MARKETS CAPITAL A.S.	2,040	0	0	250	0

Transaction and balances with Board of Directors members and management personnel

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2015	01.01-31.12.2015
MANAGEMENT PERSONNEL	Salaries	6,793	5,480
	Other compensations	258	224
	Cost of social insurance	495	323
Total		7,546	6,027

(Amounts in thousands euro)		GROUP	COMPANY
Category	Description	01.01-31.12.2015	01.01-31.12.2015
BOARD OF DIRECTORS	Salaries	750	320
Total		750	320

The Group and the Company balance from management's remuneration and Board of Directors' compensation reached € 215 thousand for the Group and € 183 thousand for the Company respectively.

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

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company "DIKEFALOS 1924 Construction S.A.", which signed a sponsorship contract on 12.09.2013 with OPAP S.A., the total cost of which amounts to € 1,940 thousand plus VAT. For the year of 2015 the cost resulting from this contract amounts to € 443 thousand and is included in the Statement of Comprehensive Income, while there is no liability arising from the aforementioned contract.

Finally, the company "EMMA EMERGING MARKETS CAPITAL A.S." provides consulting services to OPAP S.A., the cost of which for 2015 amounts to € 2,040 thousand and is included in the statement of comprehensive income. The respective liability amounts to € 250 thousand.

F. 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 year ended 31 December 2015. 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. 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. 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. 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 constantly seeking to develop our practices and governance framework to ensure that transparency and good governance permeate through the Group at all levels. This year such target was served with six focus Groups sessions, during which many employees had the opportunity to discuss the results of the Employee Engagement Survey Results in March 2015 and propose ideas about Company's next steps, along with the PwC team. An Employee Engagement Action Plan was drawn up that focuses on the Performance Appraisal Process and the Training and Development Plans.

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 on gender diversity and it is our aim to comply with these recommendations without compromising the culture that drives the success of our business. To ensure transparency and responsiveness to its shareholders, there are two non-executive Vice Chairmen. To ensure that the Board is able collectively to increase its focus on Board composition, it may consider to assign the responsibility of a Nomination Committee to one of the two existing BoD Committees. As part of the review of the Board's effectiveness, the constitution setting out the matters reserved for the Board and the delegations to the CEO, together with the terms of reference

for the Audit Committee, were reviewed and updated so that they continue to reflect the spirit and emphasis of the Code, remain fit for purpose and relevant to how OPAP operates.

Risk Assessment and Management

The Board monitors the level of risk through the Group's major risk assessment process which was facilitated by the Internal Audit with the cooperation of Risk Unit, presented to the Audit Committee and submitted to the Board. 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 and may consider the performance of an external evaluation next year.

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 2015:

- the Board members are male and 75% of the BoD members are non-Greek nationals (Italian, Czech, Russian, French, Swiss, Cypriot),
- 41.6% of the Executives are female and 58.33% are non-Greek nationals and
- 20,58% of the Top 34 managers 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 role of the Chairman is coupled with the role of CEO in order to lead the first years of the OPAP Group restructuring efforts. Moreover, two non-executive Vice Chairmen were appointed (difference from special practices 3.3, 3.4). The Audit Committee Chairman is independent non-executive member of recognized international standing in the area of auditing.
- 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).
- The 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 BoD has appointed two Committees, the Remuneration and the Audit Committee, and may consider whether it wishes to delegate its collective power to nominate new members to one of the existing Committees or to a Nomination Committee that will be formally defined by the BoD with its own Terms of Reference (difference from special practices 5.5-5.7).

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 2015.

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 2015 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 2015 matters for the Board's decision included the following:

- Significant business projects;
- Significant acquisitions 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 2015, there were fourteen regular Board meetings (plus eight additional meetings via rotation). There were ten Audit Committee meetings and two 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 2015

BoD member name	Position	BoD Presence	BoD Representation	Audit	Remuneration
Kamil Ziegler	Chairman and Chief Executive Officer	14	-	10	-
Spyros P. Fokas	A'Vice-Chairman –Non Executive	14	-	-	2
Pavel Horak	B'Vice-Chairman – Non Executive	12	2	-	2
Michal Houst	Member – Executive CFO	13	1	-	-
Dimitrakis Potamitis	Member– Independent Non Executive	14	-	10	-
Rudolf Jurcik	Member– Independent Non Executive	13	1	10	-
Igor Rusek	Member– Independent Non Executive	12	2	10	-
Christos Kopelouzos	Member– Non Executive	14	-	-	-
Pavel Saroch	Member– Non Executive	12	2	-	2
Konstantin Yanakov	Member– Non Executive	3	11	-	-
Marco Sala	Member– Non Executive	4	9	-	-
Georgios Melisanidis	Member– Non Executive	-	14	-	-

Notes:

In the year 2015, eight (8) additional Meetings were held per rotation, in which all members participated.

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, Internal Rules and reregulation but both roles were entrusted by the Board and the General Assembly to one person.

The Chairman is responsible for the overall operation, leadership and governance of the Board. The Chairman is responsible for leading the Board and enabling the Directors to operate effectively as one unit to determine the strategy, risk appetite and governance structure necessary to deliver Shareholder value in a transparent and responsible manner. His responsibilities include, inter alia:

- Chairing and ensuring that Board meetings provide a forum that encourages open debate and effective contributions from individual Directors with sufficient time allocated to key issues;
- Finalizing the Board meeting agenda developed by the CEO and the Company Secretary;
- 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 provisions for Directors; and
- Leading the annual performance evaluation of the Board and its Committees

A.3: THE CEO/MANAGING DIRECTOR ROLE

The Managing Director is a member of the Board of Directors of the Company. The Managing Director is given full management and representation authority by the Board of Directors as formally constituted. Within the framework of such authority, the Managing Director presides over all services of the Company, directs their operations and takes necessary decisions within the framework set by the legislation in force, by the Articles of Association, the regulations governing the operation of the Company, the approved programs and budgets as well as the decisions of the Board of Directors.

The Managing Director may delegate part of his authority provided for by the law and the Articles of Association of the Company to other members of the Board of Directors, executives and employees of the Company on specific items, without right of further substitution, unless otherwise specifically stated. The matters delegated to the CEO by the Board include:

- 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 or as a group or sub-committee;
- Power to acquire and dispose of businesses and to approve unbudgeted capital expenditure projects subject, in each case, up to € 500k limit per transaction;

- 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
- Power to represent the company judicially and extrajudicially and to sign every document from or 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.

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

The Non-Executive Directors are independent of management and therefore able to provide critical input into Board decisions through their contributions to Board discussions and their roles on, and Chairmanship of, Board Committees. They:

- Contribute international and operational experience and a knowledge and understanding of global financial issues, the sectors in which OPAP operates and the health and safety, environmental and community challenges it faces;
- Monitor management performance against strategy and provide reasoned input and constructive challenge to ensure objectives are met; and
- Assess and monitor the integrity of financial information and the systems of risk management, compliance and internal control.

Curricula Vitae of the members of the Board of Directors

Kamil Ziegler

Chairman and Chief Executive Officer

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 Komerční 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 sázková kancelář, 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.

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

B' Vice-Chairman, Non Executive Member

Presently the Chief Investment Officer of EMMA Capital, the controlling shareholder of 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 Chartered Certified Accountant and a member of the Association of Chartered Certified Accountants (ACCA, UK). 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

Born in the Czech Republic. In 2005 Mr. Houst graduated from the University of Economics, in Prague.

He began his professional career in JM Engineering as a financial manager, before moving to PPF, where he served as a financial analyst. In 2010 he became chief banking analyst at PPF Russia, with the focus of his responsibilities on Nomos Bank, in which he was later appointed as project manager, responsible for the various development and restructuring projects within the Bank. Also, he held the position of investment director in Emma Capital, responsible for the preparation, realisation, management and monitoring of various investments.

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 the Chief Executive Officer with responsibilities for all the activities of International Game Technology PLC ("IGT"), a company organized under the laws of England and Wales with shares listed on the New York Stock Exchange, which in April 2015 succeeded as merging company to GTECH S.p.A. (formerly Lottomatica S.p.A. and then Lottomatica Group S.p.A., hereinafter referred to as "Lottomatica"), a company organized under the laws of Italy with shares listed on the Italian Stock Exchange.

Marco Sala joined Lottomatica in April 2003. Following Lottomatica's takeover in August 2006 of GTECH Corp., a company organized under the laws of Delaware with shares listed on the New York Stock

Exchange (“GTECH”), he was appointed Managing Director and General Manager of Lottomatica with responsibility for Italy and Europe. In March 2009, he was appointed CEO of the Lottomatica-GTECH combined company. Prior to joining Lottomatica, Mr. Sala was Head of the Business Directories for Seat Pagine Gialle, which included responsibility for Thomson (Great Britain), Euredit (France) and Kompas (Italy) going concerns. Mr. Sala has also held senior management positions with Magneti Marelli (a Fiat Group company) as Head of the Lubricants Division, and prior to that as Head of the Spare Parts Division. Having joined Kraft in March 1985, he had a twelve-year career with that Company which included various roles in the Marketing Department as well as that of Sales Director of the Fresh Food Division. Mr. Sala graduated in Business and Economics from Bocconi University in Milan.

Pavel Šaroch

Non Executive Member

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

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.

B: Effectiveness

B.1: BOARD COMPOSITION

The Board comprises of ten Non-Executive Directors and two Executive Directors, Kamil Ziegler, the Chairman and CEO and Michal Houst, CFO. Information regarding the Directors and the Company 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 Company Secretary ensures that the correct Board procedures are followed and proper records are maintained. All Directors have access to the Company 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 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 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 69 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 17.

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 Treadway 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. 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 2015, the organizational chart was consolidated, including the internal restructuring of the Sales Unit that aims to facilitate the transformation project and the gradual shift to the new entertainment concept. 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 14 and details of OPAP's relationships and principal risks are set out on pages 17 to 20;
- **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.

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

Introduction

The Company has complied with the Greek Corporate Governance Code (Code) since the year 2013, with respect to Shareholder's information being fair, balanced and understandable.

The Audit Committee recognizes and estimates that external auditors must be independent, with sufficient knowledge of the Company's operations and to cooperate effectively with the Audit Committee under the Annual Audit Plan, which is inspected and discussed with the Audit Committee.

The Company has independent internal audit department, which carries out audits on the basis of written regulations and annual audit plan, based on risk assessment and approved by the Audit Committee. The head of Internal Audit refers administratively to the President and CEO of the Company and functionally to the Audit Committee.

The Company's independent auditors is KPMG, which replaced PWC since the year 2014.

During the year, the Audit Committee also recommends to the BoD the approval of the Company's Annual Consolidated Financial Statements and the Interim Unaudited Financial Statements.

Also, it prepares every six months a report to the Board about the weaknesses of the Internal Control system and estimates for risk management, processes, policy and compliance with applicable laws and regulations.

The Audit Committee is in a continuous communication with the Internal Audit department evaluating the findings of audits per quarter as well as the external auditors and Key Management personnel, which invites them at the monthly meetings and informs on various corporate issues they handle.

Dimitris Potamitis, Chairman of the Audit Committee

Audit Committee

The Audit Committee (AC) comprises three Independent Non-Executive Members:

1. *Dimitris Potamitis – Chairman*

Member of Institute of Certified Public Accountants of Greece, ex PWC partner. Mr. Chairman was appointed since November 2013, is Chairman of the Audit Committee and member of the Company's BoD. Mr. Chairman is also Chairman of the Audit Committee of Aegean Baltic Bank SA and member of the Remuneration Committee.

2. *Dr Igor Rusek – Member*

Graduate of Law studies from Basil University in Switzerland, CEO of the Swiss Consulting Company ATAG PCS Ltd and Chairman of the Compliance Audit team.

3. *Rudolf Jurcik – Member*

He studied ancient languages and history in the University of Prague and was advisor of Air France, Senior VP of Meridien 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. During the year 2015 met with the Chief Financial Officer and member of the BoD, the responsible of Compliance, the manager of Legal Department, the responsible of Anti-Money Laundering and Anti-Terrorism department, responsible of Administration, external Tax Advisor, the Independent External Auditors, HR manager, responsible of preparation of the Consolidated Financial Statements and the person responsible for Risk Management and Insurance.

The Audit Committee:

- Monitors the adequacy and effectiveness of the system of internal control;
- Reviews and monitors the Auditors' independence and the annual audit plan;
- Reviews the consolidated financial statements and notes before their publishment and suggestion to the BoD for approval;
- Reviews the interim unaudited consolidated financial statements;
- Assesses impairment and provisions of Company's management related to bad debt receivables, goodwill and intangible assets impairment and fair value of other assets;
- Overviews of any third party claims against the Company and assesses the relevant Management's provision in cooperation with the Legal department of the Company;
- Preapproves the non-audit services of the External Auditors;
- Monitors the risk assessment performed by Management of the Company and the effective control of the information system;
- Has the right to use External Advisors and its funding for this purpose;
- Reviews the work and effectiveness of the Internal Audit function;

- Reviews the annual internal audit plan;
- Suggests for additional staffing of the Internal Audit unit due to increased workload and Company's protection from economic risks, fraud and regulatory framework;
- Evaluates the effectiveness of the IT system and enhancing the Internal Audit department with specialists in IT auditing (IT Auditors);
- Makes recommendations to the Board regarding the Auditors and their fees;
- Overviews the report of the external auditors referred to the evaluation and effectiveness of internal controls and risk system and recommendations for the treatment of discrepancies; and
- Reviews transactions with related companies, BoD members and Key management personnel of the Company.

During 2015 the Audit Committee met ten times and discussed the below issues:

- Possible impairment of elements of the intangible assets;
- Review the Code of Ethics and Professional Conduct and Policy against money laundering and the fight against terrorism for which all staff was trained;
- Review of the new version of the Internal Rules and Regulations;
- Enhancement of the Internal Audit department with two Internal Auditors and selection of a common information system platform for the automation of audit work, regulatory compliance and information security framework;
- Overview the external auditors' reports regarding the information system of Intralot from PWC and the subsidiary HORSE RACES S.A. from Gaming Laboratories International (GLI);
- Visit the subsidiaries in Cyprus and evaluate procedures, policies and risks. Also, a review of the financial statements of 2014 and interim unaudited financial statements of 2015;
- Information on the implementation of the ERP system and the degree of compliance with the Greek corporate governance code;
- Overview of the situation of the company's weaknesses and particularly the outstanding items over 180 days for the departments: Financial & Accounting, IT, Legal, Compliance and Anti Money Laundering (AML), including the new Labour Regulation.
- Propose to be communicated to all employees the new anti-fraud policy. Any fraud suspicion should be reported to Management immediately;
- It was proposed that the Remuneration Committee shall establish documented policies and procedures; and
- Approval for the coordination of the Information Security Framework project development and certification of the proceedings integrity against the relevant international standards (WLA SCS / ISO27001) from the Internal Audit department.

The Audit Committee Chairman describes the role and the responsibilities of the Committee regarding the integrity of the Financial Statements, the internal control system, risk management and compliance with the Laws and Regulations governing the Company as well as the fundamental relationship that should govern the Audit Committee with the Internal and External Auditors.

We believe that, within 2015, the received information from the above and the Management were reliable, satisfactory and helped us in our work within the framework defined by the terms determined from Management.

Dimitris Potamitis,
Chairman of the Audit Committee

D: Remuneration

D.1: THE LEVEL AND COMPONENTS OF REMUNERATION

The Company's compensation plan is performance-driven and designed to foster 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 work with local citizens in each location 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, long-term incentives and other benefits are offered across operating companies.

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

DIRECTOR'S REMUNERATION REPORT

The Remuneration Committee is tasked with making decisions on pay that encourage good service to our customers, are fair to all of our employees, and are in the interests of all of our shareholders.

Our management team is multinational and mobile and thus central to our pay philosophy are the principles of:

- Simplicity
- Shareholder alignment
- Pay for performance

Pay reform

There has been a fundamental cultural shift in the Company's compensation 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.

Performance considerations for 2015

- Group Operating Profit, of € 303 million, an increase of 2.2% on 2015,
- GGR of € 1,400 million, increased by 1.6% versus last year
- EBITDA of € 377 million, increased by 8.8% versus last year

Decisions made on pay

- In line with existing policy, CEO, CFO and the Executive team will receive a bonus and long-term incentive award.
- Incentive awards continue to be targeted towards all levels of employees that fall in incentive scheme arrangement.

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 to approximately 388 thousand shares. An amount of € 884 thousand has been recognized as payroll cost in the Statement of Comprehensive Income and as retained earnings in the Statement of Changes in Equity.

In conclusion, we believe our decisions on pay take account of performance while giving us the flexibility to attract and retain the expertise needed to build for the future. The Committee continues to receive valuable and independent advice from PwC that cooperates with HR and I would like to thank my fellow Committee members and those who support the Committee for their insight and guidance during the year.

D.2: REMUNERATION COMMITTEE AND PROCEDURE

The Remuneration Committee is chaired by Pavel Saroch, and comprised three members until December 2015. All the committee members are non-executive and considered independent from executive tasks (Pavel Saroch, non-executive member of the Board of Directors, Spiros Fokas, non-executive member and Vice President 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 institutional Shareholders and financial analysts to discuss matters relating to the Company's business strategy and current performance. 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 periodically include updates to the BoD. 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 IR 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 2015 the company participated in more than 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, CFO and key directors, are available to discuss governance and strategy with major Shareholders 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 of the Chairman, the Chairs of Board Committees and the Board as a unit.

All resolutions are voted on by way of poll so that each share has one vote. The results of the poll are released to the Stock Exchange and published on the website shortly after the AGM. In the last two years, more than the remarkable 70% quorum was achieved.

G. 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 € 0.40 per share before withholding taxes (according to the applicable tax legislation) versus € 0.7017 per share for the year 2014.

Furthermore, it must be noted that the Company's Board of Directors, based on the results of the six month period ended on 30.06.2015, approved the distribution of interim dividend of € 0.17 per share. The record date was set for 14.09.2015, the cutoff date was set for 11.09.2015 while the payment date was set for 18.09.2015.

Based on the aforementioned information, the total dividend (versus the 2014 dividend) before applicable withholding taxes, will be as follows:

	2015	2014
Interim dividend	0.1700	0.2017
Final dividend	0.2300	0.5000
Total dividend	0.4000	0.7017

H. 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 31.12.2015 with a par value of € 0.30 / share (€ 0.30 in 2014). All issued shares are fully paid.

There was no change in the share capital of the company during the period that ended on 31.12.2015.

I. Subsequent events after the end of fiscal year 2015 and until the announcement of the annual financial report

On 05.01.2016, OPAP INVESTMENT LTD proceeded to a share capital increase of € 37,000 thousand in order to undertake the share capital increase of HORSE RACES S.A. amount € 17,020 thousand in which it participates by 100%.

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

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

On 11.01.2016, the Company filed in the Council of State a request for the annulment and a request for suspension of the decision for the imposition of the special levy. The hearing of the petition for annulment was set for 03.06.2016. On 19.02.2016, the Council of State rejected the Company's request for suspension of the special levy imposition, because the exceptional circumstances that would justify the issuing of the suspension of execution of the Ministerial decision are not satisfied. Nevertheless, the Council of State stated that the statement to the tax authority which shall be submitted by the Company until the 20th day of each month regarding the special levy collected in the previous month will necessarily amount to zero for January 2016 and possibly for the next two months (i.e. February and March), as the Company cannot modify sooner its information systems.

On 22.02.2016, a decision of the Minister of Finance was notified to the Company, by which, the date of the statement's submission and the respective attribution of the special levy has been modified to a quarterly basis instead of monthly.

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 1.1.2015 until 31.12.2015.

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 31.12.2014 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	5.19%
Investors	61.81%

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, the Company acquired 406,542 treasury shares.

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

There are no agreements made by company with the members of its Board of Directors, which provide for compensation, specifically in the event of resignation or dismissal without just cause or termination of service or employment due to public offering. The fixed predictions for compensations due to Company's personnel service abandon amounted on 31.12.2015 € 932 thousand (Group's: € 1,036 thousand).

Peristeri, 24 March 2016

Kamil Ziegler

Chairman of the BoD & CEO

III. Annual Financial Statements

The attached Financial Statements as of 31.12.2015 of the OPAP S.A. (the "Company") and the Group of OPAP S.A. (the "Group") were approved by the Board of Directors of OPAP S.A. on 24.03.2016 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 Group, in accordance with the International Financial Reporting Standards (IFRS).

The auditors of the separate and consolidated financial statements of OPAP S.A. for the years ended on 31.12.2015 and 31.12.2014 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.

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 2015 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. 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 2015 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

- (a) The Board of Directors' Report includes a corporate governance statement, which provides the information set by paragraph 3d of article 43a of C.L. 2190/1920.
- (b) We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying stand-alone and consolidated financial statements within the scope set by articles 37, 43a (par 3a), 108 of C.L. 2190/1920.

Athens, 30 March 2016
KPMG Certified Auditors A.E.
AM SOEL 114

Nikolaos Vouniseas, Certified Auditor Accountant
AM SOEL 18701

1. Statement of Financial Position

As of 31 December 2015 and for the year then ended

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	31.12.2015	31.12.2014 *Adjusted	31.12.2015	31.12.2014
ASSETS					
Current assets					
Cash and cash equivalents	11.1	301,695	297,418	231,115	198,455
Inventories	11.2	4,166	2,976	280	0
Receivables	11.3	55,234	92,250	23,391	72,523
Other current assets	11.4	<u>28,817</u>	<u>16,730</u>	<u>17,630</u>	<u>15,020</u>
Total current assets		389,913	409,375	272,416	285,998
Non - current assets					
Intangible assets	11.5	1,222,987	1,269,998	1,063,227	1,087,569
Tangible assets (for own use)	11.6	56,238	44,205	32,861	27,089
Investments in real estate property	11.7	1,398	1,540	1,398	1,540
Goodwill	11.8	14,183	14,183	0	0
Investments in subsidiaries	11.9	0	0	147,604	182,104
Investments in associates	11.10	11,225	9,732	0	0
Long – term receivables	11.3	112	527	112	527
Other non - current assets	11.11	2,962	3,177	24,912	31,114
Deferred tax asset	11.12	<u>9,815</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total non - current assets		<u>1,318,920</u>	<u>1,343,362</u>	<u>1,270,114</u>	<u>1,329,943</u>
TOTAL ASSETS		1,708,833	1,752,737	1,542,530	1,615,940
EQUITY & LIABILITIES					
Short - term liabilities					
Loans	11.14	32,097	1	2,097	0
Trade payables	11.13	127,091	170,353	52,562	120,731
Tax liabilities	11.15	129,942	178,228	119,724	165,980
Other payables	11.16	<u>35,853</u>	<u>109,301</u>	<u>23,441</u>	<u>100,116</u>
Total short - term liabilities		324,984	457,883	197,824	386,827
Long - term liabilities					
Loans	11.14	115,000	0	115,000	0
Deferred tax liability	11.12	0	1,284	3,493	6,699
Employee benefit plans	11.17	1,036	847	932	745
Provisions	11.18	59,061	51,316	57,591	49,133
Other long-term liabilities	11.19	<u>5,926</u>	<u>6,343</u>	<u>5,409</u>	<u>5,875</u>
Total long - term liabilities		181,022	59,790	182,425	62,452

Equity

Share capital	11.20	95,700	95,700	95,700	95,700
Reserves	11.22	48,773	48,474	48,474	48,474
Treasury shares	11.21	-2,719	0	-2,719	0
Retained earnings		1,020,068	1,023,525	1,020,827	1,022,488
Non controlling interests	11.23	<u>41,005</u>	<u>67,365</u>	<u>0</u>	<u>0</u>
Total equity		<u>1,202,827</u>	<u>1,235,064</u>	<u>1,162,282</u>	<u>1,166,661</u>
TOTAL EQUITY & LIABILITIES		1,708,833	1,752,737	1,542,530	1,615,940

* The figures of fiscal year 2014 are the ones that incurred after the reform of the Financial Statements due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary PAYZONE HELLAS S.A. (refer to note 6.3 for more information).

The attached notes on pages 57 to 130 form an integral part of financial statements

2. Statement of Comprehensive Income

As of 31 December 2015 and for the year then ended

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

	Notes	GROUP		COMPANY	
		01.01-31.12.2015	01.01-31.12.2014	01.01-31.12.2015	01.01-31.12.2014
Amounts wagered		4,257,317	4,259,072	3,603,419	3,759,713
The Statement of Comprehensive income related to amounts wagered is as follows:					
Revenue (GGR)		1,399,671	1,377,679	1,167,601	1,202,529
GGR contribution and other levies and duties	11.25	-411,964	-404,535	-350,420	-359,879
Agents' commission	11.26	<u>-362,369</u>	<u>-359,653</u>	<u>-300,984</u>	<u>-313,184</u>
Net gaming revenue (NGR)		625,339	613,491	516,197	529,467
Other operating income		128,662	23,736	43,413	28,878
Operating expenses					
Payroll expenses	11.28	-46,098	-58,571	-41,370	-43,331
Marketing expenses	11.29	-69,468	-78,904	-50,746	-66,190
Other operating expenses	11.30	<u>-261,332</u>	<u>-153,228</u>	<u>-128,082</u>	<u>-120,289</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		377,103	346,524	339,413	328,534
Depreciation, amortization and impairment		<u>-74,332</u>	<u>-50,321</u>	<u>-39,995</u>	<u>-39,180</u>
Results from operating activities		302,770	296,203	299,418	289,355
Financial income	11.31	1,732	3,786	890	2,504
Financial expenses	11.31	-6,400	-2,192	-4,287	-1,351
Other financial income / (expense)	11.10/11.24	<u>1,490</u>	<u>7,782</u>	<u>5,640</u>	<u>6,769</u>
Profit before tax		299,592	305,579	301,661	297,277
Income tax expense	11.32	-100,835	-105,878	-93,787	-101,286
Deferred tax	11.32	<u>11,143</u>	<u>-477</u>	<u>3,217</u>	<u>-2,728</u>
Profit after tax		209,901	199,224	211,091	193,262
Parent company shareholders		210,719	194,998	211,091	193,262
Non controlling interests		-819	4,226	0	0
Other comprehensive income – items that will not be reclassified to profit or loss					
Actuarial profit	11.17	51	740	37	662
Deferred tax	11.32	<u>-15</u>	<u>-192</u>	<u>-11</u>	<u>-172</u>
Other total income after tax		37	548	26	490
Total income after tax		209,937	199,772	211,116	193,752
Parent company shareholders		210,755	195,548	211,116	193,752
Non controlling interests		-817	4,224	0	0
Basic and diluted earnings (after tax) per share in €	11.33	0.6609	0.6113	0.6621	0.6058

The attached notes on pages 57 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 2015 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 2014	95,700	59,633	0	969,949	0	1,125,283
Total comprehensive income for the period 01.01-31.12.2014	0	0	0	195,548	4,223	199,771
Reserves distribution	0	-11,160	0	2,120	0	-9,039
Non controlling interests	0	0	0	0	63,142	63,142
Dividends paid	0	0	0	<u>-144,092</u>	0	<u>-144,092</u>
Balance as of 31 December 2014	95,700	48,474	0	1,023,525	67,365	1,235,064
Balance as of 1 January 2015	95,700	48,474	0	1,023,525	67,365	1,235,064
Total comprehensive income for the period 01.01-31.12.2015	0	0	0	210,755	-817	209,937
Acquisition of treasury shares	0	0	-2,719	0	0	-2,719
Reserves of subsidiaries	0	299	0	-299	0	0
Inflow to retained earnings (year 2012)	0	0	0	0	0	0
Acquisition of non controlling interests of subsidiaries	0	0	0	-655	-294	-950
Share capital increase expenses of subsidiary	0	0	0	-479	-236	-715
Share capital decrease of subsidiaries	0	0	0	0	-21,452	-21,452
Other reserves	0	0	0	884	0	884
Dividends paid	0	0	0	<u>-213,662</u>	<u>-3,560</u>	<u>-217,222</u>
Balance as of 31 December 2015	95,700	48,773	-2,719	1,020,068	41,005	1,202,827

* The figures of fiscal year 2014 are the ones that incurred after the reform of the Financial Statements due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary PAYZONE HELLAS S.A. (refer to note 6.3 for more information).

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

As of 31 December 2015 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 2014	95,700	59,633	0	970,708	1,126,041
Total comprehensive income for the period 01.01-31.12.2014	0	0	0	193,752	193,752
Reserves distribution	0	-11,160	0	2,120	-9,039
Dividends paid	0	0	0	-144,092	-144,092
Balance as of 31 December 2014	95,700	48,474	0	1,022,488	1,166,661
Balance as of 1 January 2015	95,700	48,474	0	1,022,488	1,166,661
Total comprehensive income for the period 01.01-31.12.2015	0	0	0	211,116	211,116
Acquisition of treasury shares	0	0	-2,719	0	-2,719
Share-based payment	0	0	0	884	884
Dividends from subsidiaries	0	0	0	0	0
Dividends paid	0	0	0	-213,661	-213,661
Balance as of 31 December 2015	95,700	48,474	-2,719	1,020,827	1,162,282

The attached notes on pages 57 to 130 form an integral part of financial statements

4. Cash Flow Statement

As of 31 December 2015 and for the year then ended

(Amounts in thousand of euro)

		GROUP		COMPANY	
	Notes	31.12.2015	31.12.2014 *Adjusted	31.12.2015	31.12.2014
OPERATING ACTIVITIES					
Profit before tax		299,592	305,579	301,661	297,277
Adjustments for:					
Depreciation & Amortization		59,310	50,321	39,995	39,180
Financial (income) /expenses, net	11.30	4,666	-1,587	-2,245	-7,915
Employee benefit plans	11.17/11.28	1,174	868	1,114	795
Provisions for bad debts		220	-684	0	372
Other provisions		9,128	1,314	9,100	1,106
Impairment of intangible assets	11.5	15,021	0	0	0
Exchange differences		2	-7	2	-7
Reversal of impairment loss on remeasurement of associates	11.10	-893	-7,462	0	0
Share of profit from associates	11.10	-600	-330	0	0
(Gain) /loss from investing activities		-202	41	5	41
Other non-cash items		0	0	1,973	0
Total		387,418	348,053	351,604	330,849
Changes in Working capital					
(Increase) / decrease in inventories		-1,191	-724	-280	0
(Increase) / decrease in receivables		26,609	-41,417	48,194	-30,782
Increase / (decrease) in payables (except banks)		-59,424	73,988	-83,503	27,722
Increase / (decrease) in taxes payable		-6,999	-24,887	-4,172	9,394
Total		346,413	355,013	311,844	337,183
Interest expenses paid		-5,524	-1,725	-3,467	-1,618
Income taxes paid		-142,454	-68,783	-135,743	-68,125
Cash flows from operating activities		198,436	284,505	172,634	267,440
INVESTING ACTIVITIES					
Proceeds from sale of tangible & intangible assets		321	6	32	6
Extra charge for the acquisition of a subsidiary		-1,090	0	0	0
(Increase) / decrease in share capital of subsidiaries		0	-8,326	34,500	-8,750
Purchase of intangible assets	11.5	-11,672	-10,083	-2,934	-7,650
Purchase of tangible assets	11.6	-27,977	-8,499	-18,385	-7,431
Dividends from subsidiaries	11.10/11.24	0	0	5,640	6,769
Interest received		1,350	3,297	532	2,016

Increase of cash due to change of HELLENIC LOTTERIES S.A. consolidation method and in first consolidation of PAYZONE HELLAS S.A.		<u>0</u>	<u>56,455</u>	<u>0</u>	<u>0</u>
Cash flows (used in) / from investing activities		-39,067	32,850	19,385	-15,041
FINANCING ACTIVITIES					
Proceeds from borrowings	11.14	147,096	85,001	117,097	70,000
Payments of borrowings		0	-266,751	0	-236,750
Acquisition of treasury shares	11.21	-2,719	0	-2,719	0
Financial lease interest payments		-1	0	0	0
Financial lease capital payments		-4	-437	0	0
Payments of capital accumulation tax		-715	0	0	0
Return of share capital of subsidiary	11.23	-21,452	0	0	0
Dividends paid		<u>-277,298</u>	<u>-79,811</u>	<u>-273,738</u>	<u>-79,811</u>
Cash flows used in financing activities		<u>-155,093</u>	<u>-261,998</u>	<u>-159,359</u>	<u>-246,561</u>
Net increase / (decrease) in cash and cash equivalents		4,276	55,357	32,660	5,838
Cash and cash equivalents at the beginning of the year		297,418	242,061	198,455	192,617
Cash and cash equivalents at the end of the year		301,695	297,418	231,115	198,455

* The figures of fiscal year 2014 are the ones that incurred after the reform of the Financial Statements due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary PAYZONE HELLAS S.A. (refer to note 6.3 for more information).

The attached notes on pages 57 to 130 form an integral part of financial statements

5. Information about the Company and the Group

5.1. General information

OPAP S.A. (the “Company” or “parent company” 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. The company’s registered offices and principal place of business, is 62 Kifissou Avenue, 121 32 Peristeri, Greece. OPAP’s shares are listed in the Athens Stock Exchange.

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

The Financial Statements for the year that ended on 31.12.2015 (including the comparatives for the year that ended on 31 December 2014) were approved by the Board of Directors on 24.03.2016 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 Agnonon Basket”, “Prognostika Agnonon Omadikon Athlimaton” (these last four games have not been launched yet).

The Concession Agreement

On 15.12.2000, OPAP entered into a 20-years concession agreement, with the Hellenic Republic pursuant to which OPAP has the exclusive right to conduct, manage, organise and operate by any appropriate means provided for by the current technology lotteries and sports betting games. The agreement was extended with the Addendum concluded in November 2011 until 12.10.2030 except for Stihima, and its variations, Monitor Games and Go Lucky's, online operations for which OPAP has online exclusivity until 12.10.2020. Under the terms of the concession agreement, OPAP was also granted the exclusive right to operate and manage any new sports betting games in Greece, as well as a right of first refusal for the right to operate and manage any new games, in case the Greek law does provide for the exclusive conduct of this game and solely under the regulation of the Hellenic Gaming Commission.

VLT License

On November 2011, OPAP was granted a license for 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). OPAP paid € 474.0 million in 2011 with the remainder of € 86 million paid in November 2013. Of these 35,000 VLTs, 16,500 will be installed and operated by OPAP through its network while 18,500 will be put up for tender to be installed and run by sub-concessionaires.

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 the operating joint venture.

Distribution Network

OPAP Group activities are offered through an extended sales' network, with 10,351 distribution points within Greece (including OPAP S.A. and HELLENIC LOTTERIES S.A shops) and 192 shops in Cyprus (consisting of OPAP CYPRUS LTD and OPAP SPORTS LTD shops).

Supervisory Committee

The three member Supervisory Committee is established by primary law and will attend 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 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 Supervisory Committee any relevant draft recommendations, decisions or other documents prior to any decision being taken. OPAP S.A. is obliged to refrain from adopting any decision or entering into a contract for which the Supervisory Committee has expressed its disagreement. The 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 will rule on any disagreement between OPAP and the Supervisory Committee. Finally, according to Law 4141/2013, the members of the Supervisory Committee are appointed for a three year term and the current members will remain in office for three years from publication of their initial appointment by the competent Minister (Decision 07274_X/2012 of the Minister of Finance published in the Greek Gazette on 31.8.2012). Following this, they will be appointed by decision of the HGC and will consist of one member who will be among the HGC appointed members and two members that will be selected in accordance with the conditions, requirements and procedures provided for in the Regulation on the Conduct and Control of Games.

Key games

KINO

Kino is a fixed odds numerical lottery game, introduced in 2003 and is currently OPAP's most popular game. The game is based on draws that take place with a five minutes frequency during playing hours (09.00 – 22.00). Kino is played at any agency outlet by making a selection of one (1) to twelve (12) numbers out of a total of 80 numbers. The minimum price for each Kino wager is € 0.50. The maximum

prize money that can be won by the winners in the top category is € 1.0 million. Kino has a target payout of 70%.

PAME STIHIMA

Pame Stihima (land-based and on-line betting) has been established since 2000 and pertains to wagering on different sporting events but predominantly football. As Stihima is a fixed odds sports betting game, OPAP depends on the actual occurrence of the sporting events that are included in OPAP's Stihima coupon. The Stihima game risk management is brought in-house since 2007.

6. Basis of preparation

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

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 Group's 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.

The basic accounting policies adopted in preparing the financial statements for the year that ended on 31.12.2015 are the same as those followed in the preparation of financial statements for the year that ended on 31.12.2014 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 Accounting Standard 19 "Employee Benefits": Defined benefit Plans: Employee Contributions

This amendment of IAS 19 refers to the accounting of employee contributions that are linked to service but are independent of the number of years of service. Examples of contributions that are independent of the number of years of service include those that are a fixed percentage of the employee's salary, a fixed amount throughout the service period or dependent on the employee's age. In accordance with this amendment, the entity is permitted to recognize such contributions either as a reduction of service cost in the period in which the related service is rendered (as if a short term employee benefit is recognised) or to continue to attribute them to periods of service. The adoption of the above amendment had no impact on the financial statements of the Company.

Improvements to International Accounting Standards: cycle 2010-2012 and cycle 2011-2013

As part of the annual improvements project, the International Accounting Standards Board issued, on 12.12.2013, non- urgent but necessary amendments to various standards.

The adoption of the above amendments had no impact on the financial statements of the Company.

There is no impact at the Group's and Company's financial statements from the implementation of these new standards, amendments to standards and interpretations as follows:

Standards and Interpretations effective for subsequent periods

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

Amendment to International Financial Reporting Standard 11 "Joint Arrangements": Accounting for acquisition of interests in joint operations (Effective for annual periods beginning on or after 1.1.2016)

This amendment clarified that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business 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.

Amendment to International Accounting Standard 1 "Presentation of Financial Statements": Disclosure

Initiative (Effective for annual periods beginning on or after 1.1.2016)

This amendment to IAS 1 has been issued in the context of the project it has undertaken to analyze the possibilities for improving the disclosures in IFRS financial reporting.

Amendment to International Accounting Standard 16 “Property, Plant and Equipment” and to International Accounting Standard 38 “Intangible Assets”: Clarification of Acceptable Methods of Depreciation and Amortization (Effective for annual periods beginning on or after 1.1.2016)

These amendments to IAS 16 and IAS 38, expressly prohibits the use of revenue as a basis for the depreciation and amortization method of property, plant and equipment and intangible assets respectively.

Amendment to International Accounting Standard 27 “Separate Financial Statements”: Equity Method in Separate Financial Statements (Effective for annual periods beginning on or after 1.1.2016)

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.

Amendment to International Accounting Standard 16 “Property, Plant and Equipment” and to International Accounting Standard 41 “Agriculture”: Bearer Plants (Effective for annual periods beginning on or after 1.1.2016)

The International Accounting Standards Board issued an amendment to IAS 16 and IAS 41 with which it clarified that bearer plants, which are living plants should be accounting in accordance with IAS 16 instead of IAS 41.

Improvements to International Accounting Standards – cycle 2012-2014 (Effective for annual periods beginning on or after 1.1.2016)

As part of the annual improvements project, the International Accounting Standards Board issued, on 25.9.2014, non- urgent but necessary amendments to various standards.

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

The International Accounting Standards Board completed the issuance of the final text of IFRS 9: Financial Instruments, which replaces the existing IAS 39. The new standard provides for significant differentiations in the classification and measurement of financial instruments as well as in hedge accounting. The standard has not yet been endorsed by the EU.

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

The new standard is the outcome of a joint project by the IASB and the Financial Accounting Standards Board (FASB) to develop common requirements as far as the revenue recognition principles are concerned. The new standard shall be applied to all contracts with customers, except those that are in scope of other standards, such as financial leases, insurance contracts and financial instruments.

According to the new standard, an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard has not yet been endorsed by the EU.

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 (effective for annual periods beginning on or after January 1, 2016)

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 amendments have not yet been endorsed by the EU.

Amendment to International Financial Reporting Standard 10 “Consolidated Financial Statements” and to International Accounting Standard 28 “Investments in Associates and Joint Ventures”: Sale or contribution of assets between an investor and its associate or joint venture

The International Accounting Standards Board issued an amendment to IFRS 10 and IAS 28 in order to clarify the accounting treatment of a transaction of sale or contribution of assets between an investor and its associate or joint venture. In particular, IFRS 10 was amended in order to be clarified that in case that as a result of a transaction with an associate or joint venture, a parent loses control of a subsidiary, which does not contain a business, as defined in IFRS 3, it shall recognise to profit or loss only the part of the gain or loss which is related to the unrelated investor’s interests in that associate or joint venture. The remaining part of the gain from the transaction shall be eliminated against the carrying amount of the investment in that associate or joint venture. The amendments have not yet been endorsed by the EU.

International Financial Reporting Standard 14 “Regulatory deferral accounts” (Effective for annual periods beginning on or after 1.1.2016)

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 recognized 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 has not yet been endorsed by the EU.

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. The standard has not yet been endorsed by the EU.

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 to IAS 7, an entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities for which cash flows are classified in the statement of cash flows as cash flows from financing activities). The amendments have not yet been endorsed by the EU.

Amendment to International Accounting Standard 12 “Income Taxes” (Effective for annual periods beginning on or after 1.1.2017)

Recognition of Deferred Tax Assets for Unrealised Losses.

6.2. Important accounting decisions, estimations and assumptions

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions 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.

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.

- **Consolidation and sharing on related companies**

(see note: 7.1.)

- **Revenue from commission**

(see note: 7.4.)

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: 7.19.)

Estimated impairment of goodwill and other intangible assets

(see notes: 7.7. and 7.8.)

Income taxes

(see note: 7.16.)

Provisions

(see note: 7.17.)

Contingencies

(see note 7.17.)

Business Combinations

(see note 7.1.)

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.

6.3. Restatement of comparative financial information

During fiscal year 2014, OPAP S.A., through its subsidiary OPAP INVESTMENT LTD, acquired 90% of the share capital of PAYZONE HELLAS S.A. with an initial estimate of the purchase price at the amount of € 7,350 and a contingent consideration amounting to € 1,725, which on 31.12.2014 was presented at the line restricted cash of the consolidated financial statements. During the nine-month period of 2015, contingent consideration was finalized at the amount € 976, configuring total purchase price at € 8,326. In addition, in the first semester of 2015 the valuation of assets and liabilities of PAYZONE HELLAS S.A. at the date of acquisition, was completed, leading to an adjustment (increase) at the fair value of the company of amount € 2,763, which is allocated to the following intangible assets:

Customer Relationships	2,585
Supplemental agreement with Paysafe	178
Total	2,763

Based on the above adjustments, the goodwill resulting from the acquisition of PAYZONE HELLAS S.A. was decreased by € 864 from the initial provisional recognition and is calculated as follows:

Equity (90%)	2,577
Final purchase price	8,326
Goodwill	5,749

In accordance with IFRS 3 "Business Combinations", during the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date, in order to reflect new information obtained about facts and circumstances that existed at the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. Therefore, the adjustments of the above funds have retrospectively affected the consolidated financial statements of 31.12.2014 as follows:

GROUP			
	31.12.2014		
	REVISED	PUBLISHED	DIFFERENCES
ASSETS			
Intangible assets	1,269,998	1,267,236	2,762
Goodwill	14,183	15,047	-864
TOTAL ASSETS	1,752,737	1,750,838	1,899
EQUITY & LIABILITIES			
Other payables	109,301	108,325	976
Total short - term liabilities	457,883	456,907	976
Long - term liabilities			
Deferred tax liability	1,284	566	718
Total long - term liabilities	59,789	59,071	718
Equity			
Non controlling interests	67,365	67,160	205
Total equity	1,235,064	1,234,859	205
TOTAL EQUITY & LIABILITIES	1,752,737	1,750,838	1,899

6.4. Change in the presentation of the financial statements

According to IAS 1 "Presentation of Financial Statements", the Management is required to select the most relevant and reliable presentation of costs. The relevant choice depends on the nature of the entity and the industry in which it operates.

The costs in the Statement of Comprehensive Income of the previous year have been classified according to their function. However, Management believes that the classification by expenditure nature provides more reliable and relevant information for users of financial statements. The revised structure is likely to continue, so that comparability is not impaired.

Comparative information has respectively been reclassified.

6.5. Seasonality

Under the International Financial Reporting Standards, the Company's operations are not affected by seasonality or cyclical factors, except for those relating to PAME STIHIMA sales that increase in connection with significant sports events, such as the UEFA Euro or the FIFA World Cup.

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 include the accounts of the Company and its subsidiaries.

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition.

Subsidiaries

Subsidiaries are companies in which OPAP S.A. directly or indirectly has an interest of more than one half of the voting rights or otherwise the power to exercise control over their operations.

When assessing whether OPAP S.A. controls another entity potential voting rights the existence and effect of potential voting rights that are currently exercisable or convertible are considered.

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

The financial statements of Group include the financial statements of parent company as also and entities which are controlled by the Group with complete consolidation.

Subsidiaries are consolidated using the purchase method from the date on which effective control is transferred to the company and cease to be consolidated from the date on which control is transferred out of the company.

In addition, acquired subsidiaries are subject to application of the purchase method. This involves the revaluation at fair value of all identifiable assets and liabilities, including contingent liabilities of the subsidiary, at the acquisition date, regardless of whether or not they were recorded in the financial statements of the subsidiary prior to acquisition. On initial recognition, the assets and liabilities of the subsidiary are included in the consolidated balance sheet at their revalued amounts, which are also used as the bases for subsequent measurement in accordance with the Group accounting policies. Goodwill

represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

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.

Where necessary, accounting policies for subsidiaries are revised to ensure consistency with those adopted by the Group.

All inter-company transactions have been eliminated.

In the individual financial statements of OPAP S.A., investments in subsidiaries are accounted from the cost minus the value impairment.

Associates

Associates are those entities over which the Group is able to exert significant influence but does not exert control. Significant influence is the power to participate in the financial and operating policy decisions of the issuer but is not control over those policies. Significant influence normally exists when Grantor has 20% to 50% voting power through ownership or agreements.

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill is included within the book price of the investment and is assessed for impairment as part of the investment. Where a Group entity transacts with an associate of the Group, profit or losses are eliminated to the extent of the Group's interest in the relevant associated company.

All subsequent changes to the share of interest in the equity of the associate are recognised in the Group's carrying amount of the investment. Changes resulting from the profit or loss generated by the associate are charged in OPAP's consolidated statement of comprehensive income and therefore affect net results of the Group. These changes include subsequent depreciation, amortization or impairment of the fair value adjustments of assets and liabilities. Items that have been directly recognised in the associate's equity, for example, resulting from the associate's accounting for available-for sale securities, are recognised in consolidated equity of the Group. Any non-income related equity movements of the associate that arise, for example, from the distribution of dividends or other transactions with the associate's shareholders are charged against the proceeds received or granted. No effect on the Group's net result or equity is recognised in the course of these transactions. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured

receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the financial statements of associate that are used for the application of equity method are worked out in report date that differs from that of parent, then the financial statements of associate are adjusted that reflect the effects of important transactions or events that happened between that date and the date of financial statements of investor company. In any case, the difference between the report date of associate and investor company is up to 3 months.

Accounting policies of associates are consistent with those of parent company and was not needed any change to ensure consistency with those adopted by the Company.

Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Investments in associates are accounted for and presented at cost less any impairment of value.

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 income statement under financial result except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Assets and liabilities have been translated into euros at the closing rate at the balance sheet date.

7.3. Operating segments

In order to recognize the presented operating segments, the Management is based on the business operating segments that mainly represent the goods and services provided by the Group.

The accounting principles used by the Group for the purposes of segment reporting in compliance with IFRS 8, are the same as those used for the preparation of the financial statements.

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.

Revenue from the Group's gaming operations are reported as revenues. Marginal revenue generated from sold services and unrelated to gaming are also included.

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 revenues

Other revenues include revenues from activities not conducted as a part of normal operations. This item is, primarily, composed of recovered written-off receivables, exchange rate gains from operations in the Parent Company, as well as gains on sales of fixed assets in the Parent Company.

Dividend income:

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

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 gross sales. 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.

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.

Expenses:

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7.5. Property, plant and equipment

Fixed assets are reported in the financial statements at acquisition cost or deemed cost, as determined based on fair values as at the transition dates, less accumulated depreciations and any impairment suffered by the assets. The acquisition cost includes all the directly attributable expenses for the acquisition of the assets. Subsequently 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 booked 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 booked as profit or loss to the results. Expenditure on repairs and maintenance is booked 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 balance sheet date. When the book value of tangible fixed assets exceeds their recoverable amount, the difference (impairment) is immediately booked as an expense in the income statement.

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 valued in cost of acquisition less accumulated depreciation. Depreciation is calculated using the straight line method during the assets' useful life that range from 1 to 3 years.

Rights: The exclusive rights are recognized initially at market cost or estimate and subsequently at amortized cost decreased with any impairment. The 20-year concession granted by the Hellenic Republic to the Company to operate by any appropriate means provided for by the current technology numerical lottery and sports betting games has been stated at cost, which was determined by independent actuaries and depreciated during the 20 years period. (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, treated as separate assets and are amortized over on a straight line basis.

On 4.11.2011 was issued to OPAP S.A. a license to install and operate 35,000 VLTs. The license of OPAP S.A. for the VLTs shall be valid for a period of 10 years, whichever comes first, either a) twelve (12) months after the Gaming Conduct and Control Regulation is issued (GG 2041/25.07.2014), or b) from the date on which the commercial operation of the first gaming machine will take place, after the issue of the above Regulation or of the above decision, as it will be established by the Hellenic Gaming Commission (HGC) upon relevant Act.

Under the current regime, as provided for in L. 4002/2011, OPAP shall also be obliged to put into operation the 16,500 gaming machines within twelve (12) months from the date on which the Gaming

Conduct and Control Regulation is issued. According to the above amendments, adopted with L. 4141/2013, this term is extended to eighteen (18) months.

After the elapse of the above term, the number of gaming machines that will not have been put into operation shall be deducted, without prejudice to the State. The rest 18,500 gaming machines, whose operation will be assigned following tender procedure to sub-concessionaires, must be put into operation within twenty-four months after the Gaming Conduct and Control Regulation is issued. After the elapse of the twenty – four months term, the number of gaming machines, for which licenses were granted but were not put into operation, shall be deducted, without prejudice to OPAP S.A.. OPAP S.A. may, the latest within one (1) year after the elapse of the twenty-four months term, install and operate the gaming machines that were not put into operation in the company's Points of Sales (agencies) or may assign their installation and operation to sub-concessionaires, after proceeding to a notice of invitation to public international highest bidder tender, whose terms shall be approved by HGC. After the elapse of the above term, the number of the gaming machines that would have not been into operation will be deducted from the number of gaming machines for which licenses had been granted.

The depreciation will be calculated using the straight line method and will begin at the start of operation.

The license to use the Source Code of the games' software, the central system and the agent terminals, the license to use the applications software for the provision of added value services, the license to use the games' software of the agent terminals of 31.07.2007 private contract have useful life of 9 years and depreciation is calculated using the straight line method.

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

7.7. Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over Group's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The Company tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired (refer to note 7.8, for a description of impairment testing procedures).

7.8. Impairment of 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 subject to an impairment review annually and when some events suggest that the book value may not be recoverable any resulting difference is charged to the period's results. Assets that are depreciated are subject to an impairment review when there is evidence that their value will not be recoverable. The recoverable value is the greater between the net sales value and the

value in use. An impairment loss is recognized by the company when the book value of these assets (cash generating unit - CGU) is greater than its recoverable amount. Net sales value 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 levels 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 an 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.

If a lease is reevaluated, the accounting treatment of leases is applied as starting from the date the changes qualify for those mentioned in (a), (c) or (d) and as starting from the date of prolongation and renewal in cases specified in (b).

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. Other non-current assets

Non-current assets are recorded at their historical cost, without any present value discount from the date of their anticipated maturity or realization.

Guarantee deposits

Guarantee deposits are placed on deposit with certain suppliers to secure the company's obligations to those suppliers. Amounts remain as demands for their duration. Upon the maturity of these obligations, the amounts on deposit may be applied against all or a portion of the outstanding obligations according to the terms of the deposit, with any balance being returned to the Group.

7.11. 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 every 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.

7.12. Inventories

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

7.13. Cash and cash equivalents

Cash and cash equivalents include cash at bank 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.

7.14. Restricted cash

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. In cases when restricted cash is expected to be used within one year after the balance sheet date, it is classified as a current asset. However, if restricted cash is not expected to be used within one year after the balance sheet date, it is classified as a non-current asset. Restricted cash is not included in Cash and Cash Equivalents.

7.15. Equity

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

Additional paid-in capital includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Preference shares that provide characteristics of a liability are recognised in the balance sheet as a financial liability, net of transaction costs. The dividend payments on shares wholly recognised as liabilities are recognised as interest expense in the income statement.

The components of a financial instrument that (a) creates a financial liability of the entity and (b) grants an option to the holder of the instrument to convert it into an equity instrument of the entity are recognised separately and classified separately as financial liabilities, financial assets or equity instruments.

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, with all the related expenses included, is deducted from equity attributable to the Company's equity holders. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group'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.

7.16. Income tax and deferred tax

The tax for the period comprises current income tax and deferred tax, i.e. the tax charges or tax credits that are associated with economic benefits accruing in the period but have been assessed by the tax authorities in different periods. Income tax is recognized in the income statement of the period, except for the tax relating to transactions that have been booked directly to Equity. In such case the related tax is, accordingly, booked directly to equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in the income statement.

Deferred income taxes are calculated using the liability method on temporary differences.

This involves the comparison of the carrying amounts of assets and liabilities in the consolidated financial statements with their respective tax bases. Deferred tax assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. Deferred tax liabilities are recognised 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.

7.17. Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations will probably lead to an outflow of economic resources from the Group and they can be estimated reliably. Timing or amount of the outflow may still be uncertain. Provisions are not recognised 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.

7.18. 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).

7.19. Retirement benefits costs

The parent company, its subsidiaries OPAP SERVICES S.A., PAYZONE S.A. and HELLENIC LOTTERIES 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. 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.

Share-based payment arrangements

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.

7.20. Investment property

In this category the Group classifies property held for long-term rental yields which is not occupied by the 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 owner occupied property.

8. Structure of the Group

The structure of OPAP Group as of 31.12.2015 is the following:

Company's Name	Ownership Interest	Country Of Incorporation	Consolidation Method	First Consolidation Date	Principal Activities
OPAP S.A.	Parent company	Greece			Numerical lottery games and sports betting
OPAP CYPRUS LTD	100%	Cyprus	Full consolidation	01.10.2003	Numerical lottery games
OPAP SPORTS LTD	100%	Cyprus	Full consolidation	01.10.2003	Sports betting company
OPAP INTERNATIONAL LTD	100%	Cyprus	Full consolidation	24.02.2004	Holding company – Services
OPAP SERVICES S.A.	100%	Greece	Full consolidation	15.09.2004	Sports events – Promotion – Services
OPAP INVESTMENT LTD	100%	Cyprus	Full consolidation	23.11.2011	Gaming activities
PAYZONE HELLAS S.A.	100%	Greece	Full consolidation	19.11.2014	Services for electronic transactions - Mobile Top-ups - Utility and Bill Payments
HORSE RACES S.A.	100%	Greece	Full consolidation	22.12.2014	Mutual Betting on Horse Races
GLORY TECHNOLOGY LTD	20%	Cyprus	Equity method	01.10.2003	Software
NEUROSOFT S.A.	29.53%	Greece	Equity method	24.02.2009	Software
HELLENIC LOTTERIES S.A.	67%	Greece	Full consolidation	19.06.2014	Lotteries

The extra Ordinary General Meeting of OPAP INVESTMENT LTD, 100% subsidiary of OPAP S.A., of 30.01.2015, decided to increase the company's share capital by issuing 10,000 new ordinary shares of € 1 (euro) nominal price each and allotment price € 900 (euro) each.

The extra Ordinary General Meeting of OPAP INVESTMENT LTD, 100% subsidiary of OPAP S.A., of 04.06.2015, decided to decrease the company's share capital by cancelling 46,096 ordinary shares of € 1 (euro) nominal price. The total decrease amounted to € 43,500.

On 25.08.2015, OPAP S.A. announced the completion of the acquisition of the remaining 10% of PAYZONE S.A. by OPAP INVESTMENT LTD, a 100% subsidiary of OPAP S.A. for a consideration of € 867, holding now 100% of the company.

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

9. Dividend distribution

Dividend distribution to the shareholders of the parent company and the Group is recognized as a liability named “Payables”, at the date at which the distribution is approved of by the Shareholders’ General Meeting.

10. Operating segments

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Management recognizes business segment as primary and reports separately revenues and results from each game. The reports concerning results per game are the basis for the management’s decisions, mainly the Chairman and CEO of OPAP S.A..

As stated at note 6.4., the presentation of the Statement of Comprehensive Income has been revised. Respectively, for comparability purposes, operational segments presentation has also been revised.

10.1. Consolidated Business Segments

As of 31 December 2015 and for the year then ended

GROUP 01.01-31.12.2015	Lotteries	Sports Betting	Instant & Passives	Unallocated items	Total
Revenue (GGR)	829,885	411,896	157,890	0	1,399,671
GGR contribution and other levies and duties	-240,740	-123,515	-47,709	0	-411,964
Agents' commission	-208,457	-111,849	-40,673	-1,390	-362,369
Net gaming revenue (NGR)	380,689	176,532	69,507	-1,390	625,339
Other operating income	11,190	5,977	177	111,318	128,662
Operating expenses	-148,200	-74,973	-35,577	-118,149	-376,898
Depreciation, amortization and impairment	-26,155	-13,944	-31,166	-3,068	-74,332
Results from operating activities	217,524	93,593	2,942	-11,288	302,770

GROUP 01.01-31.12.2014	Lotteries	Sports Betting	Instant & Passives	Unallocated items	Total
Revenue (GGR)	817,268	456,330	104,081	0	1,377,679
GGR contribution and other levies and duties	-237,518	-135,793	-31,224	0	-404,535
Agents' commission	-204,422	-127,218	-26,197	-1,816	-359,653
Net gaming revenue (NGR)	375,328	193,319	46,660	-1,816	613,491
Other operating income	3,576	2,139	2	18,019	23,736
Operating expenses	-137,035	-77,115	-22,109	-54,445	-290,703
Depreciation and amortization	-24,594	-14,686	-8,497	-2,544	-50,321
Results from operating activities	217,275	103,657	16,056	-40,786	296,203

There are no sales transactions between business segments. The allocation of operating costs in these business sectors is carried out based on cost centres per game.

Unallocated assets relate to Companies with non-gaming activity

10.2. Business Segments of OPAP S.A.

As of 31 December 2015 and for the year then ended

COMPANY 01.01-31.12.2015	Lotteries	Sports Betting	Total
Revenue (GGR)	761,056	406,546	1,167,601
GGR contribution and other levies and duties	-227,600	-122,819	-350,420
Agents' commission	-190,828	-110,156	-300,984
Net gaming revenue (NGR)	342,627	173,570	516,197
Other operating income	35,266	8,148	43,413
Operating expenses	-143,527	-76,670	-220,197
Depreciation and amortization	-26,069	-13,926	-39,995
Results from operating activities	208,296	91,122	299,418

COMPANY 01.01-31.12.2014	Lotteries	Sports Betting	Total
Revenue (GGR)	752,511	450,018	1,202,529
GGR contribution and other levies and duties	-224,906	-134,973	-359,879
Agents' commission	-187,878	-125,306	-313,184
Net gaming revenue (NGR)	339,727	189,740	529,467
Other operating income	25,077	3,801	28,878
Operating expenses	-143,809	-86,001	-229,810
Depreciation and amortization	-24,518	-14,662	-39,180
Results from operating activities	196,477	92,878	289,355

There are no sales transactions between business segments. The allocation of operating costs in these business sectors is carried out based on cost centres per game.

10.3. Geographical Segments

Group's operations are in Greece and Cyprus. Greece is the country of incorporation of the parent company and of the subsidiaries OPAP SERVICES S.A., HELLENIC LOTTERIES S.A., HORSE RACES S.A., PAYZONE S.A. and of the associate NEUROSOFT S.A..

For the period that ended on 31 December 2015	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,039,951	217,366	0	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

For the period that ended on 31 December 2014	Greece	Cyprus	Intercompany Transactions	Total
Amounts wagered	4,051,738	207,334	0	4,259,072
Revenue (GGR) and Other operating income	1,380,467	73,652	-52,703	1,401,415
Net gaming revenue (NGR)	574,311	39,181	0	613,491

11. Notes on the financial statements

11.1. Cash and cash equivalents

The analysis of cash and cash equivalents is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Cash in hand	2,253	2,175	1,416	1,923
Sight deposits	219,673	46,982	168,849	21,502
Short term bank deposits	<u>79,769</u>	<u>248,261</u>	<u>60,850</u>	<u>175,030</u>
Total	301,695	297,418	231,115	198,455

The average interest rate earned on bank deposits was 1.59% in 2015 and 2.28% in 2014. The average duration of short-term deposits was 7 calendar days in 2015 and 12 calendar days in 2014.

In sight deposits is included restricted cash of amount € 950 (year 2014: € 5,920) which is analysed as follows: OPAP SPORTS LTD € 294, OPAP SERVICES S.A. € 150 and PAYZONE HELLAS 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.

Furthermore, an important part of the Group's and the Company's cash and cash equivalents has been deposited with foreign credit institutions.

11.2. Inventories

Inventories consist mainly of lottery tickets and athletic events prognoses games, coupons for PAME STIHIMA game etc.

According to the contract on 22.06.2009 between the parent company and OPAP SERVICES S.A. the subsidiary undertook the rendering of services of production, supply, storage and distribution of consumables and forms as well as promotional material to all agencies.

Furthermore, there are reserves amounted to € 2,820 (year 2014: € 2,176) of the subsidiary PAYZONE S.A. relating mainly to fixed and mobile phone cards, Internet and Paysafe cards.

Group's inventories have not been pledged as security.

11.3. Trade receivables

The analysis of trade receivables is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Receivables from debtors (revenues from games)	50,952	86,744	13,691	63,194
Receivables from debtors (accounts under arrangement from agencies)	716	2,441	632	2,349
Less discounting for receivables agents' accounts under arrangement	-4	-81	-4	-81
Doubtful receivables from agents	34,881	34,779	34,667	34,779
Other receivables	<u>5,041</u>	<u>4,478</u>	<u>10,157</u>	<u>8,032</u>
Sub total short term trade receivables	91,585	128,362	59,142	108,274
Less provisions for bad and doubtful debts and for accounts under arrangement	<u>-36,350</u>	<u>-36,111</u>	<u>-35,751</u>	<u>-35,751</u>
Total short term trade receivables	55,234	92,250	23,391	72,523
Long term receivables from agencies (accounts under arrangement)	114	550	114	550
Less discounting for receivable accounts under arrangement	<u>-2</u>	<u>-23</u>	<u>-2</u>	<u>-23</u>
Total long term trade receivables	<u>112</u>	<u>527</u>	<u>112</u>	<u>527</u>
Total trade receivables	55,347	92,778	23,504	73,050

The significant variation in the short term trade receivables is due to shorter period of settlement from the agents for the year that ended on 31.12.2015 than that ended on 31.12.2014.

Management considers that the Group's main credit risk arises from doubtful receivables of agents including arrangements for unpaid revenues. On 31.12.2015 this debt amounted to € 34,881 (€ 34,779 in 2014), while the accounts under arrangement amounted to € 830 (€ 2,991 in 2014). The Company, in order to cover this risk, established cumulative provision of € 35,751 in the years 2015 and 2014. The charge of the year 2015 sum of € 220 is included in other operating expenses. Management considers these provisions to be adequate.

In the year 2015 the part of interest bearing regulations, non-covered by provision, was carried at the current value at discount rate of 1.68% (1,55% in 2014), based on which it was created financial income amounting to € 98 (financial expense of € 104 in 2014) lowering as by this amount the initial value of the asset.

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Expected inflow phases:				
< 3 months	54,899	91,166	23,055	71,489
3 - 6 months	171	402	171	351
6 - 12 months	<u>165</u>	<u>682</u>	<u>165</u>	<u>682</u>
Total short term receivables	55,234	92,250	23,391	72,523
> 12 months	<u>112</u>	<u>527</u>	<u>112</u>	<u>527</u>
Total	55,347	92,778	23,504	73,050

11.4. Other current assets

The analysis of other current assets is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Housing loans to personnel	54	53	54	53
Other receivable - revenue receivable	4,516	2,546	4,427	2,320
Prepaid expenses	17,626	10,514	7,531	8,606
Intercompany transaction of winners profits with OPAP CYPRUS LTD	0	0	5,619	4,040
Receivables from taxes	<u>6,622</u>	<u>3,617</u>	<u>0</u>	<u>0</u>
Total	28,817	16,730	17,630	15,020

Prepaid expenses of the Company mainly consist of prepayments made to the Superleague and football clubs for advertising and sponsoring services according to the terms of separate contracts signed with each of those associations. The deviation in the prepaid expenses of the Group in 2015 against 2014 is attributed mainly to the costs occurred for the operating activity of VLTs.

Receivables from taxes have occurred from the 30% contribution on the GGR of HELLENIC LOTTERIES S.A., which is paid in the reporting period but it refers to the next one.

11.5. Intangible assets

Intangible assets refer to software, concession rights and know-how and analyzed as follows:

GROUP	Software	Rights of games	Intangible assets from acquisition of PAYZONE HELLAS S.A.	Software & Rights (Contract 31.07.2007)	Software & Rights of (Contract 30.07.2010 & 31.05.2014)	Total
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	798	1,075,440	0	26,789	184	1,103,211
Additions due to consolidation of HELLENIC LOTTERIES S.A. & PAYZONE S.A.	56	187,889	2,763	0	0	190,708
Additions	4,681	0	0	0	2,384	7,065
Capitalised finance costs	0	3,790	0	0	0	3,790
Amortization charge	-1,025	-24,585	0	-8,623	-542	-34,776
Net book amount (31 December 2014) (* Adjusted)	4,509	1,242,534	2,763	18,166	2,026	1,269,998
Year that ended on 31 December 2015						
Opening net book amount (1 January 2015)	4,509	1,242,534	2,763	18,166	2,026	1,269,998
Additions	3,572	8,100	0	0	0	11,672
Impairment charge	0	-15,021	0	0	0	-15,021
Amortization charge	-1,915	-31,974	-436	-8,623	-715	-43,664
Net book amount (31 December 2015)	6,167	1,203,639	2,327	9,543	1,311	1,222,988

COMPANY	Software	Rights of games	Software & Rights (Contract 31.07.2007)	Software & Rights (Contract 30.07.2010 & 31.05.2014)	Total
Opening net book amount (1 January 2014)	793	1,075,440	26,789	184	1,103,206
Additions	4,497	0	0	2,384	6,881
Capitalised finance costs	0	3,790	0	0	3,790
Amortization charge	-1,003	-16,141	-8,623	-542	-26,309
Net Book Amount (31 December 2014)	4,287	1,063,090	18,166	2,026	1,087,569

Year that ended on 31 December 2015					
Opening net book amount (1 January 2015)	4,287	1,063,090	18,166	2,026	1,087,569
Additions	2,934	0	0	0	2,934
Amortization charge	-1,796	-16,141	-8,623	-715	-27,276
Net book amount (31 December 2015)	5,425	1,046,949	9,542	1,311	1,063,227

Intangible assets are currently unencumbered. Amortization of the 20-year concession right, software and rights of 31.07.2007 Private Contract (consortium INTRALOT S.A.) is included in depreciation and amortization expenses.

Within the Rights is included the ten-year extension from 12.10.2020 to 12.10.2030 of the contract of OPAP S.A. exclusive right to conduct, manage, organise and operate twelve (12) games online and thirteen (13) games offline amounting to € 375,000 and the installation licence and operating of 35,000 VLTs discounted amount of € 552,002 and capitalized finance costs for the acquisition of license amount above € 55,383 in accordance with IAS 23.

The total cost for the last license amounted to € 560,000.

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 is 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 is 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 is 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 is calculated an average increase of 6% by 2017 and of 3% by 2025.

The amount resulted for impairment is equal to € 15,021. The net book value before impairment amounted at 31.12.2015 to € 164, while at 31.12.2014 to € 179.

The expense charged in the Statement of Comprehensive Income is presented in note 11.31, in other operating expenses.

The additions of the year 2015 mainly concern down payment for intangible assets acquisition of amount € 8,100 related to concession agreement for the 20-year exclusive license to organize and conduct horse races mutual betting. After the restatement of comparative financial information, in the fiscal year 2014 were added intangible assets arising from the acquisition valuation report of PAYZONE HELLAS S.A. totaling € 2,763. The latter are analyzed in customer relationships (€ 2,585) and supplementary agreement with Paysafe card (€ 178). The first is amortized within 10 years and the last within 1 year.

The rights to future concessions are not depreciated but are tested for impairment until the date they come into force.

11.6. Property, plant and equipment

GROUP	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery (of Contract 31.7.2007)	Equipment (of Contract 30.7.2010)	Total
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	9,197	1,767	19,499	8,051	10,800	49,314
Additions due to consolidation of HELLENIC LOTTERIES S.A. & PAYZONE HELLAS S.A.	0	0	196	0	0	196
Additions	163	104	7,727	0	2,696	10,692
Transfers of assets	-1,157	0	1,251	0	0	94
Disposal	0	-113	-95	-4	-48	-260
Depreciation charge	-1,938	-644	-4,566	-2,880	-5,376	-15,403
Depreciation transfers	614	0	-1,255	0	0	-641
Depreciation disposals	0	84	93	3	33	213
Net Book Amount (31 December 2014)	6,879	1,199	22,851	5,170	8,106	44,205
Period that ended on 31 December 2015						
Opening net book amount (1 January 2015)	6,879	1,199	22,851	5,170	8,106	44,205
Additions	14,851	-17	13,143	0	0	27,977
Disposal	-446	-761	-468	-10	-47	-1,732
Depreciation charge	-1,084	-419	-5,591	-2,880	-5,772	-15,746
Depreciation disposals	265	764	454	9	42	1,534
Net Book Amount (31 December 2015)	20,464	766	30,389	2,289	2,330	56,238

Plant, machinery mainly and equipment of 31.07.2007 Private Contract, 30.07.2010 and 31.05.2014 Contract with INTRALOT consortium include equipment for lottery agents. All property, plant and equipment are currently unencumbered.

COMPANY	Land & Buildings	Plant & Machinery	Vehicles & Equipment	Machinery (of Contract 31.7.2007)	Equipment (of Contract 30.7.2010)	Total
Year that ended on 31 December 2014						
Opening net book amount (1 January 2014)	9,026	1,761	927	8,051	10,800	30,565
Additions	163	52	6,930	0	2,696	9,842
Transfers of assets	-1,157	0	0	0	0	-1,157
Disposals	0	-113	-95	-4	-48	-260
Depreciation charge	-1,930	-640	-1,903	-2,880	-5,376	-12,728
Depreciation transfers	614	0	0	0	0	614
Depreciation disposals	0	84	93	3	33	212
Net Book Amount (31 December 2014)	6,716	1,144	5,953	5,170	8,106	27,089
Period that ended on 31 December 2015						
Opening net book amount (1 January 2015)	6,716	1,144	5,953	5,170	8,106	27,089
Additions	14,851	-17	3,552	0	0	18,385
Disposals	-245	-761	-396	-10	-47	-1,459
Depreciation charge	-1,079	-410	-2,436	-2,880	-5,772	-12,577
Depreciation disposals	222	764	385	9	42	1,422
Net Book Amount (31 December 2015)	20,465	720	7,057	2,289	2,330	32,861

At Company level, the additions of the year 2015 mainly concern the acquisition of the new premises located at Athinon Avenue 112, Athens. At Group Level, apart from the above, HELLENIC LOTTERIES S.A. acquired IT equipment of total amount € 4,885, of which € 4,281 relate to mechanical equipment.

11.7. Investment in real estate properties

According the demands of IAS 40 the Investments in Real Estate properties are shown below:

	GROUP	COMPANY
Balance 01.01.2015	1,540	1,540
Depreciation for the period 01.01.2015 - 31.12.2015	-142	-142
Balance 31.12.2015	1,398	1,398
Acquisition cost	3,170	3,170
Accumulated depreciation	-1,772	-1,772
Net book amount	1,398	1,398

The above balance relates to property located on: a) Panepistimiou 25 street (5th floor), Athens and b) Cyprus 90-92 street, Peristeri. The income that the Company receives from leasing of these investments properties amounted to € 260 for the year 2015.

The useful life of buildings is appreciated about 20 years and is used the fix method of depreciation. According to the Company's estimates, the current value of the property is not substantially different from its undepreciated value.

11.8. Goodwill

The analysis of goodwill presented in the consolidated financial statements, arisen from the acquisition of OPAP SPORTS LTD and PAYZONE S.A. is as follows:

	OPAP SPORTS LTD	PAYZONE HELLAS S.A.	TOTAL
Net book value as of 31.12.2008 – 31.12.2013	8,435	0	8,435
Goodwill at the acquisition date (90%)	0	5,749	5,749
Net book value as of 31.12.2014 (*Adjusted) and 31.12.2015	8,435	5,749	14,183

OPAP SPORTS LTD:

Goodwill is subject to periodic testing for impairment.

According to the independent firm's valuation report which is carried out each year, no further impairment of goodwill of the subsidiary OPAP SPORTS LTD was necessary.

PAYZONE HELLAS S.A.:

On 19.11.2014 OPAP, through its 100% subsidiary OPAP INVESTMENT Ltd, concluded the acquisition of 90% of PAYZONE HELLAS S.A.' share capital. PAYZONE HELLAS S.A. is one of the largest mobile phone top-up networks in Greece with over 11,000 Points of Sales (POS) terminals installed, processing annually approximately 30 million transactions. PAYZONE HELLAS S.A. has also pioneered in bill payment and prepayment services for utilities and service providers in Greece. On 24.08.2015, OPAP INVESTMENT Ltd acquired the remaining non-controlling 10% of PAYZONE HELLAS S.A..

Within the year 2015, PAYZONE HELLAS S.A. contributed revenue of € 107,431 and loss before tax of € 31 to the Group's results.

Consideration transferred

The following table presents the final consideration transferred for the acquisition of 90% at the acquisition date:

Fixed payment amount	6,350
Projected free cash amount	1,000
Retention amount paid to the Vendors	<u>619</u>
Total consideration transferred for 90% of Payzone Hellas' shares	8,326

The consideration for the acquisition of the remaining 10% amounted to € 867.

Acquisition related costs

The relevant amounts are immaterial and are thus not further analyzed.

Identifiable assets acquired and liabilities assumed

The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

Tangible assets	192
Intangible assets	51
Other non-current assets	180
Inventory	2,176
Receivables	4,307
Cash and cash equivalents	3,922
Other current assets	6
Provisions	-675
Employee benefit plans	-47
Trade and other payables	-9,135
Tax liabilities	<u>-157</u>
TOTAL	820

The valuation techniques that were used or will be used for measuring the fair value of material assets acquired are consistent with the techniques followed by the Group as presented in pages 68 through 83 of the annual financial statements.

The adjustments required after the completion of the valuation of assets and liabilities are as follows:

Customer relationships recognized through PPA	2,585
Supplemental agreement with Paysafe GmbH recognized through PPA	<u>177</u>
Subtotal	2,762
Less: estimated deferred tax liability @ 26% tax rate	<u>-718</u>
Fair value adjustment	2,044

Goodwill

Goodwill arising from the acquisition of PAYZONE S.A. has been recognized as follows:

Net Assets (100% before fair value adjustments)	820
Fair value adjustments	2,044
Fair value of Net Assets (100%)	2,864
Consideration on completion (for 90% of shares)	8,326
% of Share Capital Acquired	90%
Fair value of Net Assets (90%)	2,577
Goodwill	5,749

11.9. Investments in subsidiaries

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

Consolidated subsidiary	Ownership Interest	Acquisition cost	Country of incorporation	Principal activities	Consolidation basis
OPAP CYPRUS LTD	100%	1,704	Cyprus	Numerical lottery games	Percentage of ownership
OPAP INTERNATIONAL LTD	100%	11,499	Cyprus	Holding Company, Services	Percentage of ownership
OPAP SERVICES S.A.	100%	20,000	Greece	Sports events, Promotion, Services	Percentage of ownership
OPAP SPORTS LTD	100%	16,900	Cyprus	Sports betting Company	Percentage of ownership
OPAP INVESTMENT LTD	100%	104,750	Cyprus	Lottery Games	Percentage of ownership
Total		154,854			
Impairment		-7,250			
Value on 31.12.2015		147,604			

The report date of the financial statements of the subsidiaries consolidated in the Group does not differ from the report date of the parent company.

In the financial statements of OPAP S.A., the Company's investments to subsidiaries are calculated at the acquisition cost reduced by conducted impairment.

The value of OPAP SPORTS LTD has been impaired by € 1,300 thousand in the year 2005 and € 5,950 thousand in the year 2007. For the years 2008 - 2015, no further impairment value of subsidiary OPAP SPORTS LTD was necessary, according to the independent firm's valuation report.

For the current year 2015, the report of the independent firm based on the following assumptions:

Impairment study assumptions	31.12.2015	31.12.2014
WACC	11.05%	10.55%
% Increase of flows	0.50%	0.50%
Tax rate	12.50%	12.50%
Period of net cash flows	5 years	5 years

From the susceptibility testing conducted on the above assumptions, particularly the increase or decrease by half point of basis in the discount interest rate (WACC) and the growth rate of cash flow, did not reveal differences that would require a change in net book value of this participation.

There are no significant restrictions on the ability of the above subsidiary to transfer funds to the Company in the form of cash dividends, or repayment of loans or advances.

For the year 2015, no impairment value of subsidiary PAYZONE HELLAS S.A. was necessary, according to the independent firm's valuation report, which was based on the following assumptions:

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

Investments in subsidiaries are analyzed as follows:

	31.12.2015	31.12.2014
Opening balance	182,104	173,354
Share capital increase/(decrease)	-34,500	8,750
Impairment losses	<u>0</u>	<u>0</u>
Closing balance	147,604	182,104

The investment of OPAP S.A. to OPAP INVESTMENT LTD at 31.12.2015 is decreased by € 34,500 compared to 31.12.2014 due to the following:

a) On 29.01.2015 and 16.03.2015 the share capital of the subsidiary OPAP INVESTMENT LTD was increased by € 9,000 (€ 700 and € 8,300 respectively).

b) On 27.04.2015 the share capital of the aforementioned subsidiary was decreased by € 43,500, after the decrease of the share capital of subsidiary HELLENIC LOTTERIES S.A..

11.10. Investments in associates

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

Investments in associates are initially recognised at cost and subsequently accounted for using the equity method. Any goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Investments in associates are analyzed as follows:

	31.12.2015	31.12.2014
GLORY TECHNOLOGY LTD	0	0
NEUROSOFT S.A. SOFTWARE PRODUCTION	11,225	9,732
Total	11,225	9,732

The item “Investments in associates” includes:

A) The sharing 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 2016. Thereafter, the contract is probable to be renewed.

Also, the main income of GLORY TECHNOLOGY is the commission (percentage of revenues PAME STIHIMA of OPAP SPORTS LTD) and this means that if the contract expires, the company will be left with virtually no revenue, which would have a negative impact on results and the viability, if it is unable to replace them with another source.

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. The value is derived as follows:

Share acquisition cost	10,000
Amortization and impairment of goodwill	<u>-8,806</u>
Closing balance 31.12.2006	1,194
Share of profit / (loss)	<u>414</u>
Closing balance 31.12.2007	1,608
Share of profit / (loss)	<u>-138</u>
Closing balance 31.12.2008	1,470
Share of profit / (loss)	<u>100</u>
Closing balance 31.12.2009	1,570
Share of profit / (loss)	<u>21</u>
Closing balance 31.12.2010	1,591
Share of profit / (loss)	<u>-21</u>
Closing balance 31.12.2011	1,570
Share of profit / (loss)	<u>-1,570</u>
Closing balance 31.12.2012	0

B) The sharing of subsidiaries OPAP INTERNATIONAL LTD and OPAP CYPRUS LTD of OPAP S.A. to the net assets of the company NEUROSOFT S.A. SOFTWARE PRODUCTION, 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 2014 amount € 767.

In year 2015, 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 € 893 (€ 7,462 in 2014).

The value arises as follows:

Acquisition cost	11,520
Less dividend 2008	-72
Share of loss of 2009	<u>-80</u>
Net accounting balance 31.12.2009	11,368
Less Impairment	-3,000
Share of loss of 2010	<u>-1,120</u>
Net accounting balance 31.12.2010	7,248
Less Impairment	-5,526
Share of loss of 2011	<u>-373</u>
Net accounting balance 31.12.2011	1,349
Share of loss of 2012	<u>-190</u>
Net accounting balance 31.12.2012	1,159
Share of profit of 2013	<u>344</u>
Net accounting balance 31.12.2013	1,503
Reversal of investment impairment	7,462

Share of profit of 2014	<u>767</u>
Net accounting balance 31.12.2014	9,732
Reversal of investment impairment	893
Share of profit of 2015	<u>600</u>
Net accounting balance 31.12.2015	11,225

11.11. Other non-current assets

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Guarantee deposits	1,632	1,370	1,420	1,264
Prepayments of retirement benefits	221	221	221	221
Capital Investments under construction	76	1,222	0	1,141
Housing loans to personnel	321	360	321	360
Other receivables	<u>711</u>	<u>4</u>	<u>22,950</u>	<u>28,127</u>
Total	2,962	3,177	24,912	31,114

The short-term portion of “Other non-current assets” is included in other current assets and prepaid expenses.

The Company’s amount of € 22,950 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.

11.12. Deferred tax (assets) / liabilities

The analysis of deferred tax is the following:

	GROUP		COMPANY	
	31.12.2015	31.12.2014 *Adjusted	31.12.2015	31.12.2014
Value adjustment of property, plant and equipment	-1,015	447	-1,412	49
Intangible assets recognition	11,386	15,972	15,421	15,598
Deferred expenses	7,096	5,190	5,244	4,496
Compensation for staff	-300	-208	-270	-194
Provisions	-13,140	-9,591	-13,091	-9,537
Accrued liabilities	<u>-13,842</u>	<u>-10,526</u>	<u>-2,400</u>	<u>-3,713</u>
Total (asset) / liability	-9,815	1,284	3,493	6,699

For the Group, the decrease in the deferred tax liability and creation of deferred tax asset is mainly due to the increase in the accrued liabilities of HELLENIC LOTTERIES S.A. for payout to the winners.

The tax rate used for the calculation of the deferred taxes is 29% (2014: 26%).

Deferred taxes mainly arise from the tangible and intangible assets.

Additionally, deferred taxes from the cost of contingent liabilities and non-recognized expenses mainly arise from the direct expenses of bond loan financing, the provisions pertaining to lawsuits as against OPAP S.A. provisions of donations and payouts to winners provisions (of the game PAME STIHIMA) and fees and third party expenses payable next year.

	GROUP	
	31.12.2015	31.12.2014 *Adjusted
OPAP S.A. (liability)	3,493	6,699
OPAP SERVICES S.A. (receivable)	-4,738	-3,662
HELLENIC LOTTERIES S.A. (receivable)	-9,072	-2,334
PAYZONE HELLAS S.A. (receivable)	-170	-136
HORSE RACES S.A. (liability)	-3	0
Deferred tax on intangible assets from acquisition of PAYZONE HELLAS S.A.	<u>675</u>	<u>718</u>
Total	-9,815	1,284

11.13. Trade payables

The analysis of trade payables is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Suppliers (services, assets, etc.)	46,667	41,637	25,464	39,041
Payout to the winners and retained earnings	69,155	113,249	25,349	77,375
Other payables (salaries – subsidies)	<u>11,269</u>	<u>15,467</u>	<u>1,749</u>	<u>4,315</u>
Total	127,091	170,353	52,562	120,731

At Company’s level, the increase of trade payables amounting to € 68,169 is mainly due to winners’ liability decrease amount of € 28,756 and the decrease of the undistributed payouts reserve by € 17,964.

Group’s figures are mainly affected from Company’s figures.

11.14. Loans

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

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Bond loan payable next year	32,097	1	2,097	0
Less: unamortised direct cost of finance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Short term portion	32,097	1	2,097	0
Long term bond loan	115,000	0	115,000	0
Less: unamortised direct cost of finance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Long term portion	115,000	0	115,000	0
Total of bond loan	147,097	1	117,097	0
Less: unamortised direct cost of finance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	147,097	1	117,097	0

The maturity of loans is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Up to 1 year	32,097	1	2,097	0
1 – 5 years	<u>115,000</u>	<u>0</u>	<u>115,000</u>	<u>0</u>
Total	147,097	1	117,097	0

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

On 07.04.2015, HELLENIC LOTTERIES S.A. entered also into an Agreement with Alpha Bank for the renewal of the Revolving Bond Loan, originally signed on 30.04.2014, for an amount up to € 30,000 for a period of one year (ending May 2016).

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

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

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

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

11.15. Tax liabilities

The analysis of tax liabilities is as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Income tax liabilities	16,807	58,028	10,712	51,309
Contribution on the net revenues	106,263	105,895	100,765	102,928
Other taxes (withholding, VAT)	<u>6,872</u>	<u>14,305</u>	<u>8,247</u>	<u>11,743</u>
Total	129,942	178,228	119,724	165,980

As per L. 4093/2012, a contribution 30% is imposed on OPAP S.A. 's net revenue (revenue minus realized players' winnings) with an effective date from 01.01.2013. This law is also applicable for HELLENIC LOTTERIES S.A. and HORSE RACES S.A..

The amount of contribution on net revenue for the year ending on 31.12.2015 amounted to € 350,420 while the outstanding liability as at year ending on 31.12.2015 amounted to € 100,765. Respectively, for the year of 2014 the amount of contribution on net revenue amounted to € 359,879 while the outstanding liability as at 31.12.2014 amounted to € 102,928.

It must be noted that, in 2014 figures, the Company's "Income tax" liability included an amount of € 14,754 which represented the amount of additional taxes and surcharges imposed to the Company by the tax authorities for the audit of 2010 minus the provision of € 8,000 recorded in the Company's books in previous years.

Income tax liabilities include also the assessment of income tax for the period 01.01-31.12.2015 as well as the prepaid income tax of the previous year.

11.16. Other payables

Other payables are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014 *Adjusted	31.12.2015	31.12.2014
Provisions of donations	9,013	12,250	2,219	6,273
Provision of sponsorships	1,158	6,128	941	5,903
Provisions of payout to winners	0	2,148	0	2,148
Wages and salaries	7,917	7,738	7,570	6,998
Dividends and interim dividends payable	1,159	70,275	1,159	70,275
Received in advance sales' value	0	370	0	0
Insurance contributions payable	1,627	1,345	1,487	985
Other liabilities	<u>14,979</u>	<u>9,047</u>	<u>10,066</u>	<u>7,536</u>
Total	35,853	109,301	23,441	100,116

On 24.08.2015, the Company's Board of Directors decided to distribute a gross amount of € 54,161, i.e. €0.17 (euro) per share, as interim dividend for the fiscal year 2015.

For the year 2014, the General Meeting on 18.12.2014 was informed on the Board of Directors' decision to distribute a gross amount of € 64,331 i.e. € 0.2017 (euro) per share, as interim dividend for the fiscal year 2014.

11.17. Employee benefit plans

Share-based payment arrangements

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 to approximately 388 thousand shares. An amount of € 884 thousand has been recognized as payroll cost in the Statement of Comprehensive Income and as retained earnings in the Statement of Changes in Equity.

Defined Benefit Program

Until 31.03.2014 the retirement benefit plan offered to the employees of OPAP S.A was in compliance to the article 25 of SSE.

After 31.03.2014, the employee benefit plan has changed and it is calculated thereafter according to L. 2112/20 and L. 3026/54 and as amended by L. 4093/2012. The valuation of the actuarial liability has been carried out based on the pensionable salaries depending on the years of service. The employees are entitled in retirement.

The analysis of the plans in Consolidated Statement of Financial Position on 31.12.2015 is following:

GROUP	Retirement plan
31 December 2013 (revised)	14,015
Payments	-25,421
Cost of service	596
Interest cost	392
Settlement cost (result)	13,919
Past service cost	-1,912
Total cost recognized in Statement of Comprehensive Income	12,994
Actuarial (gain)/loss	-740
31 December 2014	847
Payments	-545
Cost of service	290
Interest cost	13
Settlement cost (result)	482
Total cost recognized in Statement of Comprehensive Income	785
Actuarial (gain)/loss	-51
31 December 2015	1,036

The analysis of plans in statement of financial position of the Company on 31.12.2015 is the following:

COMPANY	Retirement plan
31 December 2013	13,307
Payments	-13,142
Cost of service	538
Interest cost	378
Settlement cost (result)	1,977
Past service cost	-1,907
Transportation cost for the personnel	257
Total cost recognized in Statement of Comprehensive Income	1,242
Actuarial (gain)/loss	-662
31 December 2014	746
Payments	-485
Cost of service	231
Interest cost	12
Settlement cost (result)	466
Total cost recognized in Statement of Comprehensive Income	708
Actuarial (gain)/loss	-37
31 December 2015	932

The main actuarial assumptions that took place as on 31.12.2015 and 2014 for the retirement plan are the following:

	2015	2014
Discount rate	1.68%	1.55%
Expected salary increase percentage	2.00%	2.00%
Average service in the company	20,17 - 27,74	24,72 - 28,68
Inflation rate	2.00%	2.00%

The estimated service cost for the next fiscal year amounts to € 234 for the Company and € 268 for the Group.

The following table shows the change in actuarial liability of the Company and Group 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%	928	-10%
Decrease in discount rate by 0.5%	1,159	12%
Increase of the expected wages' increase by 0.5%	1,157	12%
Decrease of the expected wages' increase by 0.5%	928	-10%

Sensitivity analysis (Company)	Actuarial liability	Percentage change
Increase in discount rate by 0.5%	835	-10%
Decrease in discount rate by 0.5%	1,043	12%
Increase of the expected wages' increase by 0.5%	1,042	12%
Decrease of the expected wages' increase by 0.5%	835	-10%

11.18. Provisions

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

	GROUP	COMPANY
Balance as of 31.12.2014	51,317	49,134
Provisions of the period	19,201	19,088
Provision reversal	-10,406	-9,962
Used provision	<u>-1,051</u>	<u>-669</u>
Balance as of 31.12.2015	59,061	57,591

The amount of € 59,061 (2014: € 51,317) refers mainly to provisions made against losses from lawsuits (from third parties, agents and Company's employees) against OPAP S.A. amount of € 45,140 (2014: € 36,683) as well as cumulative provision for tax differences amount of € 1,300 (2014: € 1,841), (note 11.35). The provision is considered adequate by the Company's Management.

11.19. Other long-term liabilities

Other long - term liabilities are analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Guarantee deposits from lottery agents	5,926	6,342	5,409	5,874
Interests on guarantees - Penalties against agents	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>
Total	5,926	6,343	5,409	5,875

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.

11.20. Share capital

When the Company was organized as a societe anonyme in 1999, its articles of association provided that a valuation committee should value its assets within one year. In accordance with that requirement, the committee valued the Company's assets at € 33,778. Out of that amount, € 29,347 was capitalized through the issuance of one million shares. The remaining amount was recorded in the revaluation reserve account within shareholders' equity.

On 15.12.2000, the common shares of the Company were split to increase the number of shares outstanding to 100,000,000. Consequently, the Company's share capital was increased by € 64,270 to € 93,617 through the issuance of 219,000,000 new shares. The € 64,270 increase consisted of (a) retained

earnings, (b) an amount released from the revaluation reserve account and (c) a portion of the concession € 29,347.

In 2001, the par value of the Company's shares was increased from € 0.29 to € 0.30 through the capitalization of special reserves.

All the shares issued by the Company are common shares.

The total authorized number of common shares was 319,000,000 on 31.12.2015 with a par value of € 0.30 / share (€ 0.30 in 2014). All issued shares are fully paid.

There were no changes in the share capital of the Company during the period ended on 31.12.2015.

11.21. 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.

The analysis of acquisition of treasury shares is as follows:

Date	Shares	Acquisition cost (amounts in thousands of €)
03.08.2015	130,000	851
04.08.2015	126,542	848
05.08.2015	<u>150,000</u>	<u>1,019</u>
Total	406,542	2,719

The above mentioned shares are expected to be distributed as a performance incentive, to certain members of the company's key management personnel.

11.22. Reserves

Reserves are analyzed as follows:

GROUP	Other reserves	Statutory reserves	Untaxed reserves	Total
31.12.2013	2,815	31,900	24,918	59,633
Changes in the year	-2,815	0	-8,345	-11,160
31.12.2014	0	31,900	16,573	48,473
Changes in the period	0	299	0	299
31.12.2015	0	32,199	16,573	48,772

COMPANY	Other reserves	Statutory reserves	Untaxed reserves	Total
31.12.2013	2,815	31,900	24,918	59,633
Changes in the year	-2,815	0	-8,345	-11,160
31.12.2014 and 31.12.2015	0	31,900	16,573	48,473

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

Other reserves reflect amounts deducted from the previous years' earnings. After taxation, are available for distribution to shareholders.

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.

At Group level, the increase in reserves is attributed to the formation of statutory reserve from HELLENIC LOTTERIES S.A. of € 299.

11.23. Non-controlling interests

As a result of the change in the applicable consolidation methodology, the consolidation method for HELLENIC LOTTERIES S.A. changes from equity method to full consolidation, resulting minority interest for the percentage (33%) which does not belong to the Group.

	GROUP
Opening net book amount 01.01.2015	67,365
Return on reserves by HELLENIC LOTTERIES S.A.	-21,452
Dividends from HELLENIC LOTTERIES S.A.	-3,560
33% share in profits of HELLENIC LOTTERIES S.A.	-817
Reversal of PAYZONE HELLAS S.A. non-controlling interests due to the acquisition of the remaining 10% share	-294
Share capital increase expenses of HELLENIC LOTTERIES S.A.	-236
Net book amount 31.12.2015	41,005

11.24. Dividends

The Fifteenth (15th) Annual Ordinary General Meeting of the shareholders of OPAP S.A. that took place on Monday, 20.04.2015 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.7017 euro per share for the fiscal year 2014. Since the amount of 0.2017 euro per share has already been distributed to the shareholders as interim dividend pursuant to decision no. 11 of the Board of Directors' Meeting of the Company dated 20.11.2014, the remaining dividend for the fiscal year 2014 amounted to 0.50 euro per share prior to the relevant tax withhold. Eligible to receive the dividend were OPAP's registered shareholders on Thursday, 23.04.2015 (record-date). The Ex-dividend date for the fiscal year 2014 took place on Wednesday, 22.04.2015. The payment of the remaining dividend commenced on Wednesday, 29.04.2015 and processed via the entitled shareholder's Dematerialized Security System's Operators and via the network of Piraeus Bank (approval of 100.00%).

Also, the Company presents dividend income of subsidiaries amounting to € 5,640. Specifically, the dividend from OPAP CYPRUS LTD is € 4,640 and from OPAP SPORTS LTD € 1,000.

11.25. GGR contribution and other levies and duties

As per L. 4093/2012, a 30% contribution is imposed on OPAP's revenues (amounts wagered minus realized players' winnings) with an effective date from 01.01.2013.

This Law also applies to HELLENIC LOTTERIES S.A. and HORSE RACES S.A..

Moreover, based on the Betting Tax of Cyprus introduced in 2012, a betting tax of 13% is imposed on revenues (GGR). Finally, based on the interstate agreement between Greece and Cyprus, a special levy is paid to Cyprian authorities from Opap Cyprus Ltd.

The amount of contribution on net revenue from games for 2015 for the Group amounted to € 411,964 and for the Company amounted to € 350,420.

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.).

11.27. Other operating income

The analysis of other operating income is as follows:

	GROUP		COMPANY	
For the period that ended on 31 December	2015	2014	2015	2014
Commission on New Year's Eve Lottery revenues	2,216	2,951	0	0
Revenues from PAYZONE S.A.	107,431	13,264	0	0
Management fees	0	1,343	26,128	23,955
Other income	19,015	6,178	17,285	4,923
Total	128,662	23,736	43,413	28,878

The deviation in other operating income of the Group in 2015 against 2014 is attributed mainly to the revenues from PAYZONE S.A., as it was acquired from OPAP INVESTMENT LTD on 19.11.2015.

At Company level, the increase in other income is due to reversal of provisions for unutilised amounts in sponsorships and donations.

11.28. Payroll expenses

The analysis of staff cost is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Wages and salaries	37,232	37,317	33,439	38,253
Social security costs	6,365	6,462	5,646	3,053
Share-based payment	884	0	884	0
Other staff costs	834	1,631	692	875
Staff retirement indemnities (SLI)	268	12,746	231	795
Termination compensations	<u>516</u>	<u>416</u>	<u>478</u>	<u>354</u>
Total	46,098	58,571	41,370	43,331

On 30.06.2014, OPAP Group, aiming at reorganizing its operations and services, introduced a voluntary leave scheme for the employees of its subsidiary, OPAP SERVICES S.A.. The scheme was introduced on 30.06.2014 and the deadline for participation ended on 18.07.2014. Three hundred and forty seven (349) employees participated in the scheme which represents 54.4% of total employees as at 30.06.2014. The total cost amounted to € 12,502 out of which an amount of € 10,477 represented leave incentive cost.

The number of permanent and part time employees of the Group and the Company is analyzed as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Permanent employees	858	728	737	604
Part time employees	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	860	729	738	605

11.29. Marketing expenses

Marketing expenses are as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
CSR and sponsorships	39,054	58,652	30,461	49,389
Advertising	<u>30,414</u>	<u>20,251</u>	<u>20,285</u>	<u>16,802</u>
Total	69,468	78,904	50,746	66,190

The amount of donations for 2015 for the Group was € 7,456 and for the Company was € 3,453, while sponsorships' amount was € 31,598 and € 27,008, respectively.

11.30. Other operating expenses

The analysis of other operating expenses is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
IT related costs	54,369	61,620	47,647	56,616
Utilities & Telecommunication costs	11,951	9,668	11,315	6,270
Rentals	5,323	4,150	5,036	3,881
Other	83,163	64,636	64,083	53,523
PAYZONE HELLAS S.A.	<u>106,526</u>	<u>13,154</u>	<u>0</u>	<u>0</u>
Total	261,332	153,228	128,082	120,289

11.31. Financial results income / (expenses)

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Interest and expenses of bond loans	-4,745	-1,057	-3,622	-942
Other financial expenses	-1,643	-706	-654	-31
Capital cost of pension plans	<u>-12</u>	<u>-429</u>	<u>-12</u>	<u>-378</u>
Total expenses	-6,400	-2,192	-4,287	-1,351
Interest income				
Bank deposits	1,517	3,417	722	2,135
Personnel loans	5	26	5	26
Other financial income	112	201	66	201
Reversal of previous period discount interest	<u>97</u>	<u>142</u>	<u>97</u>	<u>142</u>
Total interest income	1,732	3,786	890	2,504
Financial income	-4,668	1,594	-3,397	1,153

The average interest rate earned on short-term bank deposits was 1.59% in 2015 and 2.28% in 2014.

Within financial results of the Group and the Company are included:

- the capital cost of pension plans in accordance with actuarial reports and
- the financial discount cost of the item of receivables – arrangements of agents.

Interest and expenses of bond loans, both for the Company and the Group, increased significantly during the year of 2015 versus the year of 2014 due to the issuance of new bond loans (see note 11.14).

11.32. Income and deferred tax

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Income tax expense				
From domestic activities	-99,860	-83,522	-93,787	-79,719
Tax differences 2010	0	-21,568	0	-21,568
From foreign activities	<u>-975</u>	<u>-788</u>	<u>0</u>	<u>0</u>
Total income tax	-100,835	-105,878	-93,787	-101,286
Deferred taxes	<u>11,143</u>	<u>-477</u>	<u>3,217</u>	<u>-2,728</u>
Total tax expense	-89,692	-106,355	-90,571	-104,014

The income tax expense from domestic activities was calculated with the rate of 29% in accordance with Law 4334 published in Government Gazette 80/16.07.2015 (26% in 2014). The Company's tax on profit before tax is different from the theoretical amount that would arise using the Company's effective tax rate.

The analysis of deferred tax in statement of comprehensive income is following:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Value adjustment of property, plant and equipment	1,422	2,119	1,462	2,034
Intangible assets recognition	4,669	738	177	754
Deferred expenses	-1,905	2,070	-748	1,961
Provisions	3,561	-2,912	3,553	-2,966
Accrued liabilities	1,935	730	-1,314	-1,418
Compensation for staff	<u>1,461</u>	<u>-3,222</u>	<u>87</u>	<u>-3,094</u>
Total deferred tax	11,143	-477	3,217	-2,728
Deferred tax at equity	-15	-192	-11	-172

The fluctuation of deferred income tax for the year 2014 by € 3,217 for the Company and € 11,143 for the Group is mainly due to the differences between the accounting and tax basis.

The reconciliation of income tax and deferred tax is following:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Profit before tax	299,592	305,579	301,661	297,277
Tax according to the tax coefficient of 29% (2014: 26%)	-86,882	-79,450	-87,482	-77,292
Tax differences for the year 2013/2012	-861	1,161	0	1,161
Tax effect from expenses/income that are not tax deductible	-3,077	-2,280	-3,202	-1,862
Tax differences 2010 (after offsetting the corresponding provision)	0	-21,568	0	-21,568
Permanent and other differences	1,113	-3,129	113	-4,454
Impairment of assets	0	0	0	0
Tax effect from the use of different tax coefficients in the profit of subsidiaries in other countries	<u>16</u>	<u>-1,088</u>	<u>0</u>	<u>0</u>
Total tax expense	-89,692	-106,355	-90,571	-104,014

11.33. Earnings per share

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

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Net profit attributable to the shareholders of the company (in €)	210,719,362	194,997,626	211,090,512	193,262,424
Weighted average number of ordinary shares	318,830,608	319,000,000	318,830,608	319,000,000
Basic and diluted earnings per share (in €)	0.6609	0.6113	0.6621	0.6058

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 31.12.2015 as follows:

Date	Transaction	Shares issued	Treasury shares	Total number of shares outstanding	Time weighting	Weighted average number of shares
January 2015	Balance at beginning of period	319,000,000	-	319,000,000	7/12	186,083,333
August 2015	Aquisition of treasury shares	-	-406,542	318,593,458	5/12	132,747,274
December 2015	Balance at end of period	319,000,000	-406,542	318,593,458	-	318,830,608

11.34. Related party disclosures

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 2015 and 2014 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- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
Subsidiaries	0	0	31,887	29,930
Associates	<u>0</u>	<u>1,358</u>	<u>0</u>	<u>1,358</u>
Total	0	1,358	31,887	31,288

	GROUP		COMPANY	
Expenses	01.01- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
Subsidiaries	0	0	47	29,461
Associates	<u>8,783</u>	<u>16,134</u>	<u>0</u>	<u>6,453</u>
Total	8,783	16,134	47	35,915

	GROUP		COMPANY	
Receivables	01.01- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
Subsidiaries	<u>0</u>	<u>0</u>	<u>38,711</u>	<u>40,158</u>
Total	0	0	38,711	40,158

	GROUP		COMPANY	
Payables	01.01- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
Subsidiaries	0	0	907	17,974
Associates	<u>1,074</u>	<u>2,712</u>	<u>824</u>	<u>90</u>
Total	1,074	2,712	1,731	18,064

	GROUP		COMPANY	
Transactions and salaries of executive and administration members	01.01- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
BoD and key management personnel	<u>8,296</u>	<u>6,209</u>	<u>6,347</u>	<u>4,056</u>
Total	8,296	6,209	6,347	4,056

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

- a) the Group’s BoD compensation, reached € 750 for the year 2015 and € 763 for the year 2014 and
- b) the Group’s key management personnel remuneration, reached € 7,546 for the year 2015 and € 5,446 for the year 2014.

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

- a) the Company’s BoD compensation, reached € 320 for the year 2015 and € 321 for the year 2014 and
- b) the Company’s key management personnel remuneration, reached € 6,027 for the year 2015 and € 3,735 for the year 2014.

	GROUP		COMPANY	
Liabilities from BoD compensation & remuneration	01.01- 31.12.2015	01.01- 31.12.2014	01.01- 31.12.2015	01.01- 31.12.2014
BoD and key management personnel	<u>215</u>	<u>190</u>	<u>183</u>	<u>166</u>
Total	215	190	183	166

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 € 215 for the year 2015 and € 190 for the year 2014 and
- b) key management’s personnel remuneration and compensation of the Company that amounted to € 183 for the year 2015 and € 166 for the year 2014.

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

It is necessary to mention that one of the members of the Board of Directors of OPAP S.A., is the main shareholder of the company "DIKEFALOS 1924 Construction S.A.", which signed a sponsorship contract on 12.09.2013 with OPAP S.A., the total cost of which amounts to € 1,940 plus VAT. For the year of 2015, the cost resulting from this contract amounts to € 443 and is included in the statement of comprehensive income and there is no payable that arises from the aforementioned contract. Finally, the company “EMMA EMERGING MARKETS CAPITAL A.S.” provides consulting services to OPAP S.A., the cost of which for 2015 amounts to € 2,040 and is included in the statement of comprehensive income. The respective liability amounts to € 250.

11.35. Other disclosures

Contingent liabilities

A) Tax liabilities

1. The tax audit of OPAP S.A. for the year 2010 was completed during 2014 and the tax authorities imposed additional taxes and surcharges totaling € 29,568. The Company has already paid the full amount and has appealed before the Athens Administrative Court, currently awaiting the hearing of its case.
2. The tax audit of OPAP S.A. for the years 2011 until 2014, of OPAP SERVICES S.A. for the years 2011 until 2014 and HELLENIC LOTTERIES S.A. for the year 2014 in the review of Law 2238/1994 concerning Tax Compliance Report by independent auditors, subjected to tax audit by Legal Auditor and received the Tax Compliance Report without differences.
3. For the Tax audit of the year 2015, from the regular auditors no provision was made for tax differences for the OPAP S.A. and HELLENIC LOTTERIES S.A..

The Group's unaudited fiscal years by the relevant authorities are the following:

Company's Name	Fiscal Years
OPAP S.A.	2015
OPAP CYPRUS LTD	2013 – 2015
OPAP SPORTS LTD	2014 – 2015
OPAP INTERNATIONAL LTD	2004 – 2015
OPAP SERVICES S.A.	2010, 2015
OPAP INVESTMENT LTD	2012 – 2015
GLORY TECHNOLOGY LTD	2007, 2010 – 2015
NEUROSOFT S.A.	2010 – 2015
HELLENIC LOTTERIES S.A.	2015
PAYZONE HELLAS S.A.	2015

The total cumulative provision for unaudited fiscal years by tax authorities reaches € 1,300 for the OPAP SERVICES S.A..

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 for the Company amounting to € 45,140 and for the Group € 45,310, while the total amount of these claims for the Company amounts to € 229,460 and for the Group € 235,126. The total cumulative provision on 31.12.2015 is analyzed as follows:

	GROUP		COMPANY	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Labor disputes	18,785	23,764	18,615	23,556
Lawsuits from individuals or legal entities	<u>26,525</u>	<u>13,127</u>	<u>26,525</u>	<u>13,127</u>
Total provision	45,310	36,890	45,140	36,683

Furthermore, according to the Legal Counsel, third party lawsuits as against the Group have been filed of a total claim of € 5,477, 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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Less than 1 year	156,578	81,648	58,757	70,104
1 - 5 years	320,895	100,168	65,384	96,744
More than 5 years	218,469	3,156	1,950	2,040

11.36. Financial risk factors

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

1. Risk from the impact of adverse financial circumstances on the Greek economy

The macroeconomic and financial environment in Greece remains volatile during 2016 due to developments and discussions at national and international level on the review of the terms of Greece's funding program. On 29.06.2015 the Greek Government imposed capital controls and declared bank holiday that lasted until 19.07.2015, facts that have significantly affected consumer behavior and spending capacity.

During the third quarter of 2015, the negotiations of the Hellenic Republic for the coverage of the financing needs of the Greek economy were completed on the basis of the announcements at the Euro Summit on 12.7.2015 resulting in an agreement for a new financial support by the European Stability Mechanism. The relative agreement with the European Stability Mechanism (ESM), that was signed on 19.8.2015, among others, provides for the coverage of the financing needs of the Greek State for the medium-term period from 2015 to 2018, provided that the economic reforms that are expected to contribute to the economic stability and the sustainable development of the Greek economy will be implemented.

Although any further negative development in the economy would affect the normal operations as well as from the assessment of the Greek economy from international creditors in the context of the above mentioned agreement, Management continually adjusts to the situation and ensures that all necessary actions are taken, to maintain undisturbed activities.

Change in regulatory requirements

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, restrictions on advertising can reduce our ability to reach new customers, thus impacting our 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 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 our 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.

The following describe in more detail the specific risks that make the market risk and their management policies by the Group and the Company.

Currency risk

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, and 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).

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 2015 and 2014 is as follows:

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014 *Adjusted	2015	2014
Total Equity	1,202,827	1,235,064	1,162,282	1,166,661
Plus: Total debt	147,097	1	117,097	0
Minus : Cash and cash equivalents	<u>-301,695</u>	<u>-297,418</u>	<u>-231,115</u>	<u>-198,455</u>
Capital	1,048,229	937,646	1,048,264	968,206
Total Equity	1,202,827	1,235,064	1,162,282	1,166,661
Plus : Loans	<u>147,097</u>	<u>1</u>	<u>117,097</u>	<u>0</u>
Total Capital Employed	1,349,924	1,235,065	1,279,379	1,166,661
Capital / Capital Employed	0.78	0.76	0.82	0.83

A change by one basis point in interest rates as of 31.12.2015 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 31.12.2015 amounts to € 34.881 million 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 31 December	2015	2014	2015	2014
Financial Assets Categories				
Cash and cash equivalents	301,695	297,418	231,115	198,455
Trade and other receivables	<u>84,164</u>	<u>109,508</u>	<u>41,134</u>	<u>88,070</u>
Total	385,859	406,926	272,249	286,525

	GROUP		COMPANY	
Year that ended on 31 December	2015	2014	2015	2014
Within 3 months	385,411	405,315	271,801	284,964
From 3 months to 6 months	171	402	171	351
From 6 months to 1 year	165	682	165	682
Over 1 year	<u>112</u>	<u>527</u>	<u>112</u>	<u>527</u>
Total	385,859	406,926	272,249	286,525

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 11.3) for which full provisions is made.

4. Liquidity risk

The Group manages liquidity risk by managing 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 while maximum winnings/column are also defined for Stihima.

The maturity of the financial liabilities as at 31.12.2015 and 31.12.2014 for the Group and Company is analyzed as follows:

GROUP	Short Term		Long Term	Total of undiscouted liabilities
For the year ended on 31 December 2015	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	0	0	5,926	5,926
Borrowings	30,097	2000	115000	147,097
Trade payables	103,116	23,976	0	127,091
Other short term liabilities	<u>35,853</u>	<u>0</u>	<u>0</u>	<u>35,853</u>
Total	169,066	25,976	120,926	315,967

GROUP	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2014	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	0	0	6,343	6,343
Borrowings	1	0	0	1
Trade payables	142,074	28,279	0	170,353
Other short term liabilities	<u>105,125</u>	<u>4,176</u>	<u>0</u>	<u>109,301</u>
Total	247,199	32,455	6,343	285,997

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2015	Within 6 months	6 till 12 months	1 till 5 years	
Other long term liabilities	0	0	5,409	5,409
Borrowings	97	2,000	115,000	117,097
Trade payables	52,562	0	0	52,562
Other short term liabilities	<u>23,441</u>	<u>0</u>	<u>0</u>	<u>23,441</u>
Total	76,100	2,000	120,409	198,509

COMPANY	Short Term		Long Term	Total of undiscounted liabilities
For the year ended on 31 December 2014	Within 6 months	6 till 12 months	1 till 5 years	
Leasing	0	0	0	0
Other long term liabilities	0	0	5,875	5,875
Borrowings	0	0	0	0
Trade payables	102,925	17,806	0	120,731
Other short term liabilities	<u>95,963</u>	<u>4,154</u>	<u>0</u>	<u>100,116</u>
Total	198,888	21,960	5,875	226,722

5. Cash flows risk and fair value change risk due to interest rate changes

The Group is exposed to interest rate risk principally in relation to outstanding debt. The existing debt facilities, as of 31.12.2015, were the two Company's Bond Loan, the HELLENIC LOTTERIES S.A. Bond Loan and the Horse Races S.A. Bond Loan. The Group follows all the market developments with regards to the Interest Rate environment and acts accordingly. On 31.12.2015 the Group had no outstanding hedge transactions.

6. Risk from STIHIMA operations

The Stihima game, is 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. As such, the Group's sports-betting team has implemented a comprehensive risk management methodology at different stages of the sport-betting cycle. Different limits have been set per sport, league and game, and treat each event differently. The Group uses most of the feeds available in the betting industry and cooperates with a number of the most well-known odds compilers to create the initial odds of any available event. After the compilers publish their initial odds, odds are changed by taking into account the overall market (through various feeds in the betting industry) and by own books. 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. Liability of each game is monitored through the entire book. In case the limits have been exceeded, a visual warning is given to the team. Furthermore, proper software is used to find, in real-time, suspicious betting patterns and cases for sure bets or arbitrage opportunities. Finally, all agents and online customers are categorized by setting and monitoring individual personal limits.

7. 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.

8. 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. 4093/2012 from 01.01.2013 by way of implementing a 30% tax on net revenue before tax, adversely affected both cash flows and the financial position of both the Group and the Company.

11.37. Subsequent events

On 05.01.2016, OPAP INVESTMENT LTD proceeded to a share capital increase of € 37,000 in order to undertake the share capital increase of HORSE RACES S.A. amount € 17,020 in which it participates by 100%.

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

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

On 11.01.2016, the Company filed in the Council of State a request for the annulment and a request for suspension of the decision for the imposition of the special levy. The hearing of the petition for annulment was set for 03.06.2016. On 19.02.2016, the Council of State rejected the Company’s request for suspension of the special levy imposition, because the exceptional circumstances that would justify the issuing of the suspension of execution of the Ministerial decision are not satisfied. Nevertheless, the Council of State stated that the statement to the tax authority which shall be submitted by the Company until the 20th day of each month regarding the special levy collected in the previous month will necessarily amount to zero for January 2016 and possibly for the next two months (i.e. February and March), as the Company cannot modify sooner its information systems.

On 22.02.2016, a decision of the Minister of Finance was notified to the Company, by which, the date of the statement’s submission and the respective attribution of the special levy has been modified to a quarterly basis instead of monthly.

Chairman of the BoD & CEO

Chief Financial Officer &
Member of the BoD

Accounting & Consolidation
Director


Kamil Ziegler

Michal Houst

Petros Xarchakos

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IV. Summary Financial Information for the fiscal year 2015

<div>OPAP S.A. GREEK ORGANIZATION OF FOOTBALL PROGNOSTICS S.A. Register Number: 46329/06/B/00/15 General Electronic Commercial Registry-G.E.M.I. Number: 3823291000 Kifissou Ave 62, Peristeri 121 32</div> <div>SUMMARY FINANCIAL INFORMATION FOR THE PERIOD JANUARY 1st TO DECEMBER 31st 2015 (Published according to L. 2190/20, article 135 for companies preparing annual financial statements, consolidated or not, in accordance with the I.F.R.S.) The following information deriving from the financial report aims at a general presentation of OPAP S.A. and OPAP Group financial status and results. Therefore, it is recommended to the reader, prior to proceeding to any kind of investment decision or transaction, to visit OPAP S.A.'s site, where the financial statements and the legal auditors' review report (the latter whenever required) are posted.</div>				
Responsible Supervisory Authority: Website: Board of Directors:		Ministry of Finance, Infrastructure, Shipping and Tourism www.opap.gr Kamil Ziegler, Spyros Fokas, Pavel Horak, Michal Houst, Christos Kopelouzios, Georgios Melisanidis, Marco Sala, Pavel Saroch, Konstantin Yanakov, Rudolf Jurcik, Dimitrakis Potamitis, Igor Rusek.		Approval date of the financial report: Chartered Accountant: Review report:
				24 March 2016 Nikolaos Vouniseas (Registry No SOEL 18701) KPMG Certified Auditors S.A. (Registry No SOEL 114) Unqualified
FINANCIAL POSITION STATEMENT INFORMATION (Amounts in thousands of euro)		CASH FLOW STATEMENT INFORMATION (Amounts in thousands of euro)		
GROUP		COMPANY		
31.12.2015	31.12.2014 * Adjusted	31.12.2015	31.12.2014	
ASSETS		Operating activities		
Tangible assets (for own use)	56.238	44.205	32.861	27.089
Investment property	1.398	1.540	1.398	1.540
Intangible assets	1.222.987	1.269.998	1.063.227	1.087.589
Other non-current assets	38.297	27.619	172.628	213.745
Inventories	4.166	2.976	280	-
Trade receivables	55.234	92.250	23.391	72.523
Other current assets	330.512	248.149	248.745	213.475
TOTAL ASSETS	1.708.833	1.752.137	1.542.539	1.615.940
LIABILITIES & EQUITY		Investing activities		
Share capital	95.700	95.700	95.700	95.700
Other items of shareholders' equity	1.066.122	1.071.999	1.066.582	1.070.981
Total shareholders' equity (a)	1.161.822	1.167.699	1.162.282	1.166.661
Minority interest (b)	41.005	67.365	-	-
Total equity (c)=(a)+(b)	1.202.827	1.235.064	1.162.282	1.166.661
Provisions / Other non-current liabilities	66.022	59.790	67.425	62.452
Non-current loan liabilities	115.000	0	115.000	0
Current loan liabilities	32.097	1	2.097	0
Other current liabilities	292.887	457.882	195.727	396.827
Total liabilities (d)	506.906	517.673	380.246	449.279
TOTAL LIABILITIES & EQUITY (c)+(d)	1.708.833	1.752.137	1.542.539	1.615.940
COMPREHENSIVE INCOME STATEMENT INFORMATION (Amounts in thousands of euro except earnings per share)		Financing activities		
GROUP		COMPANY		
1.1-31.12.2015	1.1-31.12.2014	1.1-31.12.2015	1.1-31.12.2014	
Revenue (GGR)	1.399.671	1.377.679	1.167.661	1.202.529
Net gaming revenues	623.339	613.491	516.197	526.467
Profit before tax, interest and investing results	302.770	296.203	299.418	289.355
Profit before tax	299.592	305.579	301.661	297.277
Net profit after tax (A)	209.901	199.224	211.091	193.262
-Parent company shareholders	210.719	194.598	211.091	193.262
-Minority interest	(819)	4.226	-	-
Other income after tax (B)	37	548	26	490
Total income after tax (A)+(B)	209.937	199.772	211.116	193.752
-Parent company shareholders	210.755	195.545	211.116	193.752
-Minority interest	(817)	4.224	-	-
Earnings per share - basic and diluted (in €)	0.6609	0.6113	0.6621	0.6058
Dividend proposed per share (in €)	0.4000	0.7017	0.4000	0.7017
Profit before tax, interest, depreciation, amortization and investing results	377.103	346.524	339.413	328.534
CHANGES IN EQUITY STATEMENT INFORMATION (Amounts in thousands of euro)		Net income in cash and cash equivalents (a)+(b)+(c)		
GROUP		COMPANY		
31.12.2015	31.12.2014 * Adjusted	31.12.2015	31.12.2014	
Respective	1.235.064	1.125.283	1.166.661	1.126.041
Total comprehensive income	209.937	199.771	211.116	193.752
Dividends paid	(217.222)	(144.092)	(213.661)	(144.092)
Reserves distribution	-	(9.039)	-	(9.039)
Minority interest	-	63.142	-	-
Acquisition of non controlling interests of subsidiaries	(950)	-	-	-
Acquisition of treasury shares	(2.719)	-	(2.719)	-
Share capital increase expenses of subsidiary	(715)	-	-	-
Share capital decrease of subsidiaries	(21.452)	-	-	-
Share based payment	884	-	884	-
Balance as of December 31st, 2015 and 2014 respectively	1.202.827	1.235.064	1.162.282	1.166.661
ADDITIONAL INFORMATION				
1a. Fiscal years not audited by tax authorities for the Company and Group are mentioned in note 11.35 of the financial report. 1b. For unaudited fiscal years, a cumulative provision has been made concerning tax differences amounting to € 1,300 for the Group. 2. The Group's assets are currently unencumbered. 3a. According to the Company's Legal Counsel there are lawsuits from third parties concerning claims against the Company amounting to € 45,140 and € 45,310 for the Group for which a provision has been recognized, while the total sum of these claims reaches € 229,460 for the Company and € 235,126 for the Group. 3b. Total cumulative provision per category is analyzed as follows: i) for legal issues € 45,140 for the Company and € 45,310 for the Group. ii) for legal issues € 1,300 for the Company and € 1,300 for the Group. iii) for employees benefit plans € 832 for the Company and € 1,036 for the Group. 3c. Furthermore, according to the Legal Counsel, third party lawsuits have been filed, of a total claim of € 5,477 for the Group, for which the outcome is estimated as positive and consequently, no provisions were required. 4. The number of permanent employees on 31.12.2015 and 31.12.2014 for the Company was 737 and 604 respectively (858 and 728 respectively for the Group). Average number of part time employees (working on a daily basis) for the period ended on 31.12.2015 and 31.12.2014 was 1 and 1 respectively for the Company (2 and 1 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		0	31.887	
Outflow		8,783	47	
Receivables		0	38,711	
Payables		1,874	907	
Transactions and salaries of executive and administration members		8,296	6,347	
Receivables from executive and administration members		0	0	
Liabilities from executive and administration members		215	183	
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, divided into 319,000,000 shares with voting rights, par value of 0.30 euros each. 7a. The Group's structure is described in note 8 of the financial report and more specifically the following: ownership interest, country of incorporation, method of consolidation and principal activity. 7b. During the 1st semester 2015, the figures of Statement of Financial Position «Intangible assets», «Goodwill», «Other Payables», «Deferred tax liability», «Non controlling interests», were restated for the year 2014, due to the adoption of IFRS 3 regarding the finalization of the amount of goodwill arising from the acquisition of the subsidiary PAYZONE HELLAS S.A.. The restatement is described further in note 6.3 of the financial report. 7c. Costs in Statement of Comprehensive Income have been classified according to their function instead of their nature as classified in the previous financial years, for better information purposes.				
Peristeri, 24 March 2016				
Chairman of the Board and CEO		Chief Financial Officer & Member of the BoD	Accounting and Consolidation Director	
Kamil Ziegler Passport No. 40412133		Michal Houst Passport No. 39893691	Petros Xarchakos ID. No AK 161998	

V. Information on article 10 of L. 3401/2005

The company in line with current legislation published and made available to the investment public, during the fiscal year 2015 on its website at the Investors Update / Announcements Archive section (<http://www.opap.gr/en/web/corporate.opap.gr/44>) and on the Athens Exchange website (www.helex.gr), the information incorporated in the table below in the form of reference:

A/A	SUBJECT	ΗΜΕΡΟΜΗΝΙΑ ΔΗΜΟΣΙΕΥΣΗΣ
1	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007 Transactions Notification	15/1/2015
2	RELEASE OF REGULATED INFORMATION PURSUANT TO L.3556/2007: Transactions Notification	22/1/2015
3	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007: Transactions Notification	26/1/2015
4	RELEASE OF REGULATED INFORMATION PURSUANT TO L.3556/2007: Transactions Notification	28/1/2015
5	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007: Transactions Notification	29/1/2015
6	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007 Transactions Notification	2/2/2015
7	RELEASE OF REGULATED INFORMATION PURSUANT TO L.3556/2007 Transactions Notification	4/2/2015
8	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007 Transactions Notification	16/2/2015
9	2015 FINANCIAL CALENDAR	20/2/2015
10	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007 Transactions Notification	19/3/2015
11	FY 2014 FINANCIAL RESULTS: RELEASE DATE ANNOUNCEMENT	27/3/2015
12	OPAP SA - FY 2014 Financial Results - Press Release	30/3/2015
13	INVITATION FOR ANNUAL ORDINARY GENERAL MEETING	30/3/2015
14	Annual Analysts' Briefing on the FY 2014 Financial Results	31/3/2015
15	VLTs Sub-concessionaire Expression of Interest	3/4/2015
16	IMPROVED BoD PROPOSAL REGARDING THE DIVIDEND DISTRIBUTION FOR FY 2014	14/4/2015
17	RESOLUTIONS OF THE 15th ANNUAL ORDINARY GENERAL MEETING OF OPAP S.A. OF 20.04.2015	20/4/2015
18	PAYMENT OF THE REMAINING DIVIDEND FOR THE FISCAL YEAR 2014	20/4/2015
19	ANNOUNCEMENT REGARDING THE ACQUISITION OF THE COMPANY'S OWN SHARES	21/4/2015
20	RELEASE OF REGULATED INFORMATION PURSUANT TO L. 3556/2007 Transactions Notification	21/4/2015
21	RELEASE OF REGULATED INFORMATION PURSUANT TO L.3556/2007 - Transactions Notification	23/4/2015
22	Horse Race Betting Signing of concession agreement	24/4/2015
23	APPOINTMENT OF COMPLIANCE OFFICER	28/4/2015
24	Redeployment of Management Executive	14/5/2015

25	OPAP SA - Q1 2015 Financial Results - Press Release	26/5/2015
26	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Transactions Notification	17/6/2015
27	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Transactions Notification	19/6/2015
28	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Announcement of substantial holdings	26/6/2015
29	VLTs business activity suspension	1/7/2015
30	Notification on Executed Transactions Regarding the Purchase of Company's own shares	4/8/2015
31	Notification on Executed Transactions Regarding the Purchase of Company's own shares	5/8/2015
32	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Transactions Notification	5/8/2015
33	Notification on Executed Transactions Regarding the Purchase of Company's own shares	6/8/2015
34	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Transactions Notification	25/8/2015
35	Announcement of Regulated Information of L. 3556/2007 Payzone Hellas - Acquisition of the remaining 10%	25/8/2015
36	OPAP SA - H1 2015 Financial Results - Press Release	27/8/2015
37	UPDATE OF 2015 FINANCIAL CALENDAR	27/8/2015
38	PAYMENT OF INTERIM DIVIDEND FOR THE FISCAL YEAR 2015	27/8/2015
39	OPAP SA - 9M 2015 Financial Results - Press Release	24/11/2015
40	RELEASE OF REGULATED INFORMATION ACCORDING TO L. 3556/2007: Transaction Notification	25/11/2015
41	OPAP SA legal actions	26/11/2015
42	Announcement regarding write-off of the unclaimed dividend for the fiscal year 2009	3/12/2015
43	Horse Races S.A.: New effective date	10/12/2015
44	RELEASE OF REGULATED INFORMATION ACCORDING TO L.3556/2007: Transactions Notification	14/12/2015
45	RELEASE OF REGULATED INFORMATION ACCORDING TO L.3556/2007: Transactions Notification	15/12/2015

VI. Website where the financial report is posted

The annual financial statements, the independent Auditor's Report and Board of Directors' Report of company consolidated financial statements for the year that ended on 31.12.2015 are posted on the Company's website www.opap.gr.

