

MANEAGEMENT REPORT AND ACCOUNTS

1st SEMESTER 2016



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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Governing Bodies	3
Management Report	5
Notes to the Board of Directors Report	15
Holders of qualified shareholdings	17
Consolidated Financial Statements and Notes	19

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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

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

BOARD OF DIRECTORS

Chairman	- Stanley Hung Sun Ho
Deputy-Chairmen	- Mário Alberto Neves Assis Ferreira
	- Patrick Wing Ming Huen
Members	- Pansy Catilina Chiu King Ho
	- Ambrose Shu Fai So
	- 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	Pansy Catilina Chiu King Ho
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 & Associado, SROC, Ltd - Represented by José Martins Lampreia

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Ínterim Management Report

1st Semester 2016

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

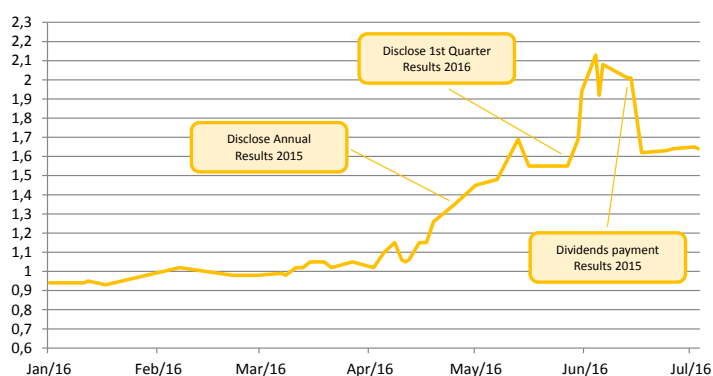
At 30th June 2016, the share capital of ESTORIL-SOL, S.G.P.S., S.A. was 59.628.420 Euros, represented by 11.993.684 shares with a nominal unit value of 5 (five) Euros, of which 6.116.779 were registered shares and 5.876.905 bearer shares.

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 semester of 2016, the Company, did not sold or acquired own shares.

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

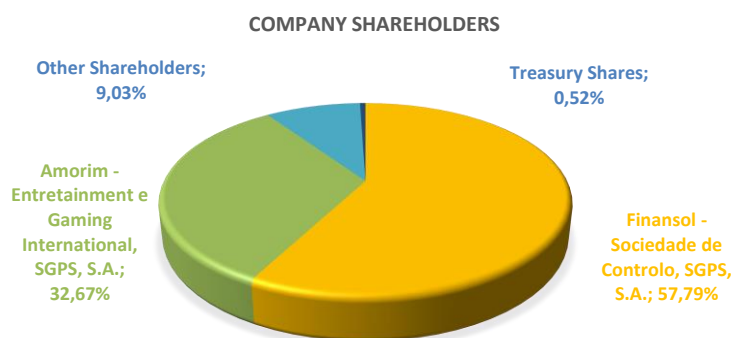
Estoril-Sol, SGPS, S.A.
Shares price - evolution



The price and trading volume of Estoril-Sol, SGPS, SA securities, on the dates of reporting to the market during the year 2016 were according table below:

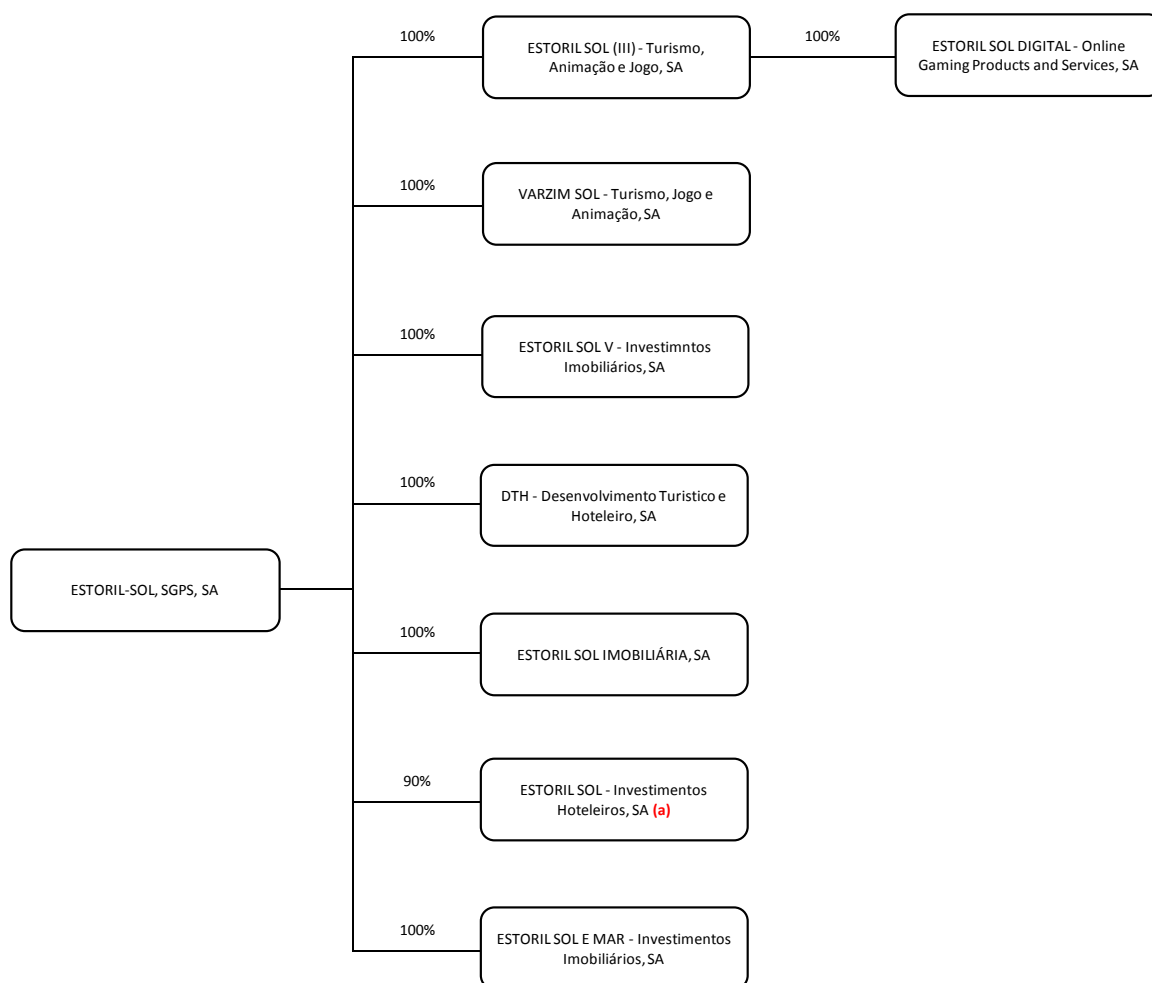
Date for disclosing Estoril-Sol, SGPS, S.A. , information						
Disclosure	Date	Qty	Price (Euros)			
			Open	High	Low	Close
Annual results for 2015	29/04/2016	95	1,35	1,35	1,35	1,35
2016, 1st Quarter results	31/05/2016	28	1,55	1,55	1,55	1,55
Dividend payment (2015)	22/06/2016	125	1,62	1,62	1,62	1,62

As at June 30th, 2016 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics below:



During June 2016, the Company has made a dividend payment of 0,211€ per share related to the year 2015.

3. ESTORIL-SOL GROUP



(a) - Holds 10% of its Share Capital

On June 30th, 2016, 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.

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.

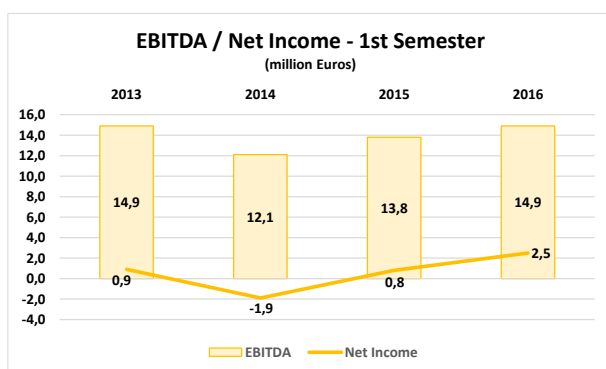
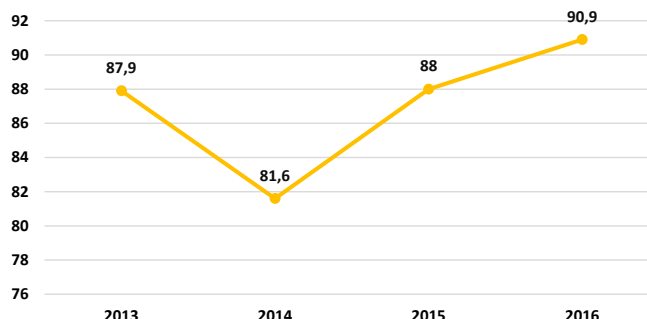
The Company was founded in September 2015 in order to apply for an online gaming license.

4. ESTORIL-SOL FINANCIAL ANALYSIS – 1ST SEMESTER SUMMARY

Game Revenues

The growth trend of gaming revenues started in 2015 continued in the first semester of 2016. During the first six months of 2016 the gross game revenues of the Estoril Sol Group grew 3,2% and amounted to 90,9 million Euros.

Game Revenues - 1st Semester
(million Euros)



Results

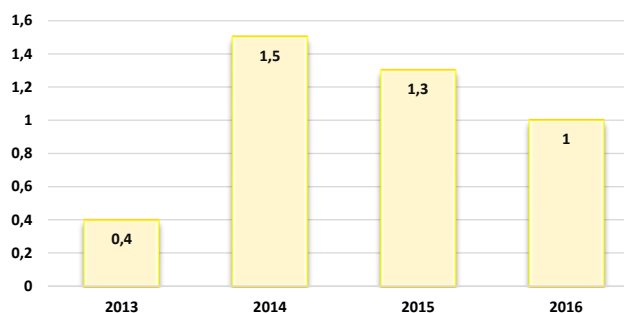
In the first semester of 2016 the Group's EBITDA increased by 7,9% and amounted to Euro 14,9 million.

For the first six months of 2016 the Group reported positive net results of 2,5 million Euros.

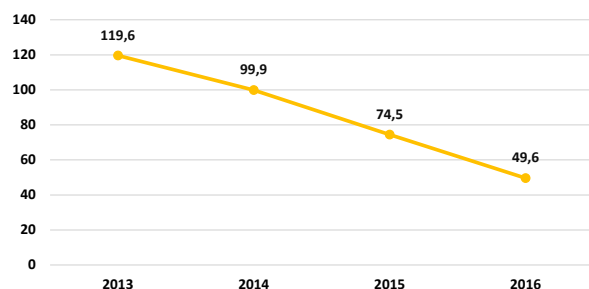
Capex

Pursuing a very careful selection of the investments, the Group made investments (CAPEX) during the first semester of 2016 in the total amount of approximately 1 million Euros.

Capex - 1st Semester
(million Euros)



Bank Debt - June
(million Euros)



Financial Debt

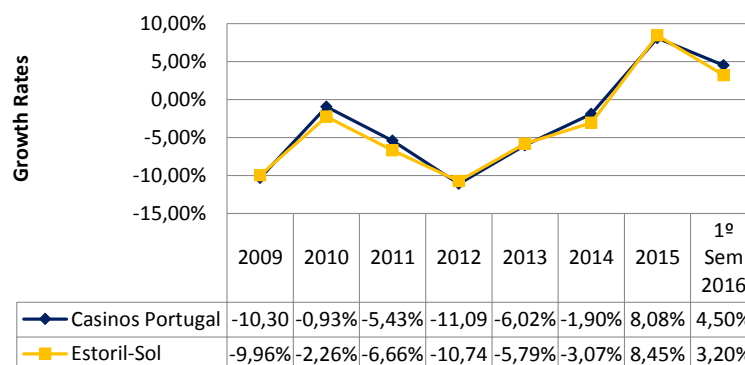
In a concerted effort to financial stability and less dependence on third parties, the Group has consistently reduced its bank debt, this reduction resulted in a significant decrease in financial costs incurred by the Group. By the end of June 2016 the Group bank debt was 49,6 million Euros.

5. FINANCIAL ANALYSIS – CONSOLIDATED ACCOUNTS

The recovery trend of gaming revenues growth rate that began in the second half of 2014 remained in the first six months of 2016, however this positive trend lost its empowerment compared to last year (2015), with special emphasis in the last couple of months of this semester, which resulted in a lower performance for the semester as an all. As consequence, the gaming revenues increased in the first semester of 2016 when

compared with the same period last year, 4,5% in the industry and 3,2% in the Estoril-Sol Group.

Game Revenues - Growth Rates
Casino Revenues - Portugal

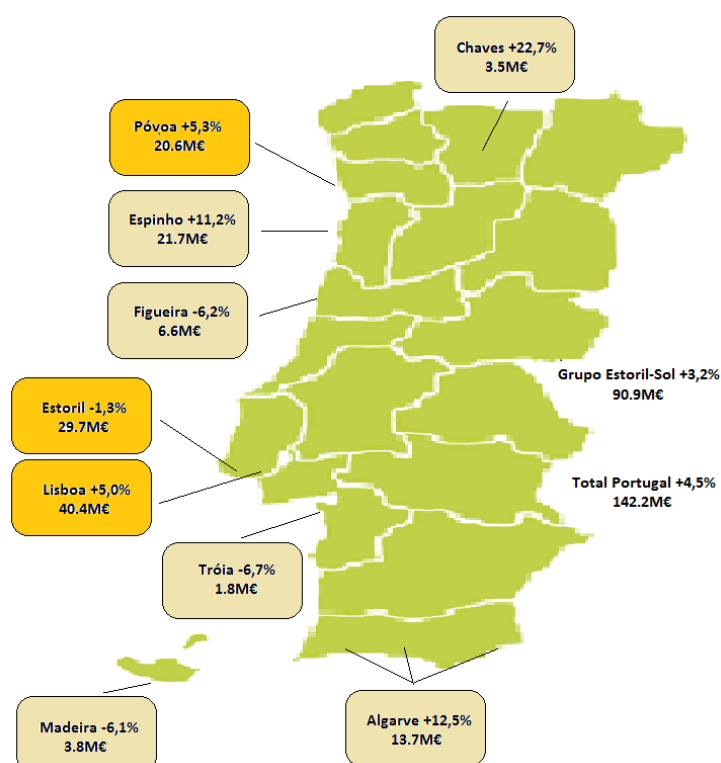


If this positive trend continues in the months to come, the year 2016 may continue the positive game revenue evolution cycle that began in 2015, and broke with a negative cycle observed since 2008 which caused accumulated game revenues losses of nearly 30% in Portugal.

The Estoril-Sol Group, through its subsidiaries, operates three of the four biggest casinos in Portugal, accounting for 64% of net income and taxes paid and generated by the activity in Portugal.

Revenues from gambling in Portugal during the first half of 2016 amounted to approximately 142,2 million Euros, an increase of 4,5% compared to last year which represents almost 6,1 million Euros.

In the same period the Group game revenues achieved 90,9 million Euros, an increase of 3,2% equivalent to 2,6 million Euros.



The other operating revenues of Estoril-Sol, restaurant and entertainment, grew by 2,6% to 4,2 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 2,2% mainly reflects this investment undertaken by the Group to streamline and increase the entertainment offer within the casinos.

	Jun - 2016	Jun - 2015	Var %
Gaming Revenue	90.900.804	88.097.734	3,2%
Special Gaming Tax	-47.870.160	-46.746.313	a)
Effective Tax Rate	53%	53%	
Game Revenue - Net	43.030.644	41.351.421	4,1%
Other revenue (F&B / Entertainment)	4.247.834	4.139.046	2,6%
Operating costs	-32.289.471	-31.592.627	2,2%
EBITDA	14.989.007	13.897.840	7,9%
Amortization and Depreciation	-10.581.339	-10.521.643	0,6%
Financial Costs	-1.845.166	-2.588.035	-29%
Income tax (IRC)	-7.000	-8.700	
Consolidated net result (1st semester)	2.555.502	779.462	-228%

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

The Group improved its operating results by 7,9%, with a positive EBITDA of 14,9 million Euros for the first six months of 2016.

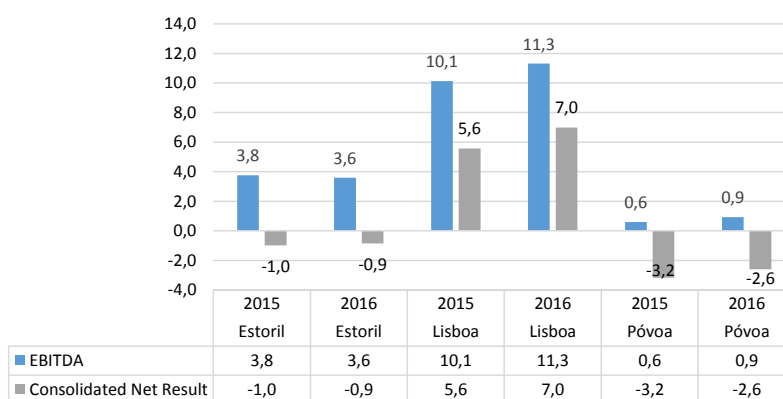
In a concerted effort to financial stability and less dependence on third parties, the Group has been successively reducing its bank debt. This reduction resulted in a significant decrease in financial costs incurred by the Group Estoril-Sol, a decrease of 29% over the first half of 2016 compared to same period last year. Estoril-Sol supported almost 1,8 million Euros with loan interests during the first six months of 2016.

The favorable combination of game revenues growth, substantial financial bank debt reduction and cost structure stability allowed the Group to show a positive consolidated net result of 2,5 million Euros for the first six months of 2016 compared to earnings of 0,7 million Euros in the previous year.

By analyzing the results at casino level, it is possible to conclude that only Casino Lisboa has a positive net result, approximately 7 million Euros. Still, it is important to highlight the fact that in the first six months of 2016, all Group casinos shown positive operational results (EBITDA).

It must be emphasize that these performances, with special focus over Casino da Póvoa, have been repeatedly penalized by tax rates applied

EBITDA / Consolidated Net Result
(milhões de Euros)



to game revenues, which in the case of Casino da Póvoa achieve a 62% effective tax rate over game revenues for the period ended June 2016, 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.

6. 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.

7. SUBSEQUENT FACTS

Between the 30th of June 2016 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, in addition to the reported below:

- The Board of Directors of Turismo de Portugal, IP, at a meeting held on 25 July 2016, decided under the Legal Framework for Games and Online Betting (RJO), approved by Decree-Law No. 66/2015 of 29 April, assign to Estoril Sol Digital, Online Gaming Products and Services, SA, a license for online gambling exploration, which will operate under the internet domain www.estorilsolcasinos.pt/. This license shall be valid for an initial period of three years from the date of issue, expiring on July 24th, 2019, if not renewed, under the terms and conditions set out in RJO. Estoril Sol Digital, began exploring the online gambling activity in the web site mentioned above on the same day the license was issued, ie 25th July 2016.

- Within the online gaming activities, which is carried out through Estoril Sol Digital, Online Gaming Products and Services, S.A, a subsidiary company of Estoril Sol (III) – Turismo, Animação e Jogo, S.A., a company owned by the issuer (Estoril-Sol, SGPS, S.A.), signed with Vision Gaming Holding Limited, a company based in Malta, an association agreement, through which it holds a minority interest, corresponding to 49.9998% of the share capital of Estoril Sol Digital, keeping the Estoril Sol (III) SA most of the capital and votes in that company (Estoril Sol Digital, Online Gaming Products and Services, S.A.). From this operation resulted no gains/losses for the Estoril-Group, as the partial sale of the capital have been carried out by the same value of its constitution.

8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) nº1 of article 246 of Portuguese Securities Code, we hereby inform you that to the best of our knowledge:

- The information contained in the interim management report is a faithful statement of the evolution of the business, of the performance and of the position of Estoril-Sol, SGPS, S.A., and the companies included within the consolidation perimeter, and contains a description of the main risks and uncertainties which they face;
- The information contained in the consolidated financial statements, as well as their annexes, was produced in compliance with the applicable accounting standards and gives a true and fair view of the assets and liabilities, the financial situation and the results of Estoril-Sol, SGPS, S.A. and the companies included in the consolidation perimeter.

Estoril, 27th July, 2016

The Board of Directors:

- | | |
|-----------------|---|
| - Chairman | - Stanley Hun Sun Ho |
| - Vice-Chairmen | - Mário Alberto Neves Assis Ferreira |
| | - Patrick Wing Ming Huen |
| - Directors | - Pansy Catilina Chiu King Ho |
| | - Ambrose Shu Fai So |
| | - 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 |

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Information regarding the securities issued by ESTORIL-SOL, S.G.P.S., and by companies with which the Company is in controlling or group relationship, which are owned by the members of the Corporate Offices of the Company on 30th June 2016:

Stanley Hung Sun Ho – Chairman of the Board of Directors

- On 30.06.2016 he held 135,662 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;
- On 30.06.2016 he held 170,911 shares of FINANSOL, Sociedade de Controlo - SA (S.G.P.S.);
He neither purchased nor sold shares of this company during the year;

Patrick Huen – Vice-Chairman of the Board of Directors

- On 30.06.2016 he held 55,000 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Mário Alberto Neves Assis Ferreira – Vice-Chairman of the Board of Directors

- On 30.06.2016 he held 601 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Pansy Catilina Ho – Member of the Board of Directors

- On 30.06.2016 she did not held any shares of Estoril-Sol, S.G.P.S., S.A.;
She neither purchased nor sold shares of this company during the year;

Ambrose So – Member of the Board of Directors

- On 30.06.2016 he held 50,000 shares of Estoril-Sol, S.G.P.S., S.A.
He neither purchased nor sold shares of this company during the year;

Man Hin Choi – Member of the Board of Directors

- On 30.06.2016 he held 527 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

António José de Melo Vieira Coelho – Member of the Board of Directors

- On 30.06.2016 he did not held any shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Vasco Esteves Fraga – Member of the Board of Directors

- On 30.06.2016 he held 608 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Jorge Armindo de Carvalho Teixeira – Member of the Board of Directors

- On 30.06.2016 he did not held any shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Calvin Ka Wing Chann – Member of the Board of Directors

- On 30.06.2016 he held 1,000 shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Miguel António Dias Urbano de Magalhães Queiroz – Member of the Board of Directors

- On 30.06.2016 he did not held any shares of Estoril-Sol, S.G.P.S., S.A.;
He neither purchased nor sold shares of this company during the year;

Rui José da Cunha – Director of the Advisory Board

- On 30.06.2016 he owned 12,300 shares of Estoril-Sol, S.G.P.S., S.A.
He neither purchased nor sold shares of this company during the year



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

On 30th June 2016, 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 June 2016, held 6.930.604 shares of ESTORIL-SOL, S.G.P.S., S.A., it was a direct holder of 57,79% of the share capital and 58,09% 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 57,79%, and 60,23% to the voting rights.

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

On 30th June 2016, 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 32,67% of the share capital and 32,84% of the voting rights of ESTORIL SOL, S.G.P.S., S.A..

Mr. José Américo Amorim Coelho, held 34,915 shares of ESTORIL-SOL, S.G.P.S., S.A., corresponding to 0,29% 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 June 2016, 32,67% and 33,13% of the voting rights.



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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 JUNE 30th, 2016 And DECEMBER 31st, 2015

(Amounts in Euros)

ASSETS	Notes	Jun - 16	Dec-15
NON-CURRENT ASSETS:			
Tangible fixed assets			
Reversible to the State	10	44.360.095	49.062.404
Not reversible to the State	10	56.592.752	57.724.052
Tax deductions on investments	-	(16.505.646)	(18.341.549)
Total non-current assets		84.447.201	88.444.907
Intangible assets	11	61.141.965	66.962.403
Investment properties	-	201.571	204.346
Other non current assets	-	36.616	31.623
		<u>145.827.353</u>	<u>155.643.279</u>
CURRENT ASSETS:			
Inventories	-	6.759.377	6.753.442
Accounts receivable - trade	-	290.717	249.575
Other accounts receivable	-	1.941.972	1.020.032
Cash and cash equivalents	12	8.116.580	10.883.646
Total current assets		<u>17.108.646</u>	<u>18.906.695</u>
Total assets		<u>162.935.999</u>	<u>174.549.974</u>
EQUITY and LIABILITIES			
EQUITY:			
Capital	13	59.968.420	59.968.420
Treasury shares	13	(708.306)	(708.306)
Share issue premiums	13	7.820.769	7.820.769
Legal Reserves	-	6.821.678	6.614.782
Other Reserves and Retained earnings	-	(5.803.289)	(7.271.176)
Consolidated net profit	-	2.555.502	4.196.063
Total equity		<u>70.654.775</u>	<u>70.620.552</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Financial debt	14	3.124.753	5.003.232
Other accounts payable	15	4.886.853	4.886.853
Provisions	-	8.000.291	8.284.263
Total non-current liabilities		<u>16.011.897</u>	<u>18.174.348</u>
CURRENT LIABILITIES:			
Financial debt	14	46.542.303	50.715.146
Other accounts payable	15	29.727.024	35.039.927
Total current liabilities		<u>76.269.327</u>	<u>85.755.073</u>
Total liabilities		<u>92.281.224</u>	<u>103.929.421</u>
Total equity and liabilities		<u>162.935.999</u>	<u>174.549.973</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 JUNE, 2016 AND 2015

(Amounts in Euros)

		1st Semester		2nd Quarter	
	Notes	2016	2015	2016	2015
REVENUE:					
Gaming revenues	6	90.900.804	88.097.734	44.480.594	43.983.163
Gaming taxes	6	(47.870.160)	(46.746.313)	(23.584.305)	(23.307.370)
		43.030.644	41.351.421	20.896.290	20.675.793
Other operating revenue	6	4.247.834	4.139.046	2.301.983	2.314.488
		47.278.477	45.490.467	23.198.273	22.990.281
OPERATING EXPENSES:					
Cost of sales	-	(1.320.837)	(1.276.848)	(685.537)	(660.063)
Supplies and external services	7	(13.874.219)	(12.819.672)	(6.937.375)	(6.367.153)
Wages and salaries	8	(15.484.555)	(15.580.888)	(7.700.284)	(8.011.184)
Depreciation and amortization	-	(10.581.339)	(10.521.643)	(5.220.347)	(5.228.575)
Impairments - accounts receivable ((increases) / reversals)	-	900	(80.364)	450	(41.689)
Provisions ((increases) / reversals)	-	(2.488)	(598.000)	(2.488)	(598.000)
Impairment of non-depreciable / amortizable investments	-	(6.733)	(4.745)	(3.389)	(4.745)
Other indirect taxes	-	(157.096)	(167.014)	(82.858)	(86.903)
Other operating expenses	-	(1.444.443)	(1.065.095)	(739.276)	(610.798)
Total operating expenses		(42.870.810)	(42.114.270)	(21.371.104)	(21.609.109)
Income before financial results and taxes		4.407.667	3.376.197	1.827.169	1.381.172
FINANCIAL (LOSSES) AND GAINS:					
Financial losses	9	(1.860.667)	(2.598.457)	(918.555)	(1.272.233)
Financial gains	9	15.501	10.421	7.776	6.028
		(1.845.166)	(2.588.036)	(910.780)	(1.266.205)
Income before taxes		2.562.502	788.161	916.389	114.967
Income taxes	14	(7.000)	(8.700)	-	(8.700)
CONSOLIDATED NET INCOME	5	2.555.502	779.461	916.389	106.267
Attributable to:					
Equity holders of the parent		2.555.502	779.461	916.389	106.267
Net result per share	17	0,21	0,07	0,08	0,01

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 JUNE 2016 AND 2015

(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 2015	59.968.420	(708.306)	7.820.769	6.614.782	(5.528.891)	(1.736.283)	66.430.491
Application of the consolidated 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 June 2015	-	-	-	-	-	779.461	779.461
Balance at 30th June 2015	59.968.420	(708.306)	7.820.769	6.614.782	(7.265.176)	779.461	67.209.952
Balance at 01st January 2016	59.968.420	(708.306)	7.820.769	6.614.782	(7.271.176)	4.196.063	70.620.552
Application of the consolidated net profit of the year ended 31st December 2015	-	-	-	206.896	1.467.887	(4.196.063)	(2.521.280)
Consolidated Other Comprehensive Income (OCI) of the period ended 30th June 2016	-	-	-	-	-	2.555.502	2.555.502
Balance at 30th June 2016	59.968.420	(708.306)	7.820.769	6.821.678	(5.803.289)	2.555.502	70.654.775

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 JUNE 2016 AND 2015

(Amounts in Euros)

Notes	1st Semester		2nd Quarter	
	2016	2015	2016	2015
OPERATING ACTIVITIES:				
Receipts from clients	93.265.018	90.393.324	45.850.819	45.452.370
Payments to suppliers	(17.154.577)	(15.978.260)	(8.674.529)	(7.299.479)
Payments to staff	(13.821.813)	(13.587.676)	(6.833.917)	(6.991.847)
Cash flow generated by operations	62.288.627	60.827.388	30.342.373	31.161.044
Payment of income tax	(101.933)	(192.625)	(90.233)	(189.625)
Payment of Special Gaming tax	(50.601.834)	(46.870.287)	(19.046.988)	(17.829.141)
Other payments relating to the operating activity	(3.150.541)	(2.284.173)	(1.408.857)	(1.455.397)
Cash flow from operating activities (1)	8.434.319	11.480.303	9.796.296	11.686.881
INVESTING ACTIVITIES:				
Receipts from:				
Interest and similar income	15.501	10.421	7.776	6.028
	15.501	10.421	7.776	6.028
Payments in respect of:				
Tangible fixed assets	(722.512)	(1.165.002)	(372.654)	(769.451)
Intangible assets	(24.000)	-	(24.000)	-
	(746.512)	(1.165.002)	(396.654)	(769.451)
Cash flow from investment activities (2)	(731.011)	(1.154.581)	(388.879)	(763.423)
FINANCING ACTIVITIES:				
Receipts from:				
Bank loans obtained	193.031.877	305.011.730	99.218.270	109.002.843
	193.031.877	305.011.730	99.218.270	109.002.843
Payments in respect of:				
Bank loans repaid	(199.007.854)	(314.412.509)	(105.448.089)	(118.504.236)
Interest and similar costs	(1.937.745)	(2.697.554)	(862.608)	(1.204.430)
Dividends	(2.512.356)	-	(2.512.356)	-
	(203.457.955)	(317.110.063)	(108.823.053)	(119.708.666)
Cash flow from financing activities (3)	(10.426.079)	(12.098.334)	(9.604.784)	(10.705.823)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)	(2.722.770)	(1.772.613)	(197.367)	217.635
Cash and cash equivalents at the start of the period	12 10.839.350	10.040.238	8.313.947	8.049.992
Cash and cash equivalents at the end of the period	12 8.116.580	8.267.625	8.116.580	8.267.627

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 2015. 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 June 2016, 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 2015, 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 June 2016 and 31st December 2015 are the following:

Name	Head office	Method of Consolidation	Effective percentage of the capital held	
			Jun-16	Dec-15
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	100

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.

During the first quarter of 2016 the subsidiary company Parques do Tamariz, was dissolved, as it had no longer any assets and did not engage any economic activity. No additional losses resulted from this operation to the Group Estoril-Sol.

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 June 2016 and 2015, the information by business segment, is as follows:

	June - 2016					
	Estoril Game Concession					Total
	Estoril Casino	Lisboa Casino	Sub-Total	Póvoa Casino	Other	
Net assets	36.321.368	79.131.789	115.453.156	41.143.522	6.339.321	162.935.999
Net liabilities	25.087.817	32.513.984	57.601.802	30.168.972	4.510.450	92.281.224
Result of the segment	(860.410)	6.993.200	6.132.790	(2.606.587)	(970.701)	2.555.502
Investment assets:						
- tangible fixed	495.770	120.755	616.524	451.433	22.402	1.090.359

	June - 2015					
	Estoril Game Concession					Total
	Estoril Casino	Lisboa Casino	Sub-Total	Póvoa Casino	Other	
Net assets	45.519.181	82.229.902	127.749.083	46.294.948	6.123.717	180.167.748
Net liabilities	34.753.803	39.002.420	73.756.223	34.743.409	4.458.164	112.957.796
Result of the segment	(984.930)	5.575.631	4.590.701	(3.169.161)	(642.078)	779.462
Investment assets:						
- tangible fixed	364.817	409.405	774.222	592.174	-	1.366.396

6. OPERATING INCOME BY NATURE

The consolidated operating income, in the years ended on 3th June 2016 and 2015, is split in the following manner:

Nature	June - 2016					
	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
- Slot Machines	22.431.003	32.902.598	55.333.601	17.157.275	-	72.490.876
- Table based gaming	7.309.064	7.517.655	14.826.719	3.510.753	-	18.337.472
- Progressive games prizes	103.335	(1.343)	101.992	(29.536)	-	72.456
	<u>29.843.402</u>	<u>40.418.910</u>	<u>70.262.312</u>	<u>20.638.492</u>	<u>-</u>	<u>90.900.804</u>
Gaming taxes:						
- Special Gaming Tax (current)	(14.870.034)	(20.210.127)	(35.080.160)	(10.334.014)	-	(45.414.174)
- Annual Gaming Tax	-	-	-	(2.455.986)	-	(2.455.986)
(difference to minimum grant)	<u>(14.870.034)</u>	<u>(20.210.127)</u>	<u>(35.080.160)</u>	<u>(12.790.000)</u>	<u>-</u>	<u>(47.870.160)</u>
Other operating revenues:						
- F&B and Entertainment	1.904.692	307.606	2.212.298	454.987	-	2.667.285
- Tax deductions - Entertainment	552.401	404.203	956.603	467.840	-	1.424.443
- Supplementary income	120.566	18.530	139.095	10.899	-	149.994
- Other	4.956	-	4.956	1.155	-	6.111
	<u>2.582.615</u>	<u>730.338</u>	<u>3.312.953</u>	<u>934.881</u>	<u>-</u>	<u>4.247.834</u>
	<u>17.555.984</u>	<u>20.939.122</u>	<u>38.495.105</u>	<u>8.783.373</u>	<u>-</u>	<u>47.278.477</u>
June - 2015						
Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino		
Gaming revenues:						
- Slot Machines	22.102.401	31.137.314	53.239.715	15.634.086	-	68.873.801
- Table based gaming	8.046.438	7.341.473	15.387.911	3.989.300	-	19.377.211
- Progressive games prizes	(84.190)	(51.040)	(135.230)	(18.048)	-	(153.278)
	<u>30.064.649</u>	<u>38.427.747</u>	<u>68.492.396</u>	<u>19.605.338</u>	<u>-</u>	<u>88.097.734</u>
Gaming taxes:						
- Special Gaming Tax (current)	(15.074.420)	(19.239.394)	(34.313.814)	(9.811.693)	-	(44.125.507)
- Annual Gaming Tax	-	-	-	(2.620.807)	-	(2.620.807)
(difference to minimum grant)	<u>(15.074.420)</u>	<u>(19.239.394)</u>	<u>(34.313.814)</u>	<u>(12.432.500)</u>	<u>-</u>	<u>(46.746.313)</u>
Other operating revenues:						
- F&B and Entertainment	1.689.225	239.145	1.928.370	388.192	-	2.316.562
- Tax deductions - Entertainment	546.000	366.000	912.000	758.856	-	1.670.856
- Supplementary income	114.474	23.491	137.965	9.642	-	147.607
- Other	3.141	-	3.141	879	-	4.020
	<u>2.352.840</u>	<u>628.636</u>	<u>2.981.476</u>	<u>1.157.569</u>	<u>-</u>	<u>4.139.046</u>
	<u>17.343.069</u>	<u>19.816.989</u>	<u>37.160.058</u>	<u>8.330.407</u>	<u>-</u>	<u>45.490.467</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 June 2016 and 2015, external supplies and services were as follows:

	Jun - 2016	Jun - 2015
Gifts to customers	2.232.978	2.065.900
Subcontracts	1.744.458	1.457.571
Energy and other fluids	1.415.904	1.397.653
Conservation and repairs	1.388.034	1.350.751
Cleaning and laundry	1.212.756	1.125.847
Specialized work	1.113.662	893.655
Advertising	993.445	920.985
Royalties	939.520	977.599
Surveillance and security	789.384	774.113
Rents	589.941	561.714
Insurance	375.667	377.135
Fees	275.740	214.606
Communication	235.771	226.174
Travel and hotels	133.313	100.059
Other	433.645	375.910
	<u>13.874.219</u>	<u>12.819.672</u>

8. STAFF COSTS

In the periods ended on 30th June 2016 and 2015, staff costs were as follows:

	Jun - 2016	Jun - 2015
Remuneration of governing bodies	1.404.141	1.445.149
Remuneration of staff	10.510.905	10.404.524
Indemnities	50.713	77.500
Charges on remuneration	2.709.016	2.785.185
Insurance	91.547	87.465
Social charges	545.182	505.539
Other	173.051	275.526
	<u>15.484.555</u>	<u>15.580.888</u>

9. NET FINANCIAL COSTS

Financial costs and income for the periods ended on 30th June 2016 and 2015 is broken down as follows:

Financial Costs	Jun - 2016	Jun - 2015
Interest borne:		
Financing from banks	(1.045.562)	(1.738.793)
Finance and operating leasing	(34.762)	(38.903)
	(1.080.325)	(1.777.696)
Other financing costs:		
Comissions and similar charges	(549.229)	(648.298)
Other financial costs	(231.114)	(172.464)
	(1.860.667)	(2.598.458)
Financial Income	Jun - 2016	Jun - 2015
Exchange gains	9.660	7.613
Other	5.841	2.808
	15.501	10.421
Net financial costs	(1.845.166)	(2.588.036)

10. TANGIBLE FIXED ASSETS

During the periods ended on 30th June 2016 and 2015, the movement in tangible assets, as well as in the respective depreciation and accumulated impairment losses, was as follows:

January to June 2016								
	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	119.447.590	66.744	4.330.748	82.292	131.617	337.826.223
Acquisitions	-	163.152	879.139	-	48.068	-	-	1.090.359
Adjustments / Transfers	-	-	-	-	-	-	(60.938)	(60.938)
Write-off	-	-	(224.907)	-	(2.704)	-	-	(227.611)
Closing balance	16.513.836	197.416.548	120.101.822	66.744	4.376.112	82.292	70.679	338.628.033
Depreciation and accumulated impairment losses:								
Opening balance	-	129.470.334	97.760.983	45.412	3.682.050	80.995	-	231.039.774
Depreciation of the year	-	3.821.045	2.917.689	4.785	105.674	361	-	6.849.554
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	(211.428)	-	(2.712)	-	-	(214.140)
Closing balance	-	133.291.379	100.467.244	50.197	3.785.012	81.356	-	237.675.188
Net amount	16.513.836	64.125.169	19.634.578	16.547	591.100	936	70.679	100.952.847

January to June 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	-	-	1.066.476	-	27.169	-	272.751	1.366.396
Adjustments / Transfers	-	-	113.456	-	-	-	(113.456)	-
Write-off	-	-	(669.347)	-	(4.300)	-	-	(673.647)
Closing balance	16.513.836	197.253.396	114.402.303	66.744	3.950.924	82.292	524.118	332.793.613
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	-	3.899.175	2.848.603	4.968	74.385	385	-	6.827.516
Disposals	-	-	-	-	-	-	-	-
Write-off	-	-	(668.461)	-	(4.174)	-	-	(672.635)
Closing balance	-	125.587.608	94.966.669	40.444	3.609.152	80.634	-	224.284.507
Net amount	16.513.836	71.665.788	19.435.634	26.300	341.772	1.658	524.118	108.509.106

11. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th June 2016 and 31st December 2015 is as follows:

	June - 2016		
	Gross Assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
- Casino Estoril	153.576.455	(126.919.348)	26.657.108
- Casino Lisboa	30.000.000	(20.612.807)	9.387.194
Póvoa Gaming Concession - Casino da Póvoa	77.034.109	(51.960.445)	25.073.664
	260.610.564	(199.492.599)	61.117.965
Intangible assets in progress - Online gaming license (a)	24.000	-	24.000
	260.634.564	(199.492.599)	61.141.965

(a) -The Board of Directors of Turismo de Portugal, IP, at a meeting held on 25 July 2016, decided under the Legal Framework for Games and Online Betting (RJO), approved by Decree-Law No. 66/2015 of 29 April, assign to Estoril Sol Digital, Online Gaming Products and Services, SA, a license for online gambling exploration, which will operate under the internet domain www.estorilsolcasinos.pt/ . This license shall be valid for an initial period of three years from the date of issue, expiring on July 24th, 2019, if not renewed, under the terms and conditions set out in RJO. Estoril Sol Digital, began exploring the online gambling activity in the web site mentioned above on the same day the license was issued, ie 25th July 2016.

	December - 2015		
	Gross Assets	Accumulated Amortization	Net Assets
Estoril Gaming Concession			
- Casino Estoril	153.576.455	(123.826.853)	29.749.602
- Casino Lisboa	30.000.000	(19.584.235)	10.415.765
Póvoa Gaming Concession - Casino da Póvoa	77.034.109	(50.237.073)	26.797.036
	260.610.564	(193.648.161)	66.962.403

12. CASH AND CASH EQUIVALENTS

On 30th June 2016 and 31st December 2015, this caption was broken down as follows:

	Jun- 2016	Dec - 2015
Cash	7.416.165	8.643.414
Bank Deposits:		
- Immediately available bank deposits	677.548	2.210.633
Other treasury applications	22.866	29.599
Cash and bank deposits	8.116.579	10.883.646
Bank overdrafts	-	(44.296)
Cash and cash equivalents	8.116.580	10.839.350

13. CAPITAL

On 30th June 2016 and 31st December 2015, 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 2016 and on 31st December 2015 is broken down as follows:

	Jun - 2016	Dec - 2015
Share capital	59.968.420	59.968.420
Treasury shares	(708.306)	(708.306)
Issue premiums	7.820.769	7.820.769
	67.080.883	67.080.883

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

Data	Nominal value	No. of shares
30th of June 2016		
Registered	5€	6.116.779
Bearer	5€	5.876.905
		11.993.684
31st of December 2015		
Registered	5€	6.116.779
Bearer	5€	5.876.905
		11.993.684

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	62.565		312.825	395.481	708.306

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 June 2016 and 31st December 2015, this caption was broken down as follows:

Nature of the financing	Jun - 2016		Dec - 2015	
	Nominal Value	Balance sheet Value	Nominal Value	Balance sheet Value
Non-current financing:				
- Bank loans	3.114.041	3.114.041	4.992.520	4.992.520
- Financial leasing	10.712	10.712	10.712	10.712
	3.124.753	3.124.753	5.003.232	5.003.232
Current financing:				
- Bank loans	3.750.000	3.787.179	3.750.000	3.789.885
- Commercial paper	17.000.000	16.705.106	30.000.000	29.625.669
- Current accounts	26.045.600	26.045.600	17.168.100	17.246.461
- Bank overdrafts (Note 12)	-	-	44.296	44.296
- Financial leasing	4.418	4.418	8.835	8.835
	46.800.018	46.542.303	50.971.231	50.715.146
	49.924.771	49.667.056	55.974.463	55.718.378

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 June 2016 and 31st December 2015, these ratios were according the contractually negotiated limits.

The amount classified as non-current bank loans, for a total amount of 3.114.041 Euros, falls due in accordance with the following schedule:

- 1.559.020 Euros in 2017;
- 1.555.021 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 June 2016 and 31st December 2015, this caption was broken down as follows:

	Jun - 2016	Dec - 2015
Other accounts payable - non-current		
Annual payment - Difference to minimum grant		
Installments payment schedule - approved for 2014	3.734.424	3.734.424
Installments payment schedule - approved for 2015	1.152.429	1.152.429
	<u>4.886.853</u>	<u>4.886.853</u>
Other accounts payable - current		
Current suppliers	3.041.841	4.021.681
Suppliers of investments	449.492	115.268
State and Public Sector		
Annual gaming payment	6.436.656	10.965.250
Annual payment - Difference to minimum grant		
Decree 1/2015 - 10% over 50% rate of the annual gaming payment	2.455.985	2.098.102
Installments payment schedule - approved for 2015	576.215	576.215
Special Gaming Tax (to be paid next month)	5.750.647	6.436.312
Social Security contributions	720.919	635.457
Other in favour of the State	687.077	1.082.685
Charges with holidays payable	4.022.522	3.929.751
Responsibilities for accumulated gaming premiums (note 16)	1.775.428	1.847.883
Other	3.810.242	3.331.323
	<u>29.727.024</u>	<u>35.039.927</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, sub-

ject to prior approval from “Turismo de Portugal” of the payments schedule proposed by the Game Concessionaire Companies.

The Regulatory-Decree nº1/2015 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 2015 at 2000 current prices, is 18.305.883 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 2015 stood at 24.807.765 Euros.

In 2015 Casino da Póvoa gross gaming revenues amounted to 41.962.037 Euros. The 50% annual payment over gross gaming revenues represents 20,981,019 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 3,826,746 Euros for the year 2015. (Note 28). Of this amount, 2,098,102 Euros are at the date of this report settled by the Concessionaire Company since they had the maturity date on January 31st, 2016. The remaining 1,728,645 Euros according to prior authorization from Turismo de Portugal will be paid in three equal annual instalments, 576.215 Euros, on December 31st, 2016, 2017 and 2018.

The remaining 4,886,853 Euros registered in the caption “Other accounts payable – non-current”, as “Annual payment – difference to minimum grant” is related to the following instalment payment schedules in accordance with a prior authorization from Turismo de Portugal:

- Instalments payment schedule - approved for 2014, that will be paid in three equal annual instalments, on December 31st, 2019, 2020 and 2021.
- Instalments payment schedule - approved for 2015, that will be paid in three equal annual instalments of 576.215 Euros, on December 31st, 2016, 2017 and 2018. The instalment due in 2016 is recorded as “Other accounts payable – current”.

16. 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. 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. As at 31st December 2015 there are 30 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 763.545 Euros. During the first six months of 2016 the Company came to terms with another 11 former employees. As at the 30th June 2016 the Group had dispute with 19 former employees and accrued financial responsibility in the above terms of approximately 476.271 Euros.

- One of the subsidiaries of the Group made a collective dismissal in 2013 within the terms established in the Law, which affected 21 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. 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. As at 31th June 2016 there are 14 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 360.000 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 1.775.428 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 June 2016 and 31st December 2015 the guarantees provided by the Group were as follows:

	Jun - 2016	Dec - 2015
Obligations related with the Special Gaming Tax	6.650.000	22.050.000
Tax lawsuits in hand / litigation	7.414.888	7.414.888
Current suppliers	39.250	39.250
	<u>14.104.138</u>	<u>29.504.138</u>

In January 2016 the Group saw its responsibilities with bank guarantees reduced by 15,4 million Euros, as they were related with the Special Game Tax from the year ended 31st December 2015 paid during January 2016 (Note 15).

17. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the years ended on 30th June 2016 and 2015 was determined as follows:

	Jun - 2016	Jun - 2015
Consolidated net profit of the period	2.555.502	779.461
Average weighted number of shares in circulation	11.931.119	11.931.119
Result per basic share	<u>0,21</u>	<u>0,07</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.