

MANEAGEMENT REPORT AND ACCOUNTS

3rd QUARTER 2015



ESTORIL SOL SGPS SA

ESTORIL-SOL, SGPS, S.A.

Capital social integralmente realizado 59.968.420 Euros

Sociedade Anónima com sede na Av. Dr. Stanley Ho, Edifício do Casino Estoril, 2765-190 Estoril - Cascais

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BOARD OF THE ANNUAL GENERAL MEETING

Chairman	- Pedro Canastra de Azevedo Maia
Deputy Chairman	- Tiago Antunes da Cunha Ferreira de Lemos
Secretary	- Marta Horta e Costa Leitão Pinto Barbosa

ADVISORY BOARD

Chairman	- Rui José da Cunha
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REMUNERATION COMMITTEE

- Ho Chiu King, Pansy Catilina
- Jorge Armindo de Carvalho Teixeira
- Calvin Ka Wing Chann

BOARD OF DIRECTORS

Chairman	- Stanley Hung Sun Ho
Deputy-Chairmen	- Mário Alberto Neves Assis Ferreira
	- Huen Wing Ming, Patrick
Members	- Ho Chiu King, Pansy Catilina
	- So Shu Fai, Ambrose
	- Man Hin Choi
	- António José de Melo Vieira Coelho
	- Vasco Esteves Fraga
	- Jorge Armindo de Carvalho Teixeira
	- Calvin ka Wing Chann
	- Miguel António Dias Urbano de Magalhães Queiroz

EXECUTIVE COMMITTEE

Chairman	Ho Chiu King, Pansy Catilina
Deputy-Chairmen	Jorge Armindo de Carvalho Teixeira
	Vasco Esteves Fraga
	Calvin ka Wing Chann

AUDIT BOARD

Chairman	- Mário Pereira Pinto
Deputy-Chairmen	- António José Alves da Silva
	- Manuel Martins Lourenço
Alternates	- Armando do Carmo Gonçalves

COMPANY SECRETARY

Secretary:	- Carlos Alberto Francisco Farinha
Alternate:	- Artur Alexandre Conde de Magalhães Mateus

STATUTORY AUDITOR

- Lampreia & Viçoso, SROC - Represented by José Martins Lampreia

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Interim Management Report

3rd Quarter 2015

1. THE COMPANY

Estoril Sol, S.A. was incorporated on 25 June 1958 and its company object is “the operation of the gambling concession, on an exclusive basis, in the Estoril permanent area, including other related trade and industries”.

On 18 March 2002, ESTORIL-SOL, SA modified its legal status to “Holding Company, SGPS”, Public Corporation, thereby no longer directly conducting any business activities, and such business is now to be conducted by various associated undertakings which have been incorporated for this purpose.

The Company held indirectly through subsidiaries interests in the tourism sector, in particular, in gaming activities at casinos. The Company owns the Game Concessions of Estoril (Casino do Estoril and Casino Lisboa) and Póvoa de Varzim.

2. SHARE CAPITAL, SHARES AND DIVIDENDS

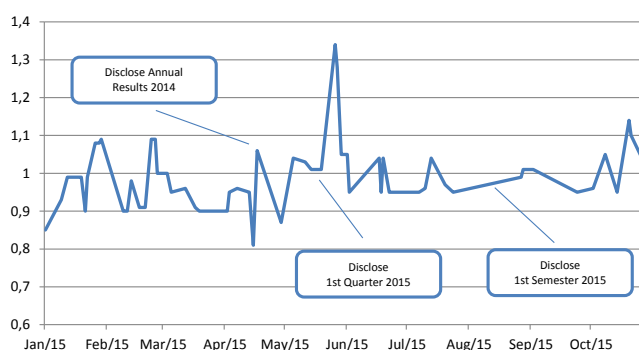
At 30th September 2015, the share capital of ESTORIL-SOL, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five) Euros, of which 6.116.779 were registered shares and 5.876.905 bearer shares.

At the time this report was prepared, ESTORIL SOL, SGPS, S.A. held 62.565 treasury shares, with no trading taking place during the financial year.

During the first quarter of 2015, the Company, did not sold or acquired own shares.

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986.

Estoril-Sol, SGPS, S.A.
Shares price - evolution



The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the year 2015 were according table below:

Date for disclosing Estoril-Sol, SGPS, S.A. , information						
Disclosure	Date	Qty	Price (Euros)			
			Open	High	Low	Close
Annual results for 2014	30/04/2015	1000	1,06	1,06	1,06	1,06
2015, 1st Quarter results	29/05/2015	179	1,01	1,01	1,01	1,01
2015, Semester results	21/08/2015	330	0,95	0,95	0,95	0,95

3. ESTORIL-SOL GROUP

On 30th September 2015, ESTORIL-SOL, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A., incorporated on 26 July 2001, headquartered in Estoril, the social object of which is the operation of games of chance in areas where this is permitted by law and, in addition, may also operate in the tourism, hotel, restaurant and entertainment industries, as well as providing consultancy services in those areas of activity. This company operates the Estoril and Lisbon Casinos.

Its share capital of EUR 34,000,000 is 100% held by ESTORIL-SOL, S.G.P.S., S.A.

VARZIM SOL - ANIMAÇÃO, TURISMO E JOGO, S.A., headquartered in Póvoa de Varzim, has the social object, in particular, of operating the gambling concession of Póvoa de Varzim. This company operates the Póvoa de Varzim Casino.

It has a share capital of EUR 33.650.000, 100% held by ESTORIL SOL, S.G.P.S., S.A..

ESTORIL-SOL (V) – INVESTIMENTOS IMOBILIÁRIOS, S.A. - Its share capital of EUR 50,000 is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.. The Company is now idle, but owns a site located on maritime land in the parish of Ericeira.

DTH - DESENVOLVIMENTO TURÍSTICO E HOTELEIRO, SA – With a share capital of EUR 2,429,146, is 100% held by ESTORIL-SOL, S.G.P.S., S.A.. It owns a plot of land in Monte Estoril, where the former Miramar Hotel stood.

ESTORIL-SOL IMOBILIÁRIA, S.A. - With a share capital of EUR 7,232,570, it is 100% owned by ESTORIL SOL, S.G.P.S., S.A.. Its social object is the construction, promotion, management and sale of tourist complexes and real estate.

PARQUES DO TAMARIZ - SOCIEDADE EXPLORAÇÃO DE PARQUES DE ESTACIONAMENTO, S.A. - ESTORIL- SOL S.G.P.S., S.A., through Estoril Sol Imobiliária, SA, holds a 33.3% stake in the share capital of the company, which is EUR 1 500 000. The company has a licence to build a car park on the land next to Estoril Casino.

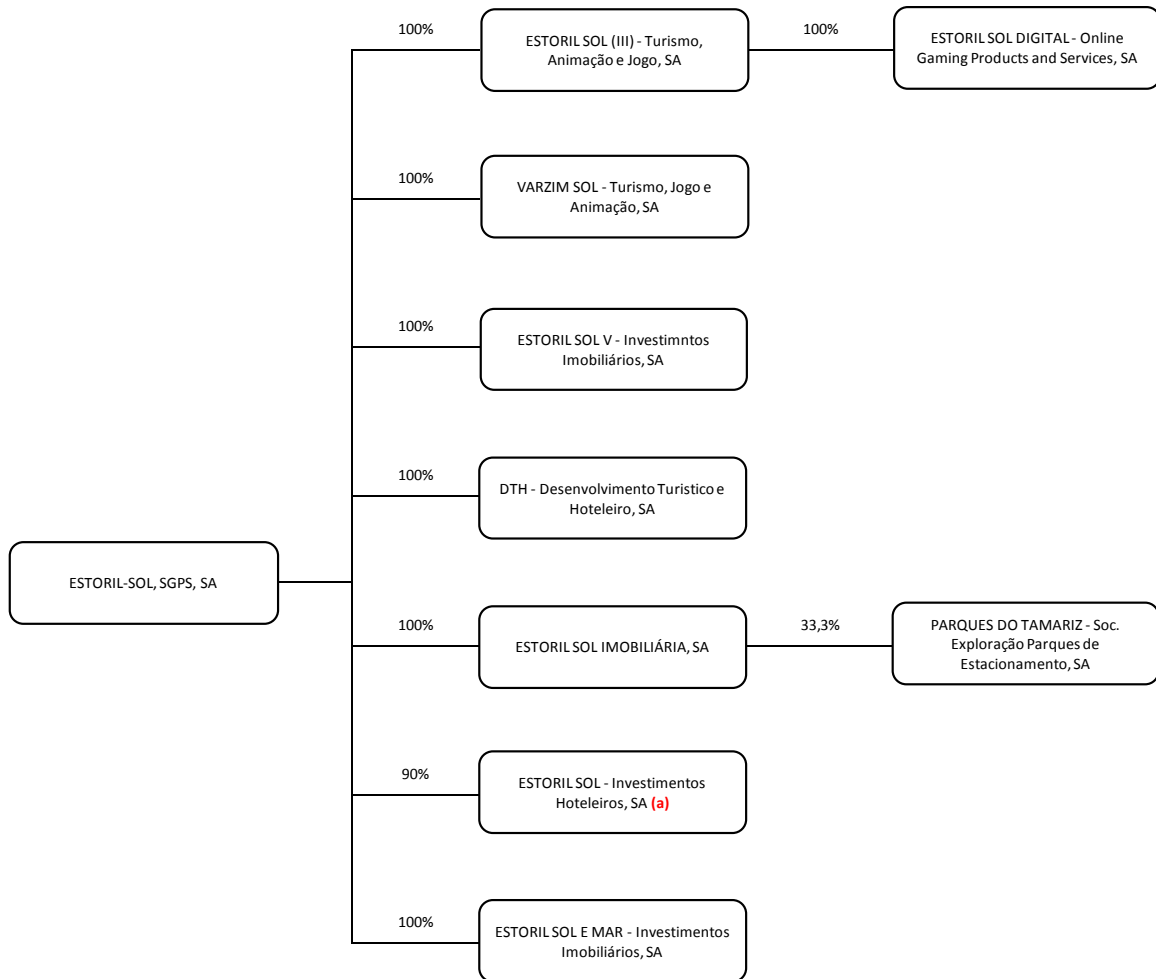
ESTORIL-SOL - INVESTIMENTOS HOTELEIROS, S.A. - With a share capital of EUR 10,835,000 is 90% held by ESTORIL SOL, S.G.P.S., S.A., with the remaining 10% being held by the company itself.

ESTORIL-SOL E MAR – INVESTIMENTOS IMOBILIÁRIOS, S.A. - With a share capital of EUR 1.286.000, is fully paid up by ESTORIL-SOL, S.G.P.S., S.A.

ESTORIL-SOL DIGITAL – ONLINE GAMING PRODUCTS AND SERVICES, S.A. – with a Share Capital of EUR 500.000 is 100% held by ESTORIL-SOL (III) –TURISMO, ANIMAÇÃO E JOGO, S.A.

The Company was founded in September 2015 in order to apply for an online gaming license. As described in point 5 “Relevant Facts”, the Group Estoril-Sol disagrees with the regulation now applicable for online gambling which represents a penalty to the gambling concessionaires as it unilaterally terminates the exclusive right of exploitation of games of fortune and chance in Portugal.

ESTORIL-SOL - GROUP OF COMPANIES



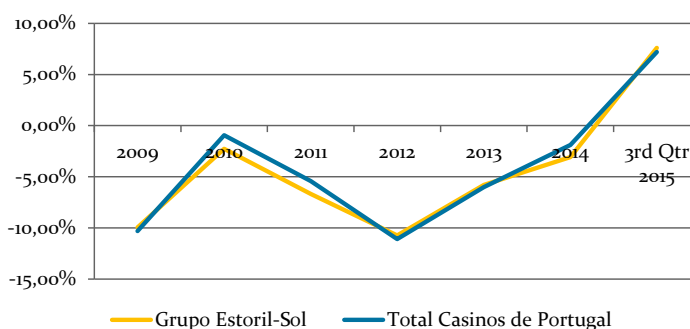
(a) - Holds 10% of its Share Capital

4. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

The recovery trend of gaming revenues growth rate that began in the second half of 2014 remained during the year 2015. As consequence, the gaming revenues increased in the first nine months of 2015 when compared with the same period last year, 7,2% in the industry and 7,6% in the Estoril-Sol Group.

If this positive trend continues in the months to come, the year 2015 may end the negative cycle of gaming revenues growth, a cycle observed since 2009 that caused accumulated game revenues losses of nearly 30% in Portugal.

Growth - Game Revenues

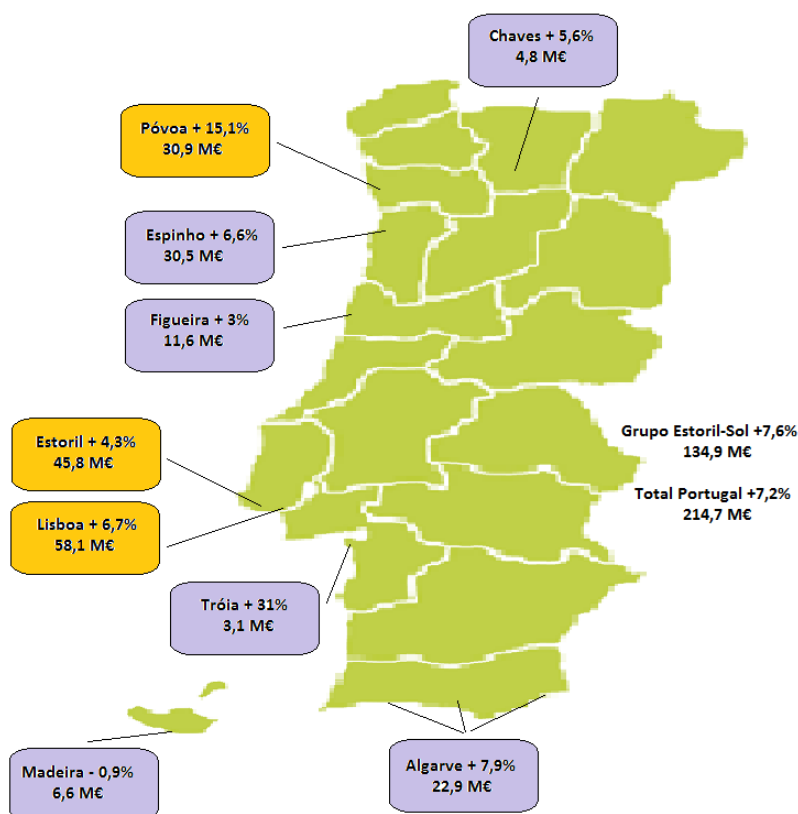


There are eleven casinos operating in Portugal. Estoril-Sol Group, through its subsidiaries, operates three of the four biggest casinos in Portugal, accounting for 63% of net income and taxes paid and generated by the activity in Portugal.

Revenues from gambling in Portugal during the first nine months of 2015 amounted to approximately 214,7 million Euros, an increase of 7,2% compared to last year which represents almost 14,5 million Euros. In the same period the Group game revenues achieved 134,9 million Euros, an increase of 7,6% equivalent to 9,6 million Euros.

Excluding Casino de Tróia in face of its little expression for the industry, Casino da Póvoa showed the best performance off all the casinos operating in Portugal during the first nine months of 2015. Casino da Póvoa revenues grew 15,1% achieving 30,9 million Euros.

The other casinos of the Group showed as well very good performances, Casino Estoril revenues grew 4,3% achieving 45,8 million Euros, while Casino Lisboa revenues grew 6,7% achieving 58,1 million Euros.



The other operating revenues of Estoril-Sol, restaurant and entertainment, grew by 29,8% to 6,5 million Euros. The increase in these revenues is partially justified by the game revenues increase and also for the strengthening and promotion of leisure and entertainment areas within the casinos operated by Estoril-Sol. The operating cost increase by 13% mainly reflects this investment undertaken by the Group to streamline and increase the entertainment offer within the casinos.

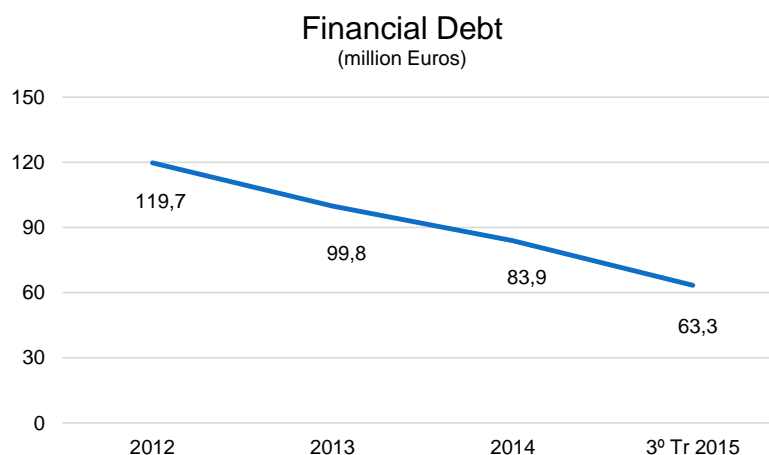
The Group improved its operating results by almost 12%, with a positive EBITDA of 22,2 million Euros for the first nine months of 2015.

In a concerted effort to financial stability and less dependence on third parties, the Group has been successively reducing its bank debt. This reduction resulted in a significant decrease in financial costs incurred by the Group Estoril-Sol, a decrease of 28% over the first nine months of 2015 compared to same period last year. Estoril-Sol supported almost 3,7 million Euros with loan interests during the first nine months of 2015.

At the 30th of September 2015 the Group consolidated financial debt amounted to 63,3 million Euros, as a result of the 20,6 million Euros reimbursed since the beginning of the year.

	Sep-15	Sep-14	Var %
Gaming Revenue	134.766.210	125.311.581	7,5%
Special Gaming Tax	-70.651.545	-67.590.519	a)
Effective Tax Rate	52%	54%	
Game Revenue - Net	64.114.665	57.721.062	11,1%
Other revenue (F&B / Entertainment)	6.533.159	5.031.363	29,8%
Operating costs	-48.439.265	-42.869.201	13,0%
EBITDA	22.208.559	19.883.224	11,7%
Amortization and Depreciation	-15.987.429	-15.731.676	2%
Financial Costs	-3.709.049	-5.152.594	-28%
Income tax (IRC)	-50.700	-45.500	11%
Consolidated net result of the year	2.461.379	-1.046.546	335%

a) Includes the amounts recorded in "Gaming taxes" as "Special Gaming tax (current)" and "Annual gaming tax (difference to minimum grant)"



The favorable combination of game revenues growth and substantial financial bank debt reduction allowed the Group to show a positive consolidated net result of 2,4 million Euros compared to losses of 1,04 million Euros in the previous year. While it is desirable for obvious reasons that this trend continue in the nearby future, it is prudent to consider that this positive trend in gaming revenues and in the Group financing costs may be conditioned by potential political events in the Eurozone that results in significant changes in the reference interest rates.

By analyzing the results at casino level, it is possible to conclude that only Casino Lisboa has a positive net result, approximately 8,6 million Euros. Still, it is important to highlight the fact that in the first nine months of 2015, all Group casinos presented positive operational results (EBITDA).

It must be emphasized that these performances, with special focus over Casino da Póvoa, have been repeatedly penalized by tax rates applied to game revenues, which in the case of Casino da Póvoa achieve a 60% effective tax rate over game revenues for the period ended September 2015, proving once more the high and inadequate levels of taxation over game revenues given the current situation of the Portuguese casinos.

Therefore, It will be prudent and realistic to foresee the continuation of moderate and gradual recovery of activity levels and operational results generated by the Group casinos, conditioned by the need to continue the consolidation budget process as well as the reduction of the Group financial bank debt.

	Estoril	Lisboa	Póvoa	Other
Gaming Revenue	45.754.791	58.086.115	30.925.304	
Game taxes	-22.936.201	-29.066.595	-18.648.750	
Effective Tax Rate	50%	50%	60%	
Net Revenue	22.818.591	29.019.521	12.276.554	
EBITDA	6.023.277	15.401.954	2.036.979	
EBITDA Margin	13%	27%	7%	
Amortization and Depreciation	-5.861.244	-5.569.208	-4.380.054	
Financial Costs	-1.216.439	-1.196.520	-1.257.330	
Net Result of the Segment	-1.054.406	8.636.226	-3.600.405	
Other Segments Operating Results				-1.520.034
Consolidated net result of the year				2.461.381

	Sep - 2015	Sep - 2014	Var %
EBITDA			
- Casino Estoril	6.023.277	7.088.270	-15,0%
- Casino Lisboa	15.401.954	14.374.459	7,1%
- Casino Póvoa	2.036.979	-673.918	402,3%
Net Result			
- Casino Estoril	-1.054.406	-657.683	-60,3%
- Casino Lisboa	8.636.226	6.900.571	25,2%
- Casino Póvoa	-3.600.405	-6.385.564	43,6%

5. RELEVANT FACTS

- During the first quarter of 2013, after a unanimous vote taken at the headquarters of the Portuguese Association of Casinos as well as within the Board of Estoril-Sol, the operating companies from the Group Estoril-Sol, have filed lawsuits against the State in which they seek to be restored the financial balance of Gaming Concessions. Such a claim is founded, among other reasons, because the State, through its actions and omissions has given rise to changes in circumstances that were the basis for the negotiation of the gaming concessions. Of them highlights the fact that it was assumed for tax basis a continuing and significant increase of gaming revenue throughout the concession period. Despite not having checked this proposition due to the economic climate and as a result of the State attitude in relation to online gambling and illegal gambling, among others, it continued to require them to pay very high taxes, calculated on revenue that the Concessionaires did not obtain. Thus, remained no alternative to the Concessionaires that was not to challenge with the competent Administrative and Fiscal Courts the settlements of tax to which they were presented, and for that purpose submit the necessary judicial guarantees. However by the time of approval of this report, and despite the fact that all tax settlements were contested by the Group, all taxes are without exception, or paid or its payment was legally postponed under Decree-Law 1/2015, and for this reason the Group Estoril-Sol does not have any overdue debt related with game taxes.

- On the 28th June 2015 the online gambling regulation approved by decree-law 66/2015 entered into force. This regulation now applicable, approved by the Government, represents, once again, a penalty to the gambling concessionaires unilaterally terminating the exclusive right of exploitation of games of fortune and chance in Portugal, - a right by which the concessionaires paid considerable sums and assumed significant additional obligations - the law published, puts them in equal circumstances as the offenders of the past who, in the meantime, managed to illegally build their customer database, key factor to ensure the success of this business, being noticeable by the studies conducted, that the current gambling concessionaires little or nothing would be able to benefit, in the future, from the law deliberated in the meantime, in order to balance their operating accounts.

6. SUBSEQUENT FACTS

Between the 30th of September 2015 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, SGPS,S.A. and the other Companies of the Group.

Estoril, 28th October, 2015

The Board of Directors

- Chairman:

Stanley Hung Sun Ho

- Vice-Chairmen:

Mário Alberto Neves Assis Ferreira

Huen Wing Ming, Patrick

- Directors:

Ho Chiu king, Pansy Catilina

So Shu Fai, Ambrose

Man Hin Choi

António José de Melo Vieira Coelho

Vasco Esteves Fraga

Jorge Armindo de Carvalho Teixeira

Calvin Ka Wing Chann

Miguel António Dias Urbano de Magalhães Queiroz

FINANSOL, SOCIEDADE DE CONTROLO, S.G.P.S., S.A.

On 30th September 2015, ESTORIL SOL, S.G.P.S., S.A. held 62,565 treasury shares, and as FINANSOL - SOCIEDADE DE CONTROLO, S.G.P.S., S.A., on 30th September 2015, held 6,930,604 shares of ESTORIL-SOL, S.G.P.S., S.A., it was a direct holder of 58.1% of the share capital and of the voting rights.

The members of the Board of Directors and of the Advisory Board of the Companies which are controlled by or grouped under ESTORIL-SOL, held 255,698 shares of ESTORIL-SOL, S.G.P.S., S.A., corresponding to 2.1% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of FINANSOL in the capital of ESTORIL-SOL is 60.2%, which is identical to the percentage of votes.

AMORIM - ENTERTAINMENT E GAMING INTERNATIONAL, S.G.P.S., S.A.

On 30th September 2015, ESTORIL-SOL, S.G.P.S., S.A. held 62,565 treasury shares, and, as AMORIM – ENTERTAINMENT E GAMING INTERNATIONAL, S.G.P.S., S.A. held 3,917,793 shares, this company was a direct holder of 32.8% of the share capital and of the voting rights of ESTORIL SOL, S.G.P.S., S.A..

The Companies Briargrove Limited and Nyland Limited as well as the respective "beneficial owners", Srs. Joaquim Ferreira de Amorim, José Américo Amorim Coelho and António Ferreira de Amorim, held 361,500 shares of ESTORIL-SOL, S.G.P.S., S.A., corresponding to 3.0% of the share capital and voting rights.

Therefore, in overall terms, the direct and indirect stake of AMORIM - ENTERTAINMENT E GAMING INTERNATIONAL, S.G.P.S., SA in the share capital of ESTORIL-SOL, S.G.P.S., S.A. was, on 30th September 2015, 35.9% which is identical to the percentage of votes.



CONSOLIDATED FINANCIAL STATEMENTS
AND
NOTES TO THE ACCOUNTS

CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION

ESTORIL SOL, SGPS, S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON SEPTEMBER 30th, 2015 And DECEMBER 31st, 2014

(Amounts in Euros)

ASSETS	Notes	Sep - 15	Dec - 14
NON-CURRENT ASSETS:			
Tangible fixed assets			
Reversible to the State	10	48.523.038	53.813.029
Not reversible to the State	10	58.336.739	60.158.213
Tax deductions on investments	-	(17.858.135)	(19.632.477)
Total non-current assets		89.001.642	94.338.765
Intangible assets	11	69.599.554	78.393.135
Investment properties	-	205.734	209.897
Other non current assets	-	29.636	24.541
		<u>158.836.566</u>	<u>172.966.338</u>
CURRENT ASSETS:			
Inventories	-	6.741.831	6.768.436
Accounts receivable - trade	-	79.944	409.769
Other accounts receivable	-	1.475.236	1.051.218
Cash and cash equivalents	12	8.816.359	10.045.442
Total current assets		<u>17.113.370</u>	<u>18.274.865</u>
Total assets		<u>175.949.936</u>	<u>191.241.203</u>
EQUITY and LIABILITIES			
EQUITY:			
Capital	13	59.968.420	59.968.420
Treasury shares	13	(708.306)	(708.306)
Issue premiums	13	7.820.769	7.820.769
Legal Reserves		6.614.782	6.614.782
Other Reserves and Retained earnings		(7.265.176)	(5.528.891)
Consolidated net profit		2.461.381	(1.736.283)
Total equity		<u>68.891.871</u>	<u>66.430.491</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Financial debt	14	5.936.159	8.948.862
Other accounts payable	15	3.734.424	3.734.424
Provisions	16	7.038.019	6.466.592
Total non-current liabilities		<u>16.708.601</u>	<u>19.149.878</u>
CURRENT LIABILITIES:			
Financial debt	14	57.422.766	75.045.853
Other accounts payable	15	32.926.698	30.614.981
Total current liabilities		<u>90.349.464</u>	<u>105.660.834</u>
Total liabilities		<u>107.058.065</u>	<u>124.810.712</u>
Total equity and liabilities		<u>175.949.936</u>	<u>191.241.203</u>

The notes form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENTS



ESTORIL-SOL, SGPS, S.A.
CONSOLIDATED INCOME STATEMENT
OF THE PERIODS ENDED ON 30th SEPTEMBER, 2015 AND 2014

(Amounts in Euros)

		30th September		3rd Quarter	
	Notes	2015	2014	2015	2014
REVENUE:					
Gaming revenues	6	134.766.211	125.311.582	46.668.477	43.648.286
Gaming taxes	6	(70.651.546)	(67.590.519)	(23.905.233)	(23.203.497)
		64.114.665	57.721.063	22.763.245	20.444.789
Other operating revenue	6	6.533.159	5.031.362	2.394.113	1.819.253
		70.647.824	62.752.425	25.157.358	22.264.042
OPERATING EXPENSES:					
Cost of sales	-	(1.983.598)	(1.751.638)	(706.750)	(599.990)
Supplies and external services	7	(20.011.395)	(17.390.880)	(7.191.723)	(6.020.861)
Wages and salaries	8	(23.726.450)	(22.329.557)	(8.145.562)	(7.495.620)
Depreciation and amortization	-	(15.987.429)	(15.731.676)	(5.465.786)	(5.189.246)
Impairments - accounts receivable ((increases) / reversals)	-	(110.529)	(105.881)	(30.164)	(43.554)
Provisions ((increases) / reversals)	16	(665.114)	209.538	(67.114)	5
Impairment of non-depreciable / amortizable investments	-	(7.999)	(2.937)	(3.254)	-
Other indirect taxes	-	(255.456)	(284.210)	(88.442)	(76.337)
Other operating expenses	-	(1.678.724)	(1.213.636)	(613.629)	(332.701)
Total operating expenses		(64.426.694)	(58.600.877)	(22.312.424)	(19.758.304)
Income before financial results and taxes		6.221.130	4.151.548	2.844.933	2.505.738
FINANCIAL (LOSSES) AND GAINS:					
Financial losses	9	(3.725.690)	(5.174.163)	(1.127.233)	(1.606.198)
Financial gains	9	16.641	21.569	6.221	7.850
		(3.709.049)	(5.152.594)	(1.121.013)	(1.598.348)
Income before taxes		2.512.081	(1.001.046)	1.723.921	907.390
Income taxes	-	(50.700)	(45.500)	(42.000)	(24.500)
CONSOLIDATED NET INCOME	5	2.461.381	(1.046.546)	1.681.921	882.890
Attributable to:					
Equity holders of the parent		2.461.381	(1.046.546)	1.681.921	882.890
Net result per share	17	0,21	(0,09)	0,14	0,07

The notes form an integral part of these financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

ESTORIL-SOL, SGPS, S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIODS ENDED 30th SEPTEMBER 2015 AND 2014

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other Reserves and Retained Earnings	Consolidated net result of the year	Total Equity
Balance at 01st January 2014	59.968.420	(708.306)	7.820.769	6.614.782	(5.088.770)	(889.120)	67.717.775
Application of the net profit of the year ended 31st December 2013	-	-	-	-	(889.120)	889.120	-
Consolidated Other Comprehensive Income (OCI) of the period ended 30th September 2014	-	-	-	-	-	(1.046.546)	(1.046.546)
Balance at 30th September 2014	59.968.420	(708.306)	7.820.769	6.614.782	(5.977.890)	(1.046.546)	66.671.229
Balance at 01st January 2015	59.968.420	(708.306)	7.820.769	6.614.782	(5.528.891)	(1.736.283)	66.430.491
Application of the net profit of the year ended 31st December 2014	-	-	-	-	(1.736.283)	1.736.283	-
Consolidated Other Comprehensive Income (OCI) of the period ended 30th September 2015	-	-	-	-	-	2.461.381	2.461.381
Balance at 30th September 2015	59.968.420	(708.306)	7.820.769	6.614.782	(7.265.176)	2.461.381	68.891.871

The notes form an integral part of these financial statements

CONSOLIDATED CASH FLOW STATEMENTS



ESTORIL-SOL, SGPS,S.A.

CONSOLIDATED CASH FLOW STATEMENTS

FOR PERIODS ENDED 30th SEPTEMBER 2015 AND 2014

(Amounts in Euros)

Notes	30th September		3rd Quarter	
	2015	2014	2015	2014
OPERATING ACTIVITIES:				
Receipts from clients	138.586.513	128.298.178	48.193.189	44.593.603
Payments to suppliers	(23.104.824)	(21.811.277)	(7.126.564)	(6.172.763)
Payments to staff	(20.046.374)	(19.071.401)	(6.458.698)	(6.120.968)
Cash flow generated by operations	95.435.315	87.415.500	34.607.928	32.299.872
Payment of income tax	(192.625)	(71.152)	-	-
Payment of Special Gaming tax	(65.158.650)	(65.891.101)	(18.288.363)	(16.884.185)
Other payments relating to the operating activity	(3.799.638)	(3.236.573)	(1.515.466)	(1.042.554)
Cash flow from operating activities (1)	26.284.403	18.216.674	14.804.099	14.373.133
INVESTING ACTIVITIES:				
Receipts from:				
Interest and similar income	16.641	21.568	6.221	7.850
	16.641	21.568	6.221	7.850
Payments in respect of:				
Tangible fixed assets	(2.929.364)	(3.600.823)	(1.764.362)	(1.731.086)
	(2.929.364)	(3.600.823)	(1.764.362)	(1.731.086)
Cash flow from investment activities (2)	(2.912.723)	(3.579.255)	(1.758.142)	(1.723.236)
FINANCING ACTIVITIES:				
Receipts from:				
Bank loans obtained	395.711.892	347.296.045	90.700.162	114.017.721
	395.711.892	347.296.045	90.700.162	114.017.721
Payments in respect of:				
Bank loans repaid	(416.547.603)	(358.407.830)	(102.135.094)	(125.359.545)
Interest and similar costs	(3.759.848)	(5.165.977)	(1.062.294)	(1.466.503)
Amortization of finance leasing contracts	-	(30.370)	-	(219)
	(420.307.450)	(363.604.177)	(103.197.388)	(126.826.267)
Cash flow from financing activities (3)	(24.595.559)	(16.308.132)	(12.497.226)	(12.808.546)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)	(1.223.879)	(1.670.713)	548.732	(158.649)
Cash and cash equivalents at the start of the period	12	10.040.238	9.654.693	8.267.627
Cash and cash equivalents at the end of the period	12	8.816.359	7.983.980	8.116.359

The notes form an integral part of these financial statements

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1. INTRODUCTION

The Estoril Sol Group, through its subsidiary and associated companies (Note 4), conducts business in gaming, the restaurant sector, entertainment and also real estate.

Estoril Sol, S.G.P.S., S.A. is the Holding Company of the Estoril Sol Group ("Group") and the shares representing its share capital are admitted for trading on a regulated market - the Euronext – as such, on 1 January 2005 it was obliged to prepare Consolidated Accounts pursuant to article 3 of Regulation (EC) no. 1606/2002, of the European Parliament and of the Council, of 19 July, following the Portuguese government's publication of Decree Law no. 35/2005, article 11.

2. MAIN ACCOUNTING POLICIES

2.1. Bases of presentation

The attached financial statements were prepared on the assumption of the continuity of operations, based on the books and accounting records of the companies included in the consolidation (Note 4), adjusted to comply with the provisions of the IAS 34 as adopted in the European Union and should be read together with the consolidated financial statements for the year ended 31st December 2014. The interim financial information now disclose was not subjected to an external audit or limited review.

3. JUDGMENTS OF VALUE, CRITICAL ASSUMPTIONS AND MAIN SOURCES OF UNCERTAINTY ASSOCIATED TO ESTIMATES

During the period ended on 30th September 2015, there were no changes in accounting policies in relation to those used in the preparation and presentation of the financial statements of the year ended on 31st December 2014, nor were any material errors recognised relating to previous periods.

4. COMPANIES INCLUDED IN THE CONSOLIDATION AND ASSOCIATE COMPANIES

4.1 Companies included in the consolidation

The companies included in the consolidation, their registered offices, the method of consolidation adopted and the proportion of the capital effectively held on 30th September 2015 and 31st December 2014 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Sep-15	Dec-14
Estoril-Sol, S.G.P.S., S.A.	Estoril	Integral	Holding. Co.	Holding. Co.
Estoril-Sol (III) - Turismo, Animação e Jogo, S.A.	Estoril	Integral	100	100
Varzim Sol - Turismo, Jogo e Animação, S.A.	Póvoa de Varzim	Integral	100	100
Estoril-Sol V - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
DTH - Desenvolvimento Turístico e Hoteleiro, S.A.	Estoril	Integral	100	100
Estoril-Sol Imobiliária, S.A.	Estoril	Integral	100	100
Estoril-Sol - Investimentos Hoteleiros, S.A.	Estoril	Integral	100	100
Estoril-Sol e Mar - Investimentos Imobiliários, S.A.	Estoril	Integral	100	100
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	Estoril	Integral	100	n/a

ESTORIL-SOL DIGITAL – ONLINE GAMING PRODUCTS AND SERVICES, S.A. – with a Share Capital of EUR 500.000 is 100% held by ESTORIL-SOL (III) –TURISMO, ANIMAÇÃO E JOGO, S.A.

The Company was founded in September 2015 in order to apply for an online gaming license. As described in point 5 "Relevant Facts" of Management Report, the Group Estoril-Sol disagrees with the regulation now applicable for online gambling which represents a penalty to the gambling concessionaires as it unilaterally terminates the exclusive right of exploitation of games of fortune and chance in Portugal.

4.2 Associate companies

Estoril-Sol, SGPS, S.A. indirectly holds 33.33% of the company Parques do Tamariz, S.A., through Estoril Sol Imobiliária, S.A.

These holdings are presented at the value resulting from the equity pick-up method. Using this method, the financial statements include the part attributable to the Estoril Sol Group of the results recognised from the date on which the significant influence starts up to the date on which it effectively ends. Associate companies are entities in which the Estoril Sol Group has between 20% and 50% of the voting rights, or in which the Group has significant influence.

5. REPORTING BY SEGMENTS

The segments reportable by the Group are based on the identification of segments in line with the financial information that is reported internally to the Board of Directors and which supports the Board in its evaluation of the performance of the businesses and in taking decisions with regard to the allocation of the resources to be used. The segments identified by the Group for reporting by segments, are therefore consistent with the way in which the Board of Directors analyses its business, corresponding to the Estoril Gaming Concession the Estoril Casino and Lisbon Casino, Póvoa Casino and Others (essentially including the effect of the holding companies and of the other operating activities of the Group).

On 30th September 2015 and 2014, the information by business segment, is as follows:

	September - 2015					
	Estoril Game Concession Estoril Casino	Lisboa Casino	Sub-Total	Póvoa Casino	Other	Total
Net assets	43.568.635	81.246.939	124.815.573	45.045.225	6.089.138	175.949.936
Net liabilities	31.821.691	36.421.815	68.243.506	33.924.930	4.889.629	107.058.065
Result of the segment	(1.054.406)	8.636.226	7.581.820	(3.600.405)	(1.520.034)	2.461.381
Investment assets:						
- tangible fixed	868.406	717.201	1.585.607	1.580.662	-	3.166.269

	September - 2014					
	Estoril Game Concession Estoril Casino	Lisboa Casino	Sub-Total	Póvoa Casino	Other	Total
Net assets	52.429.931	85.086.458	137.516.389	49.985.062	6.288.103	193.789.554
Net liabilities	41.326.489	44.558.800	85.885.289	36.552.486	4.680.551	127.118.326
Result of the segment	(657.683)	6.900.571	6.242.888	(6.385.564)	(903.870)	(1.046.546)
Investment assets:						
- tangible fixed	2.290.602	444.057	2.734.659	1.249.740	-	3.984.399

6. OPERATING INCOME BY NATURE

The consolidated operating income, in the years ended on 30th September 2015 and 2014, is split in the following manner:

Nature	September - 2015					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
- Slot Machines	34.726.315	47.120.070	81.846.385	25.286.522	-	107.132.907
- Table based gaming	11.146.086	11.013.119	22.159.205	5.693.004	-	27.852.209
- Progressive games prizes	(117.610)	(47.074)	(164.684)	(54.222)	-	(218.906)
	<u>45.754.791</u>	<u>58.086.115</u>	<u>103.840.906</u>	<u>30.925.304</u>	<u>-</u>	<u>134.766.210</u>
Gaming taxes:						
- Special Gaming Tax (current)	(22.936.201)	(29.066.595)	(52.002.795)	(15.489.763)	-	(67.492.558)
- Annual Gaming Tax (difference to minimum grant)	-	-	-	(3.158.987)	-	(3.158.987)
	<u>(22.936.201)</u>	<u>(29.066.595)</u>	<u>(52.002.795)</u>	<u>(18.648.750)</u>	<u>-</u>	<u>(70.651.545)</u>
Other operating revenues:						
- F&B and Entertainment	2.914.241	381.964	3.296.205	603.957	-	3.900.162
- Tax deductions - Entertainment	819.000	549.000	1.368.000	1.023.191	-	2.391.191
- Supplementary income	174.178	34.242	208.419	15.693	-	224.112
- Other	16.463	0	16.463	1.231	-	17.694
	<u>3.923.882</u>	<u>965.206</u>	<u>4.889.087</u>	<u>1.644.072</u>	<u>-</u>	<u>6.533.159</u>
	<u>26.742.472</u>	<u>29.984.726</u>	<u>56.727.198</u>	<u>13.920.626</u>	<u>-</u>	<u>70.647.824</u>

Nature	September - 2014					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
- Slot Machines	32.978.059	45.720.379	78.698.438	22.991.872	-	101.690.310
- Table based gaming	10.971.092	8.759.390	19.730.482	3.922.285	-	23.652.767
- Progressive games prizes	(5.901)	(3.454)	(9.355)	(22.141)	-	(31.496)
	<u>43.943.250</u>	<u>54.476.315</u>	<u>98.419.565</u>	<u>26.892.016</u>	<u>-</u>	<u>125.311.581</u>
Gaming taxes:						
- Special Gaming Tax (current)	(21.974.576)	(27.239.885)	(49.214.461)	(13.457.079)	-	(62.671.540)
- Annual Gaming Tax (difference to minimum grant)	-	-	-	(4.918.980)	-	(4.918.980)
	<u>(21.974.576)</u>	<u>(27.239.885)</u>	<u>(49.214.461)</u>	<u>(18.376.059)</u>	<u>-</u>	<u>(67.590.520)</u>
Other operating revenues:						
- F&B and Entertainment	2.333.072	415.803	2.748.875	442.148	-	3.191.023
- Tax deductions - Entertainment	855.000	540.000	1.395.000	269.141	-	1.664.141
- Supplementary income	134.846	34.942	169.788	-	-	169.788
- Other	3.253	779	4.032	2.379	-	6.411
	<u>3.326.171</u>	<u>991.524</u>	<u>4.317.695</u>	<u>713.668</u>	<u>-</u>	<u>5.031.363</u>
	<u>25.294.845</u>	<u>28.227.954</u>	<u>53.522.799</u>	<u>9.229.625</u>	<u>-</u>	<u>62.752.424</u>

Income from the segments comes from transactions with external customers. There are no transactions between segments. The accounting policies of each segment are the same as those of the Group.

7. EXTERNAL SUPPLIES AND SERVICES

In the periods ended on 30th September 2015 and 2014, external supplies and services were as follows:

	Set - 2015	Set - 2014
Gifts to customers	3.104.971	3.053.362
Subcontracts	2.365.407	1.444.814
Energy and other fluids	2.195.236	2.134.012
Conservation and repairs	1.972.326	1.742.954
Cleaning and laundry	1.699.613	1.736.543
Specialized work	1.602.227	995.249
Royalties	1.496.152	1.757.453
Advertising	1.414.513	561.858
Surveillance and security	1.193.047	1.118.884
Other	824.967	768.091
Rents	815.898	964.877
Insurance	487.128	305.225
Communication	390.496	193.899
Fees	299.711	473.282
Travel and hotels	149.704	140.379
	<u>20.011.395</u>	<u>17.390.880</u>

The most relevant changes occurred in “subcontracts” and “advertising” related to investments made in the animation and entertainment areas of the casinos operated by the Group, with special focus on Casino Estoril.

8. STAFF COSTS

In the periods ended on 30th September 2015 and 2014, staff costs were as follows:

	Sep - 2015	Sep - 2014
Remuneration of governing bodies	2.163.973	2.224.723
Remuneration of staff	15.749.304	14.805.421
Indemnities	78.529	4.097
Charges on remuneration	4.171.959	3.991.978
Insurance	198.759	250.520
Social charges	699.884	567.969
Other	439.041	484.849
	<u>23.726.450</u>	<u>22.329.557</u>

9. NET FINANCIAL COSTS

Financial costs and income for the periods ended on 30th September 2015 and 2014 is broken down as follows:

Financial Costs	Sep - 2015	Sep - 2014
Interest borne:		
Financing from banks	(2.420.598)	(3.806.283)
Finance and operating leasing	(57.933)	(65.661)
	<u>(2.478.531)</u>	<u>(3.871.944)</u>
Other financing costs:		
Commissions and similar charges	(962.710)	(1.000.146)
Other financial costs	(284.448)	(302.073)
	<u>(3.725.690)</u>	<u>(5.174.163)</u>

Financial Income	Sep - 2015	Sep - 2014
Interests from bank deposits	-	-
Exchange gains	11.863	13.046
Other	4.778	8.523
	<u>16.641</u>	<u>21.569</u>
Net financial costs	<u>(3.709.049)</u>	<u>(5.152.593)</u>

10. TANGIBLE FIXED ASSETS

During the periods ended on 30th September 2015 and 2014, the movement in tangible assets, as well as in the respective depreciation and accumulated impairment losses, was as follows:

January to September 2015								
	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance	16.513.836	197.253.396	113.891.718	66.744	3.928.055	82.292	364.823	332.100.864
Acquisitions	-	-	2.780.159	-	33.321	-	352.789	3.166.269
Adjustments / Transfers	-	-	113.456	-	-	-	(113.456)	-
Write-off	-	-	(669.347)	-	(4.299)	-	-	(673.646)
Closing balance	<u>16.513.836</u>	<u>197.253.396</u>	<u>116.115.986</u>	<u>66.744</u>	<u>3.957.077</u>	<u>82.292</u>	<u>604.156</u>	<u>334.593.487</u>
Depreciation and accumulated impairment losses:								
Opening balance	-	121.688.433	92.786.527	35.476	3.538.941	80.249	-	218.129.626
Depreciation of the year	-	5.843.314	4.314.851	7.453	110.536	565	-	10.276.719
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	(668.461)	-	(4.172)	-	-	(672.633)
Closing balance	<u>-</u>	<u>127.531.747</u>	<u>96.432.917</u>	<u>42.929</u>	<u>3.645.305</u>	<u>80.814</u>	<u>-</u>	<u>227.733.712</u>
Net amount	<u>16.513.836</u>	<u>69.721.649</u>	<u>19.683.069</u>	<u>23.815</u>	<u>311.772</u>	<u>1.478</u>	<u>604.156</u>	<u>106.859.777</u>

January to September 2014								
	Land	Buildings and other constructions	Basic equipment	Vehicles	Office equipment	Other tangible fixed assets	Fixed assets in progress	Advance payments on tangible fixed assets
Gross amount:								
Opening balance	16.513.836	198.191.877	108.585.852	224.740	3.909.864	82.292	1.360.297	-
Acquisitions	-	-	3.275.296	-	14.097	-	615.486	79.520
Disposals	-	-	-	-	-	-	-	-
Adjustments / Transfers	-	-	589.517	-	-	-	(589.517)	(79.520)
Write-off	-	-	(1.047.865)	(71.375)	(371)	-	-	(1.119.611)
Closing balance	<u>16.513.836</u>	<u>198.191.877</u>	<u>111.402.800</u>	<u>153.365</u>	<u>3.923.590</u>	<u>82.292</u>	<u>1.386.266</u>	<u>-</u>
Depreciation and accumulated impairment losses:								
Opening balance	-	114.501.693	89.328.068	131.688	3.380.593	79.469	-	-
Depreciation of the year	-	6.103.065	3.750.832	14.140	121.181	584	-	-
Disposals	-	-	-	-	-	-	-	-
Adjustments / Transfers	-	-	-	-	-	-	-	-
Write-off	-	-	(1.047.864)	(48.636)	(371)	-	-	(1.096.871)
Closing balance	<u>-</u>	<u>120.604.758</u>	<u>92.031.036</u>	<u>97.192</u>	<u>3.501.403</u>	<u>80.053</u>	<u>-</u>	<u>-</u>
Net amount	<u>16.513.836</u>	<u>77.587.119</u>	<u>19.371.764</u>	<u>56.173</u>	<u>422.187</u>	<u>2.239</u>	<u>1.386.266</u>	<u>-</u>

11. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th September 2015 and 31st December 2014 is as follows:

	September - 2015		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153.576.455	(122.515.676)	31.060.779
- Casino Lisboa	30.000.000	(19.069.949)	10.930.051
Póvoa Gaming Concession - Casino da Póvoa	77.034.109	(49.425.385)	27.608.724
	<u>260.610.564</u>	<u>(191.011.010)</u>	<u>69.599.554</u>

	December - 2014		Net Assets
	Gross Assets	Accumulated Amortization	
Estoril Gaming Concession			
- Casino Estoril	153.576.455	(117.876.933)	35.699.522
- Casino Lisboa	30.000.000	(17.527.092)	12.472.908
Póvoa Gaming Concession - Casino da Póvoa	77.034.109	(46.813.404)	30.220.705
	<u>260.610.564</u>	<u>(182.217.429)</u>	<u>78.393.135</u>

12. CASH AND CASH EQUIVALENTS

On 30th September 2015 and 31st December 2014, this caption was broken down as follows:

	Sep - 2015	Dec - 2014
Cash	7.310.402	7.810.732
Bank Deposits:		
- Immediately available bank deposits	1.473.509	1.094.265
- Security deposits (a)	-	1.100.000
Other treasury applications	32.446	40.445
Cash and bank deposits	<u>8.816.358</u>	<u>10.045.442</u>
Bank overdrafts	(67.470)	(5.204)
Cash and cash equivalents	<u>8.748.888</u>	<u>10.040.238</u>

- (a) – Security deposit hold at a Portuguese financial institution, whose participation by the beneficiary, Turismo de Portugal, I.P., was subjected to the condition that, until January 31st, 2015, the depositary bank had not received from the deposit holder, Varzim-Sol – Turismo, Jogo e Animação, S.A., a bank transfer receipt in favor of Turismo de Portugal, I.P., in the total amount settled as “Special Gaming Tax – Annual Payment” related to the year 2014, in accordance with note 28 from consolidated financial statements. The use/mobilization of this deposit by its beneficiary, Turismo de Portugal, I.P., did not occur as the game concessionaire company, Varzim-Sol – Turismo, Jogo e Animação, paid in accordance with payments schedule all its obligations related with game taxes. The Group Estoril-Sol, by the time of approval of these financial statements, has not any overdue debt towards Turismo de Portugal, I.P.

13. CAPITAL

On 30th September 2015 and 31st December 2014, the share capital of the Company is represented by 11,993,684 shares, of which 6,116,779 are registered shares and 5,876,905 bearer shares, of a nominal unit value of 5 Euros, which confer the right to a dividend.

The share capital issued by the Company on 30th June 2015 and on 31st December 2014 is broken down as follows:

	Sep - 2015	Dec - 2014
Share capital	59.968.420	59.968.420
Treasury shares	(708.306)	(708.306)
Issue premiums	7.820.769	7.820.769
	<u>67.080.883</u>	<u>67.080.883</u>

The share capital is represented by the following categories of shares:

Data	Nominal value	No. of shares
30th of September 2015		
Registered	5€	6.116.779
Bearer	5€	5.876.905
		<u>11.993.684</u>
31st of December 2014		
Registered	5€	6.116.779
Bearer	5€	5.876.905
		<u>11.993.684</u>

Treasury shares were acquired by the Company as follows:

Year of Acquisition	No. Shares	Nominal value	Total nominal	Total premiums	Total
2001	34.900	5	174.500	280.945	455.445
2002	43	5	215	184	399
2007	22	5	110	88	198
2008	27.600	5	138.000	114.264	252.264
Total	<u>62.565</u>		<u>312.825</u>	<u>395.481</u>	<u>708.306</u>

Legal persons with more than a 20% holding in the share capital:

- Finansol, Sociedade de Controlo, S.G.P.S, S.A., with 60.2%
- Amorim – Entertainment e Gaming International, S.G.P.S., S.A., with 35.87%.

14. FINANCIAL DEBT

On 30th September 2015 and 31st December 2014, this caption was broken down as follows:

Nature of the financing	Sep - 2015		Dec - 2014	
	Nominal Value	Balance sheet Value	Nominal Value	Balance sheet Value
Non-current financing:				
- Bank loans	5.916.610	5.916.610	8.929.314	8.929.314
- Financial leasing	19.548	19.548	19.548	19.548
	<u>5.936.158</u>	<u>5.936.158</u>	<u>8.948.862</u>	<u>8.948.862</u>
Current financing:				
- Bank loans	3.750.000	3.800.261	6.825.008	6.918.394
- Commercial paper	39.000.000	38.722.726	51.500.000	51.022.873
- Current accounts	14.830.100	14.830.100	17.078.100	17.090.547
- Bank overdrafts (Note 12)	67.470	67.470	5.204	5.204
- Financial leasing	2.209	2.209	8.835	8.835
	<u>57.649.779</u>	<u>57.422.766</u>	<u>75.417.147</u>	<u>75.045.853</u>
	<u>63.585.937</u>	<u>63.358.924</u>	<u>84.366.009</u>	<u>83.994.715</u>

The average interest rates for financing, borne by the Group, including commissions and other charges, come within an interval of between 4,74% and 6,5%.

Some of the financing operations, mainly bank loans, include commitments to maintain certain financial ratios based on contractually negotiated limits (financial covenants).

These ratios are:

- Net Debt / Ebitda;
- Financial autonomy.

On the 30th September 2015 and 31st December 2014, these ratios were according the contractually negotiated limits.

The amount classified as non-current bank loans, for a total amount of 5.916.610 Euros, falls due in accordance with the following schedule:

- 994.075 Euros in 2016;
- 3.437.500 Euros in 2017;
- 1.485.035 Euros in 2018;

Depending on the operating funds that are freed up, we feel the financial risk to which the associated undertakings are exposed is minimal, and the same understanding has prevailed in the examination carried out by financial institutions, as shown by the fact that assets guarantees are dispensed with for operations under contract.

The amount included in the column "Nominal value" corresponds to the contracted value that is still owing. The column "Balance sheet value" is added to the nominal value of financial charges already incurred but still not due, less interest and or commissions paid in advance.

15. OTHER ACCOUNTS PAYABLE

On 30th September 2015 and 31st December 2014, this caption was broken down as follows:

	Sep - 2015	Dec - 2014
Other accounts payable - non-current		
Annual payment - Difference to minimum grant	3.734.424	3.734.424
	<u>3.734.424</u>	<u>3.734.424</u>
Other accounts payable - current		
Current suppliers	3.039.054	4.232.540
Suppliers of investments	273.431	174.731
State and Public Sector		
Annual gaming payment	9.226.000	5.592.704
Annual payment - Difference to minimum grant (Note 6)	3.158.987	1.861.170
Special Gaming Tax (to be paid next month)	5.625.514	9.349.507
Social Security contribuitons	594.429	568.323
Other in favour of the State	719.792	820.042
Charges with holidays payable	4.340.950	3.529.197
Responsabilities for accumulated gaming premiums	1.778.782	1.559.711
Other	4.169.759	2.927.056
	<u>32.926.698</u>	<u>30.614.981</u>

Annual Gaming Tax (difference to minimum grant):

The Decree Law n.º 29/88 of 3 August, down in paragraph 1 of Article 3, the concessionaire is obliged to pay an annual payment amounting to 50% of the gross gaming revenues. This payment cannot be, under any circumstances, lower than the values in the table attached to that Decree Law.

The minimum annual contributions were established (prices of the year 2000) by Decree-Law No. 275/2001 of 14 December 2001, by the time the Concessions Contracts were extended by fifteen years more.

At the beginning of the year 2015 the Regulatory-Decree n.º1/2015 of 21st January came to approve the split payment in installments of the annual minimum contributions calculated based on Decree-Law 275/2001, subject to prior approval from "Turismo de Portugal" of the payments schedule proposed by the Game Concessionaire Companies.

The Regulatory-Decree n.º1/2015 was applied for the first the time to the amounts related to the year ended December 2014, which initially payment deadline was on January 31st, 2015.

The value of Casino da Póvoa minimum annual payment for the year 2014 at 2000 current prices, is 17.946.748 Euros. According to Article 4 of the Decree n.º 29/88 of 3rd August this value is updated based on the index of consumer prices for the mainland, excluding housing, published by the National Statistics Institute (INE), for the year to which the payment relates to. Following this update, the minimum annual payment for the year 2014 stood at 24.207.299 Euros.

In 2014 Casino da Póvoa gross gaming revenues amounted to 37.223.409 Euros. The 50% annual payment over gross gaming revenues represents 18.611.704 Euros, a figure lower than the minimum annual payment calculated pursuant to Decree-Law No. 275/2001. By that reason the Casino da Póvoa Concessionaire would have to pay to the state the remaining amount in the total of 5,595,595 Euros for the year 2014. (Note 6). Of this amount, 1,861,170 Euros are at the date of this report settled by the Concessionaire Company since they had the maturity date on January 31st, 2015. The remaining 3,734,424 Euros registered in the caption "Other accounts payable – non-current", and according to prior authorization from Turismo de Portugal will be paid in three equal annual instalments, on December 31st, 2019, 2020 and 2021.

16. PROVISIONS

During the periods ended on 30th September 2015 and 2014 the movement in provisions was as follows:

	From January to September 2015				Closing Balance
	Opening Balance	Increases	Reversals	Writte-off	
Provisions for pensions	3.388.396	225.000	-	(37.409)	3.575.987
Legal proceedings in hand	2.203.481	594.293	-	(281.277)	2.516.497
Other risks and charges	874.715	92.025	(21.205)	-	945.535
	<u>3.078.196</u>	<u>686.318</u>	<u>(21.205)</u>	<u>(281.277)</u>	<u>3.462.032</u>
TOTAL	<u><u>6.466.592</u></u>	<u><u>911.318</u></u>	<u><u>(21.205)</u></u>	<u><u>(318.686)</u></u>	<u><u>7.038.019</u></u>

During the first nine months of 2015 new provisions were made in the total amount of 686.318€, 594.293€ related with new lawsuits for employment litigations and 92.095€ related with possible fiscal matters, namely IRC divergences between the Group and the Tax Authorities.

	From January to September 2014				Closing Balance
	Opening Balance	Increases	Reversals	Writte-off	
Provisions for pensions	3.672.252	-	-	(44.892)	3.627.360
Legal proceedings in hand	2.229.614	-	-	(66.027)	2.163.587
Other risks and charges	1.055.385	-	(209.538)	-	845.847
	<u>3.284.999</u>	<u>-</u>	<u>(209.538)</u>	<u>(66.027)</u>	<u>3.009.434</u>
TOTAL	<u><u>6.957.251</u></u>	<u><u>-</u></u>	<u><u>(209.538)</u></u>	<u><u>(110.919)</u></u>	<u><u>6.636.794</u></u>

During the first nine months of 2014 it had been reversed 209.538 Euros, a provision originally constituted to cover liabilities directly related to headcount restructuring processes of the Company's subsidiaries and whose initial estimate it turned to be overestimated.

17. CONTINGENT LIABILITIES AND ASSETS, GUARANTEES AND COMMITMENTS

Contingent liabilities

In the normal course of its activity, the Group is involved in diverse legal proceedings. Given the nature of these and the provisions set up, in accordance with studies and opinions of legal consultants, the current expectation is that the respective outcome will not lead to any material effects in terms of the activity undertaken, the asset position and the result of the operations.

The main situations are the following:

- Differences in understanding between the Group and the Tax Authorities over Corporation Tax (IRC), relating to the years 2007, 2008, 2009 and 2010, with regard to the taxation of undocumented expenses incurred in the course of the gaming activity of subsidiaries that form part of the Group and which operate games of fortune as their main activity. During the year 2013 occurred the 1st instance verdict contrary to the allegations and convictions of the Group relating to the process for the years 2007 to 2009. It is the Company's belief, grounded in favourable opinions from legal advisers that a final decision should be favourable, which is why the Group appealed to higher courts. On the date of these financial statements there are also previous legal decisions that are in the Group's favour, as well as judicial jurisprudence which is favourable to the Group on this matter.

Even so, on this date the Group has bank guarantees provided in favour of the Finance Office of Cascais amounting to 7.197.635 Euros.

- One of the subsidiaries of the Group made a collective dismissal in 2010 within the terms established in the Law, which affected 112 employees. Some of these contested this procedure and filed a lawsuit in Court trying to have this overturned and for their reintegration as Company staff. During the year 2014 two employees gave up the action brought against the Group subsidiary. It has been used 66.031 Euros to cover the payment of their allowances, paid according to the amounts accrued by the Group and provided for in accordance with Portuguese labor legislation. The Company and the legal consultants responsible for the case consider that there is a high probability of the Company winning and, therefore, it has set up a provision corresponding only to the legal obligations allowed for in labour legislation in cases of collective dismissal which it will have to pay to the former employees by way of indemnity even if it wins the case. This amounts to 993.820 Euros.

The Group also sets up diverse technical provisions related with the normal functioning of its main activity, the operation of games of fortune. Among the more significant ones we should highlight:

- The existence of an account payable for a total amount of 1.778.782 Euros in respect of liabilities for accumulated gaming premiums. These liabilities are revised on a monthly basis, according to the accumulated premiums announced in the diverse gaming rooms of the Casinos run by the Group (Note 15).

Guarantees provided

On 30th September 2015 and 31st December 2014 the guarantees provided by the Group were as follows:

	Seo - 2015	Dec - 2014
Obligations related with the Special Gaming Tax	6.650.000	13.150.000
Tax lawsuits in hand / litigation	7.414.888	7.429.989
Current suppliers	39.250	39.250
	<u>14.104.138</u>	<u>20.619.239</u>

In January 2015 the Group saw its responsibilities with bank guarantees reduced by 6,5 million Euros, as they were related with the Special Game Tax from the year ended 31st December 2014 paid during January 2015.

18. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the years ended on 30th September 2015 and 2014 was determined as follows:

	Sep - 2015	Sep - 2014
Consolidated net profit of the period	2.461.381	(1.046.546)
Average weighted number of shares in circulation	11.931.119	11.931.119
Result per basic share	<u>0,21</u>	<u>(0,09)</u>

Due to the fact that there are no situations that cause dilution, the net result per diluted share is the same as the net result per basic share.