



Q3 2017 – Interim management statement

According to International Financial Reporting Standards

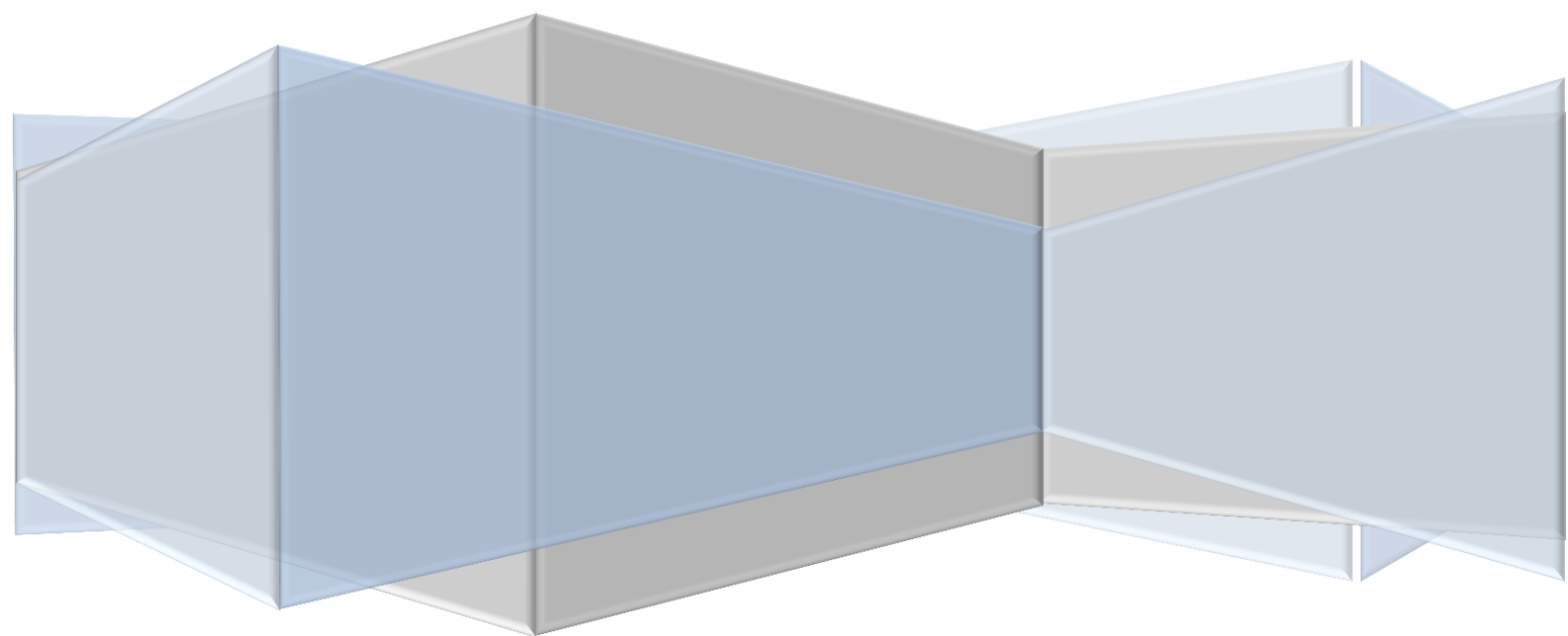


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A. Financial progress and performances of reporting period

Financial Performance

Basic Group financials are presented below:

(Amounts in thousands of euro)	01.01-30.09.2017	01.01-30.09.2016	Δ %
Revenue (GGR)	1,045,811	998,011	4.8%
GGR contribution and other levies and duties	347,638	333,474	4.2%
Net gaming revenue (NGR)	433,664	408,997	6.0%
Profit before interest, tax, depreciation and amortization (EBITDA)	223,534	223,795	(0.1%)
Profit before tax	163,952	171,307	(4.3%)
Profit for the period	110,629	116,879	(5.3%)
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	153,255	53,183	188.2%
Cash outflows used in investing activities	(82,457)	(113,049)	(27.1%)
Cash inflows/(outflows) from/(used in) financing activities	3,514	(55,177)	(106.4%)

Basic Company financials are presented below:

(Amounts in thousands of euro)	01.01-30.09.2017	01.01-30.09.2016	Δ %
Revenue (GGR)	863,519	827,947	4.3%
GGR contribution and other levies and duties	300,382	289,448	3.8%
Net gaming revenue (NGR)	345,446	327,118	5.6%
Profit before interest, tax, depreciation and amortization (EBITDA)	200,527	204,224	(1.8%)
Profit before tax	165,853	177,389	(6.5%)
Profit for the period	118,790	125,952	(5.7%)
Net increase/(decrease) in cash and cash equivalents			
Cash inflows from operating activities	167,677	62,615	167.8%
Cash outflows used in investing activities	(39,309)	(153,081)	(74.3%)
Cash inflows/(outflows) from/(used in) financing activities	14,528	(70,804)	(120.5%)

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

VLTs launch

Following the introduction of new VLTs regulation by the Hellenic Gaming Commission (decision No 225/2/25.10.2016 published in the Government Gazette issue 3528 B01/11/2016), the first Gaming Halls commenced their operating activities on 11.01.2017. Until 30.09.2017, 3,905 VLT machines are operating in 157 Gaming Halls, while additional 1,392 VLT machines have been installed in 468 Opap Stores. The main target of the Company's Management is to multiply the number of VLT machines in operation during the upcoming months.

Bond loan

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

Acquisition of treasury shares

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

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

Public offer

OPAP S.A., according to the meeting of its Board of Directors dated 28.02.2017, resolved on the issuance of a common bond loan pursuant to L. 3156/2003 and C.L. 2190/1920, the placement of the bonds through a public offering and their admission for trading on the Regulated Market of the Athens Exchange under the Fixed Income Securities segment.

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

17th Annual Shareholders Ordinary General Meeting

The Seventeenth (17th) Annual Ordinary Shareholders General Meeting of OPAP S.A. that took place on Tuesday, 27.04.2017 at its headquarters, approved the distribution of earnings and decided upon the distribution of a total gross dividend of 0.72 euro per share prior to the tax withhold for the fiscal year 2016. Since the amount of 0.12 euro per share had already been distributed to the shareholders as interim dividend pursuant to the dated 30.08.2016 decision of the Company's Board of Directors, the remaining dividend for the fiscal year 2016 amounted to 0.60 euro per share prior to the relevant tax withhold. Eligible to receive the dividend were OPAP's registered shareholders on Wednesday, 03.05.2017 (record-date), while its payment started on 09.05.2017.

Request for Arbitration against Horse Races S.A.

OPAP S.A. signed a concession agreement with the Hellenic Republic Asset Development Fund (HRADF) for the 20-year exclusive license to organise and conduct horse races mutual betting. The final approval was provided by the Greek Parliament on 6 November 2015 and the operations commenced on 8 January 2016.

The Hellenic Republic Asset Development Fund (HRADF) filed on 2 May 2017, a Request for Arbitration against Horse Races S.A., at the London Court of International Arbitration. The subject matter of the dispute relates to the non-payment of 10% interest (€2,250 thousand) allegedly due with the last instalment of the financial consideration (amounted to €20,250 thousand) as provided in the Concession Agreement, which (financial consideration) has been timely and fully paid by Horse Races S.A. to the HRADF.

Management considers that this amount will not be paid and no provision has been recognized.

Increase in participation at Neurosoft S.A.

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

Upon transaction conclusion, following the relevant clearance by the competent competition authorities of Cyprus (Commission for the Protection of Competition) and the payment of the agreed price of € 34.2m on 02.08.2017, OPAP participates with 67.72% in Neurosoft's share capital, takes the control of the Board of Directors and consequently, starting from 01.08.2017 the applicable consolidation method changes from equity method to full consolidation method.

Bond loan of HORSE RACES S.A.

HORSE RACES S.A. according to the meeting of its Board of Directors dated 19.06.2017, resolved on the issuance of a common bond loan of € 5,000 thousand, divided in 5,000 bonds of € 1,000 each. OPAP INVESTMENT Ltd subscribed for the amount of € 4,900 thousand and OPAP S.A. for the amount of € 100 thousand, on 25.07.2017, while the respective loan agreements were signed on 24.07.2017.

Amendment of bond loans terms of OPAP S.A.

OPAP S.A. according to the meeting of its Board of Directors dated 22.06.2017, it resolved on the favorable amendment of the margin of interest rate of the bond loan agreements entered with Piraeus Bank and Eurobank. The above amendment was accepted by the respective banks and came into force starting from July 2017.

Bond loan of TORA DIRECT S.A.

TORA DIRECT S.A. according to the meeting of its Board of Directors dated 13.07.2017, resolved on the issuance of a common bond loan of € 5,000 thousand, divided in 5,000 bonds of € 1,000 each. OPAP S.A. subscribed for the amount of € 3,500 thousand and OPAP INVESTMENT Ltd for the amount of € 1,500 thousand, on 29.08.2017.

Payment of interim dividend for the fiscal year 2017

The Company's Board of Directors decided during its meeting on 11.09.2017 to distribute a gross amount of € 31,782 thousand or 0.10 euro per share excluding own shares, as interim dividend for the fiscal year 2017. The interim dividend of the amount of 0.10 euro per share is subject to 15% withholding tax in accordance with Law 4387/2016, i.e. 0.015 euro per share. Therefore the net payable amount to the shareholders following the above mentioned withholding tax amounted to 0.085 euro per share. OPAP's registered Shareholders on Thursday, 28.09.2017 (record-date) were eligible to receive the payment.

C. Alternative Performance Indicators (API)

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

(Amounts in thousands of euro)	01.01-30.09.2017	01.01-30.09.2016	Δ %
Profit before interest, tax, depreciation and amortization (EBITDA) / Revenue (GGR)	21.4%	22.4%	(4.7%)
Profit attributable to owners of the Company / Revenue (GGR)	10.4%	11.5%	(9.6%)
Net debt	234,549	166,777	40.6%
Total debt / Total equity	60.7%	33.4%	81.9%
Net debt / Profit before interest, tax, depreciation and amortization (EBITDA) last twelve months	0.8	0.5	49.9%

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

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

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

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

Net Debt

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

Total Debt/Equity

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

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

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

D. Interim Management Statement

The attached Interim Management Statement as of 30 September 2017 was approved by the Board of Directors of OPAP S.A. per rotation on 13 November 2017 and has been posted at the Company's website www.opap.gr as well as in the website of the Athens Stock Exchange.

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

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

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

1. Statement of Financial Position

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro)

		GROUP		COMPANY	
	Notes	30.09.2017	31.12.2016	30.09.2017	31.12.2016
ASSETS					
Non - current assets					
Intangible assets		1,192,309	1,216,858	1,024,352	1,041,090
Property, plant & equipment		85,165	67,583	62,757	45,196
Investment property		927	940	927	940
Goodwill		54,676	14,183	-	-
Investments in subsidiaries		-	-	295,604	280,604
Investments in associates		-	12,175	-	-
Long – term receivables		13	13	13	13
Other non - current assets		4,618	6,384	22,908	21,263
Deferred tax asset		–	<u>12,154</u>	–	–
Total non - current assets		<u>1,337,708</u>	<u>1,330,291</u>	<u>1,406,560</u>	<u>1,389,107</u>
Current assets					
Cash and cash equivalents		347,835	273,523	208,329	65,433
Inventories		7,819	12,469	2,207	2,350
Trade receivables		79,691	80,634	31,828	33,667
Other current assets		<u>71,817</u>	<u>70,757</u>	<u>41,723</u>	<u>50,198</u>
Total current assets		<u>507,161</u>	<u>437,384</u>	<u>284,087</u>	<u>151,648</u>
TOTAL ASSETS		<u>1,844,870</u>	<u>1,767,675</u>	<u>1,690,647</u>	<u>1,540,755</u>
EQUITY & LIABILITIES					
Equity					
Share capital		95,700	95,700	95,700	95,700
Reserves		32,417	32,417	31,900	31,900
Treasury shares		(9,039)	(7,454)	(9,039)	(7,454)
Retained earnings		<u>800,977</u>	<u>914,614</u>	<u>814,293</u>	<u>917,975</u>
Equity attributable to owners of the Company		<u>920,055</u>	<u>1,035,277</u>	<u>932,854</u>	<u>1,038,121</u>
Non-controlling interests		<u>39,558</u>	<u>36,954</u>	–	–
Total equity		<u>959,613</u>	<u>1,072,231</u>	<u>932,854</u>	<u>1,038,121</u>
Non-current liabilities					
Loans	5.1	409,856	263,000	364,856	208,000
Deferred tax liability		3,188	-	14,950	3,962
Employee benefit plans		3,842	1,507	3,296	1,355
Provisions		30,754	34,049	29,379	32,673
Other non-current liabilities		<u>8,427</u>	<u>6,699</u>	<u>6,790</u>	<u>5,306</u>
Total non-current liabilities		<u>456,066</u>	<u>305,254</u>	<u>419,271</u>	<u>251,296</u>

Current liabilities

Loans	5.1	172,529	118,689	171,750	118,689
Trade payables		125,602	153,348	61,279	65,100
Tax liabilities		55,300	51,429	47,319	43,960
Other current liabilities		<u>75,760</u>	<u>66,722</u>	<u>58,174</u>	<u>23,590</u>
Total current liabilities		429,190	390,189	338,521	251,338
Total liabilities		885,257	695,443	757,792	502,634
TOTAL EQUITY & LIABILITIES		1,844,870	1,767,675	1,690,647	1,540,755

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

2. Statement of Comprehensive Income

2.1. Consolidated Statement of Comprehensive Income

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro except earnings per share)

GROUP	Notes	2017		2016	
		01.01-30.09.2017	01.07-30.09.2017	01.01-30.09.2016	01.07-30.09.2016
Amounts wagered		3,213,588	1,088,057	3,044,091	975,255
The Statement of Comprehensive income is as follows:					
Revenue (GGR)		1,045,811	357,351	998,011	319,231
GGR contribution and other levies and duties		(347,638)	(118,397)	(333,474)	(106,573)
Agents' commission		<u>(264,509)</u>	<u>(90,416)</u>	<u>(255,539)</u>	<u>(81,637)</u>
Net gaming revenue (NGR)		433,664	148,537	408,997	131,022
Other operating income	5.5	67,854	25,393	79,589	24,539
Operating expenses					
Payroll expenses	5.2	(49,430)	(17,462)	(42,558)	(14,702)
Marketing expenses	5.3	(51,195)	(13,606)	(44,635)	(12,608)
Other operating expenses	5.4	<u>(177,359)</u>	<u>(49,978)</u>	<u>(177,600)</u>	<u>(65,907)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		223,534	92,884	223,795	62,344
Depreciation and amortization		<u>(44,059)</u>	<u>(15,237)</u>	<u>(43,578)</u>	<u>(14,317)</u>
Results from operating activities		179,475	77,647	180,217	48,027
Finance income		2,101	605	2,536	1,608
Finance costs		(17,357)	(5,740)	(11,896)	(4,745)
Other finance income / (expense)		<u>(267)</u>	<u>(567)</u>	<u>450</u>	<u>150</u>
Profit before tax		163,952	71,945	171,307	45,040
Income tax expense		<u>(53,324)</u>	<u>(23,162)</u>	<u>(54,428)</u>	<u>(14,920)</u>
Profit for the period		110,629	48,782	116,879	30,120
Total comprehensive income		110,629	48,782	116,879	30,120
Profit attributable to:					
Owners of the Company		109,001	48,100	115,120	29,304
Non-controlling interests		<u>1,628</u>	<u>682</u>	<u>1,759</u>	<u>816</u>
Profit for the period		110,629	48,782	116,879	30,120
Total comprehensive income attributable to:					
Owners of the Company		109,001	48,100	115,120	29,304
Non-controlling interests		<u>1,628</u>	<u>682</u>	<u>1,759</u>	<u>816</u>
Total comprehensive income		110,629	48,782	116,879	30,120
Basic and diluted earnings (after tax) per share in €		0.3429	0.1513	0.3613	0.0920

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

2.2. Statement of Comprehensive Income of OPAP S.A.

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro except earnings per share)

COMPANY	Notes	2017		2016	
		01.01- 30.09.2017	01.07- 30.09.2017	01.01- 30.09.2016	01.07- 30.09.2016
Amounts wagered		2,686,894	923,337	2,552,071	815,443
The Statement of Comprehensive income is as follows:					
Revenue (GGR)		863,519	300,118	827,947	264,103
GGR contribution and other levies and duties		(300,382)	(103,818)	(289,448)	(92,424)
Agents' commission		<u>(217,691)</u>	<u>(75,694)</u>	<u>(211,380)</u>	<u>(67,269)</u>
Net gaming revenue (NGR)		345,446	120,607	327,118	104,409
Other operating income	5.5	26,972	9,924	29,352	6,793
Operating expenses					
Payroll expenses	5.2	(42,895)	(14,818)	(37,366)	(12,940)
Marketing expenses	5.3	(38,422)	(10,721)	(34,010)	(9,647)
Other operating expenses	5.4	<u>(90,573)</u>	<u>(20,993)</u>	<u>(80,870)</u>	<u>(30,550)</u>
Profit before interest, tax, depreciation and amortization (EBITDA)		200,527	83,998	204,224	58,066
Depreciation and amortization		<u>(27,408)</u>	<u>(9,533)</u>	<u>(27,489)</u>	<u>(9,046)</u>
Results from operating activities		173,119	74,464	176,735	49,019
Financial income		927	239	637	121
Financial expenses		(14,787)	(4,943)	(9,085)	(3,771)
Other financial income		<u>6,592</u>	-	<u>9,103</u>	<u>3,000</u>
Profit before tax		165,853	69,760	177,389	48,369
Income tax expense		(47,062)	(20,669)	(51,438)	(13,577)
Profit for the period		118,790	49,092	125,952	34,792
Total comprehensive income		118,790	49,092	125,952	34,792
Profit attributable to:					
Owners of the Company		118,790	49,092	125,952	34,792
Profit for the period		118,790	49,092	125,952	34,792
Total comprehensive income attributable to:					
Owners of the Company		118,790	49,092	125,952	34,792
Total comprehensive income		118,790	49,092	125,952	34,792
Basic and diluted earnings (after tax) per share in €		0.3737	0.1544	0.3953	0.1092

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

3. Statement of Changes in Equity

3.1. Consolidated Statement of Changes in Equity

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro)

GROUP	Share capital	Reserves	Treasury shares	Retained earnings	Non-controlling interests	Total equity
Balance as of 1 January 2016	95,700	48,773	(2,719)	1,020,068	41,005	1,202,827
Total comprehensive income for the period 01.01-30.09.2016	-	-	-	115,120	1,759	116,879
Transactions with owners of the Company						
Transfer between reserves	-	(16,574)	-	16,574	-	-
Share capital increase expenses of subsidiary	-	-	-	(202)	(73)	(275)
Share capital decrease of subsidiary	-	-	-	-	(6,598)	(6,598)
Share-based payment	-	-	-	1,326	-	1,326
Dividends paid	-	-	-	(254,875)	-	(254,875)
Total transactions with owners of the Company	-	(16,574)	-	(237,177)	(6,671)	(260,421)
Balance as of 30 September 2016	95,700	32,199	(2,719)	898,011	36,093	1,059,284
Balance as of 1 January 2017	95,700	32,417	(7,454)	914,614	36,954	1,072,231
Total comprehensive income for the period 01.01-30.09.2017	-	-	-	109,001	1,628	110,629
Transactions with owners of the Company						
Acquisition of treasury shares	-	-	(1,585)	-	-	(1,585)
Acquisition of subsidiary with NCI	-	-	-	-	2,675	2,675
Share capital increase expenses of subsidiaries	-	-	-	(165)	-	(165)
Dividends paid	-	-	-	(222,472)	(1,698)	(224,171)
Total transactions with owners of the Company	-	-	(1,585)	(222,638)	977	(223,246)
Balance as of 30 September 2017	95,700	32,417	(9,039)	800,977	39,558	959,613

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

3.2. Separate Statement of Changes in Equity

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro)

COMPANY	Share capital	Reserves	Treasury shares	Retained earnings	Total equity
Balance as of 1 January 2016	95,700	48,474	(2,719)	1,020,827	1,162,282
Total comprehensive income for the period 01.01-30.09.2016	-	-	-	125,952	125,952
Transfer between reserves	-	(16,574)	-	16,574	-
Share-based payment	-	-	-	1,326	1,326
Dividends paid	-	-	-	(254,875)	(254,875)
Balance as of 30 September 2016	95,700	31,900	(2,719)	909,803	1,034,684
Balance as of 1 January 2017	95,700	31,900	(7,454)	917,975	1,038,121
Total comprehensive income for the period 01.01-30.09.2017	-	-	-	118,790	118,790
Acquisition of treasury shares	-	-	(1,585)	-	(1,585)
Dividends paid	-	-	-	(222,472)	(222,472)
Balance as of 30 September 2017	95,700	31,900	(9,039)	814,293	932,854

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

4. Cash Flow Statement

As of 30 September 2017 and for the nine-month period then ended on that date

(Amounts in thousands of euro)

	GROUP		COMPANY	
	01.01- 30.09.2017	01.01- 30.09.2016	01.01- 30.09.2017	01.01- 30.09.2016
OPERATING ACTIVITIES				
Profit before tax	163,952	171,307	165,853	177,389
Adjustments for:				
Depreciation & Amortization	44,059	43,578	27,408	27,489
Net finance costs	15,255	9,309	7,267	(704)
Employee benefit plans	2,220	1,535	2,103	1,496
Provisions for bad debts	25	161	-	-
Other provisions	(2,668)	(6,721)	(2,668)	(6,619)
Exchange differences	-	51	-	50
Share of (profit)/loss from associates	267	(450)	-	-
(Gain) /loss from investing activities	24	(728)	6	(670)
Other non-cash items	-	-	<u>2,065</u>	<u>2,168</u>
Total	223,134	218,042	202,033	200,600
Changes in Working capital				
(Increase) / decrease in inventories	5,325	1,312	144	(1,290)
(Increase) / decrease in receivables	(7,730)	(4,465)	(13,036)	3,599
Increase / (decrease) in payables (except banks)	(37,300)	(20,836)	3,242	(10,510)
Increase / (decrease) in taxes payable	<u>3,448</u>	<u>(70,744)</u>	<u>3,366</u>	<u>(67,879)</u>
Total	186,877	123,309	195,748	124,520
Interest paid	(17,896)	(10,680)	(15,238)	(8,005)
Income tax paid	<u>(15,727)</u>	<u>(59,445)</u>	<u>(12,833)</u>	<u>(53,900)</u>
Net cash flows from operating activities	153,255	53,183	167,677	62,615
INVESTING ACTIVITIES				
Proceeds from sale of tangible & intangible assets	54	680	10	677
Extra charge for the acquisition of subsidiary	(34,197)	(695)	-	-
Loan repayments from third parties	174	-	-	-
Share capital increase in subsidiaries	-	-	(15,000)	(145,000)
Loans granted to third parties	-	(80,000)	-	-
Loans granted to Group companies	-	-	(3,600)	-
Increase in cash due to first consolidation of NEUROSOFT S.A.	2,613	-	-	-
Purchase of intangible assets	(23,978)	(21,192)	(2,594)	(8,797)
Purchase of property, plant and equipment & investment property	(28,804)	(12,915)	(25,638)	(9,583)
Dividends received	-	-	6,592	9,103

Interest received	<u>1,680</u>	<u>1,074</u>	<u>921</u>	<u>520</u>
Net cash flows used in investing activities	(82,457)	(113,049)	(39,309)	(153,081)
FINANCING ACTIVITIES				
Proceeds from loans & borrowings	233,524	236,429	233,524	183,929
Payments of loans & borrowings	(33,939)	(30,097)	(23,939)	(97)
Acquisition of treasury shares	(1,585)	-	(1,585)	-
Share capital increase expenses of subsidiaries	(165)	(275)	-	-
Return of share capital of subsidiary	-	(6,598)	-	-
Dividends paid	<u>(194,320)</u>	<u>(254,636)</u>	<u>(193,470)</u>	<u>(254,636)</u>
Net cash flows from/(used in) financing activities	<u>3,514</u>	<u>(55,177)</u>	<u>14,528</u>	<u>(70,804)</u>
Net increase / (decrease) in cash and cash equivalents	74,312	(115,043)	142,896	(161,270)
Cash and cash equivalents at the beginning of the period	<u>273,523</u>	<u>301,695</u>	<u>65,433</u>	<u>231,115</u>
Cash and cash equivalents at the end of the period	347,835	186,652	208,329	69,845

The attached notes on pages 16 to 19 form an integral part of Interim Management Statement.

5. Notes on the interim management statement

5.1. Loans

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

	GROUP		COMPANY	
	30.09.2017	31.12.2016	30.09.2017	31.12.2016
Total long-term loans	409,856	263,000	364,856	208,000
Short-term loans				
Current portion of long term loans	169,543	100,000	168,764	100,000
Short-term loans (overdraft accounts)	<u>2,986</u>	<u>18,689</u>	<u>2,986</u>	<u>18,689</u>
Total short-term loans	172,529	118,689	171,750	118,689
Total loans	582,385	381,689	536,606	326,689

The analysis of the Group's debt is as follows:

Description	Year of maturity	31.12.2016				30.09.2017	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Bond Loan, amount € 75,000	2018	75,000	-	-	-	75,000	75,000
Bond Loan, amount € 50,000	2019	50,000	-	(10,000)	-	40,000	40,000
Bond Loan, amount € 15,000	2017	13,000	-	(3,000)	-	10,000	10,000
Bond Loan, amount € 45,000	2020	45,000	-	(2,250)	-	42,750	42,750
Bond Loan, amount € 5,000	2020	5,000	-	-	-	5,000	5,000
Bond Loan, amount € 100,000	2021	100,000	-	-	-	100,000	100,000
Bond Loan, amount € 75,000	2018	75,000	-	-	-	75,000	75,000
Bond Loan, amount € 200,000	2022	-	200,000	-	(3,394)	200,000	196,606
Bond Loan, amount € 50,000	2020	-	37,500	-	(250)	37,500	37,250
Overdraft, amount € 15,000		12,100	-	(12,100)	-	-	-
Overdraft, amount € 10,000		6,589	-	(6,589)	-	-	-
Overdraft, amount € 2,000 (*)		-	<u>779</u>	-	-	<u>779</u>	<u>779</u>
Total		381,689	238,279	(33,939)	(3,644)	586,029	582,385

(*) The contract for a credit facility contract with open, debit and credit account, for an amount up to € 2,000 and with outstanding value of € 779 as of 30.09.2017, derives from the full consolidation of NEUROSOFT S.A. for the first time and actually it does not represent an issuance of a new loan.

The analysis of the Company's loans is as follows:

Description	Year of maturity	31.12.2016				30.09.2017	
		Book value	New Loans	Repayments	Amortization of expenses	Outstanding nominal value	Book value
Bond Loan, amount € 75,000	2018	75,000	-	-	-	75,000	75,000
Bond Loan, amount € 15,000	2017	13,000	-	(3,000)	-	10,000	10,000
Bond Loan, amount € 45,000	2020	45,000	-	(2,250)	-	42,750	42,750
Bond Loan, amount € 100,000	2021	100,000	-	-	-	100,000	100,000
Bond Loan, amount € 75,000	2018	75,000	-	-	-	75,000	75,000
Bond Loan, amount € 200,000	2022	-	200,000	-	(3,394)	200,000	196,606
Bond Loan, amount € 50,000	2020	-	37,500	-	(250)	37,500	37,250
Overdraft, amount € 15,000		12,100	-	(12,100)	-	-	-
Overdraft, amount € 10,000		<u>6,589</u>	-	<u>(6,589)</u>	-	-	-
Total		326,689	237,500	(23,939)	(3,644)	540,250	536,606

The initial transaction costs of the Bond loan of € 200,000 were € 3,726 and of the Bond loan of € 50,000 were € 250.

5.2. Payroll expenses

The analysis of staff cost is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2017	2016	2017	2016
Wages and salaries	39,131	33,862	33,867	29,805
Social security costs	7,186	5,447	6,201	4,691
Other staff costs	850	669	709	583
Employee benefit plans	2,049	1,573	1,968	1,496
Termination compensations	<u>214</u>	<u>1,006</u>	<u>151</u>	<u>791</u>
Total	49,430	42,558	42,895	37,366

5.3. Marketing expenses

Marketing expenses are as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2017	2016	2017	2016
CSR and sponsorships	17,966	16,483	12,996	11,038
Advertising	<u>33,229</u>	<u>28,151</u>	<u>25,426</u>	<u>22,972</u>
Total	51,195	44,635	38,422	34,010

5.4. Other operating expenses

The analysis of other operating expenses is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2017	2016	2017	2016
IT related costs	55,554	43,805	50,249	37,787
Utilities & Telecommunication costs	10,828	10,496	9,645	8,826
Rentals	4,995	6,555	2,389	4,274
Other	45,083	49,830	24,066	28,290
Inventory consumption	<u>60,899</u>	<u>66,915</u>	<u>4,224</u>	<u>1,693</u>
Total	177,359	177,600	90,573	80,870

As far as IT related costs are concerned, the difference between the compared periods is attributed mainly to the revenue share and maintenance costs of the Company's new activities, namely VLTs, SSBTs and Virtual games. The respective cost for the nine-month period ending 30.09.2017 amounts to € 9,737.

5.5. Other operating income

The analysis of other operating income is as follows:

Period that ended on September 30,	GROUP		COMPANY	
	2017	2016	2017	2016
Revenues from prepaid cards and mobile top-ups	61,306	67,680	-	-
Management fees	-	-	21,749	19,460
Other income	<u>6,548</u>	<u>11,910</u>	<u>5,223</u>	<u>9,892</u>
Total	67,854	79,589	26,972	29,352

During the third quarter of 2017, three Supreme Court decisions which ruled in favour of the company, were brought to its attention. The aforementioned decisions modify the company's estimates for the outcome of 29 similar cases, resulting in the reversal of the respective provisions of € 15,170, in accordance with its standard practice in relation to the expected outcome of court cases. This income affects the financial performance of the Company and the Group in the third quarter of 2017, while the overall impact of litigation provisions since the beginning of the year amounts to gain of € 2,668.

5.6. Subsequent events

The Board of Directors taking into account the Company's current profitability, prospects, investment plans and its strategic planning, recommends to the General Meeting of shareholders the distribution part of the past years undistributed earnings which represent a special dividend of € 0.70 per share.