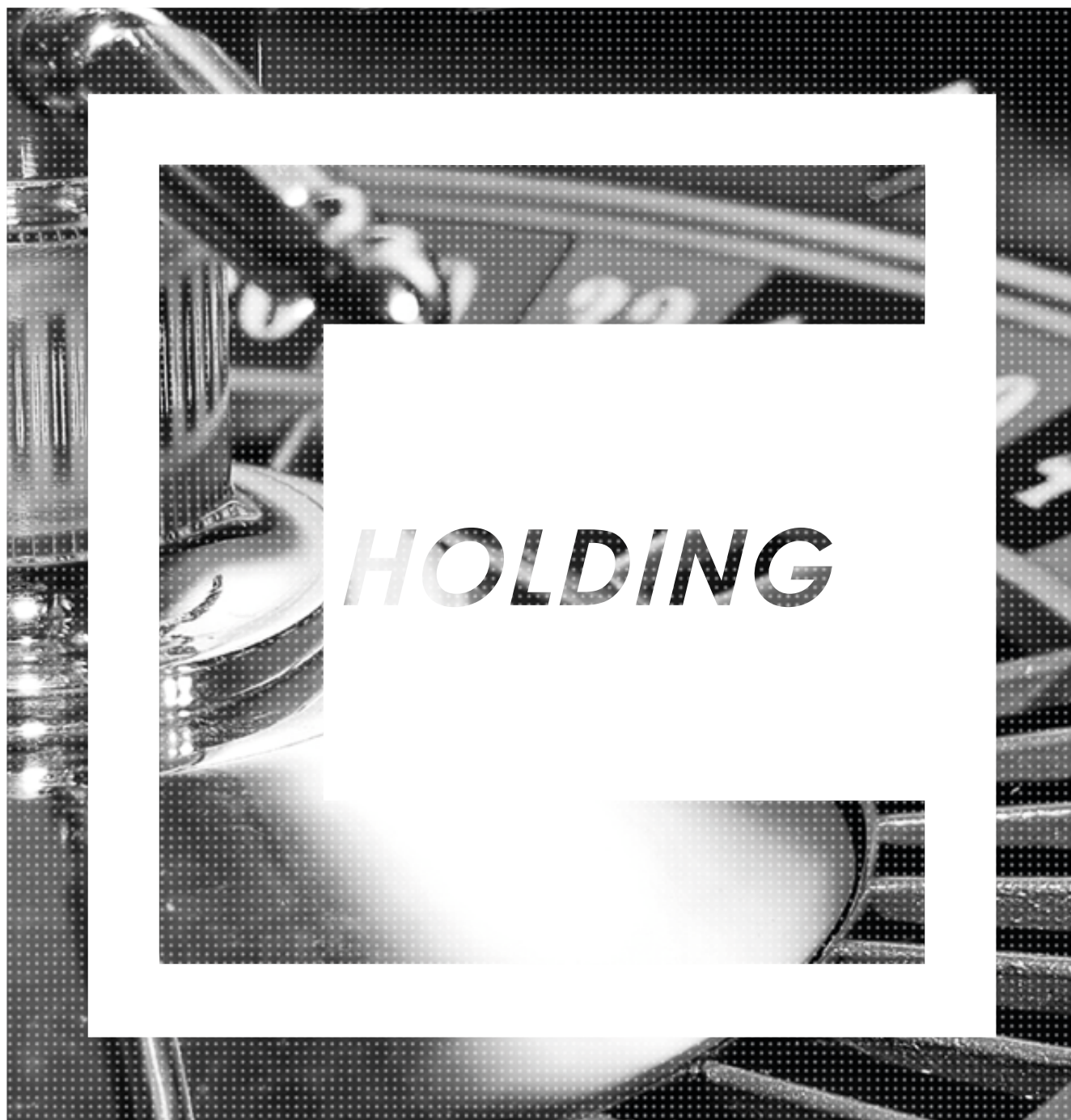


MANAGEMENT REPORT AND ACCOUNTS



ESTORIL-SOL, S.G.P.S., S.A.

1ST SEMESTER 2017



INDEX



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GOVERNING BODIES



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

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

Manuel Maria Reis Boto

Deputy Chairmen

Vitor Pratas Sevilhano Ribeiro

Paulo Ferreira Alves

Alternate

Lisete Sofia Pinto Cardoso

COMPANY SECRETARY

Secretary

Carlos Alberto Francisco Farinha

Alternate

Artur Alexandre Conde de Magalhães Mateus

STATUTORY AUDITOR

Deloitte & Associados, S.R.O.C., S.A. - represented
by Pedro Miguel Argente de Freitas e Matos Gomes



INTERIM MANAGEMENT REPORT



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, S.A. modified its legal status to “Holding Company, S.G.P.S.”, 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. Since July 2016 the Company also began exploring the online gambling activity through one of its subsidiaries.

During the first semester of the year we monitor regularly and in detail the current management of the subsidiaries, giving particular attention and support to streamline processes and control costs.

2. SHARE CAPITAL, SHARES AND DIVIDENDS

At 30th June 2017, 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, S.G.P.S., S.A. held 62.565 treasury shares, with no trading taking place during the financial year.

During the first semester of 2017, the Company, did not sold or acquired own shares.

The Company's shares are listed on the Lisbon Stock Exchange since February 14, 1986 — **2.A.**

In June 2017 the Company paid a dividend of € 0,335 per share related to the year 2016. The price and trading volume of Estoril-Sol, S.G.P.S., S.A. securities, on the dates of reporting to the market during the year 2017 were according table **2.B.**

As at June 30th, 2017 the Company had two reference shareholders, which control 90,46% of the share capital, as infographics **2.C.**

3. ESTORIL-SOL GROUP

On June 30th, 2017, ESTORIL-SOL, S.G.P.S., S.A. had the following stakes in the following subsidiaries:

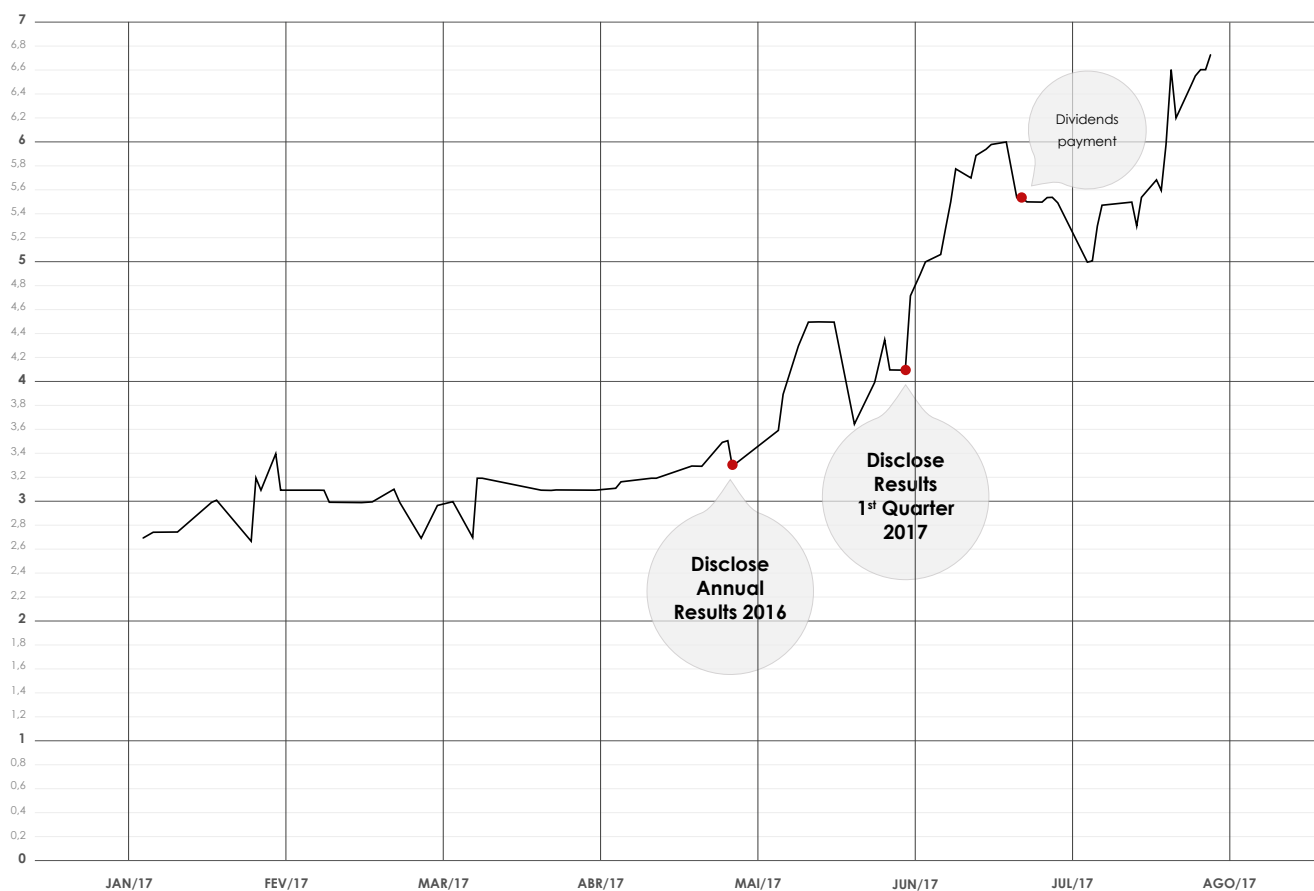
ESTORIL-SOL (III) - TURISMO ANIMAÇÃO E JOGO, S.A.

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..

ESTORIL-SOL DIGITAL – ONLINE GAMING PRODUCTS AND SERVICES, S.A.

With a Share Capital of EUR 500.000 is 50% 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. The license was issue during July 2016 and the Company immediately started exploring the online gambling activity.

2.A Estoril-Sol, S.G.P.S., S.A. shares price - Evolution

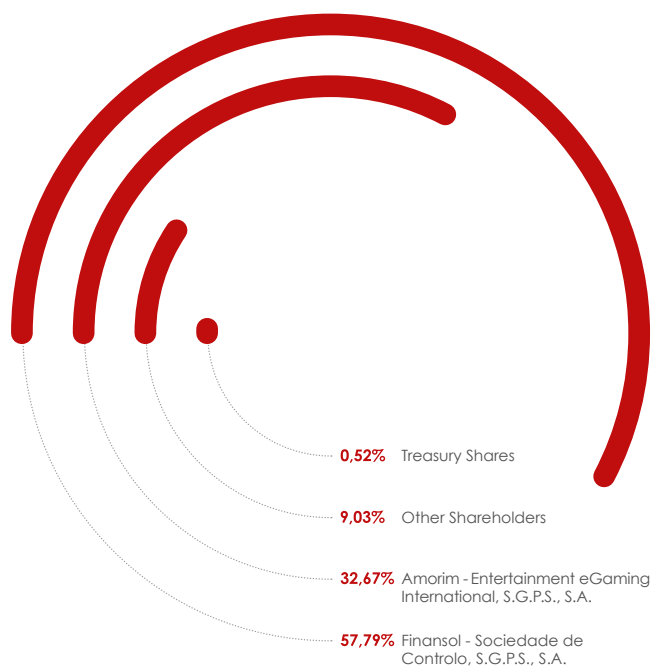


2.B Date for disclosing Estoril-Sol, SGPS, S.A. information

(Estoril-Sol Security - Price in Euros)

DISCLOSURE	DATE	QTD	PRICE
Annual results for 2016	28/04/17	42	3,30 Open
			3,30 High
			3,30 Low
			1,35 Close
Disclose Results 1 st Quarter 2017	29/05/17	19	4,10 Open
			4,10 High
			4,10 Low
			4,10 Close
Dividends payment	21/06/17	210	5,54 Open
			5,54 High
			5,54 Low
			5,54 Close

2.C Company Shareholders





* Holds 10% of its Share Capital

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, S.G.P.S., 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) S.A. most of the capital and votes in that company (Estoril-Sol Digital, Online Gaming Products and Services, 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, S.A.
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..

4. ESTORIL-SOL FINANCIAL ANALYSIS 1ST SEMESTER SUMMARY

GAME REVENUES

The growth cycle of gaming revenues remained during the first semester of 2017. The total gross game revenues of the Estoril Sol Group (territorial and online) amounted to 100,6 million Euros, with an overall growth of 10,8% (2,7% territorial game), to which contributed the online revenues nonexistent in the first semester of 2016 (game revenues detailed by casino in the graphics **¶4.A** and **¶4.B**).

GROUP CONSOLIDATED RESULTS

In the first semester of 2017 the Group's Consolidated EBITDA increased by 36% and amounted to Euro 20 million Euros.

As at 30th June 2017 the Group reported positive consolidated net results of 9,7 million Euros — **¶4.C**.

PERFORMANCE BY SEGMENT/CASINO

All the casinos in the Group improved their performances in the first semester of 2017 compared to last year.

In the first semester of 2017, Casino do Estoril and Casino da Póvoa still have net negative results. To be remarked the fact that all casinos, without exception, achieved a positive EBITDA (operational results).

Casino Online started its activity in July 2016, and for this same reason there were no comparable data compared to the previous year — **¶4.D**.

CAPEX

Pursuing a very careful selection of the investments, the Group made investments (CAPEX) during the first six months of 2017 in the total amount of approximately 4 million Euros.

The increase in investment in the first half of 2017 compared to previous years refers to the anticipation for the first half of the year of investment for the renovation of gaming equipment — **¶4.E**.

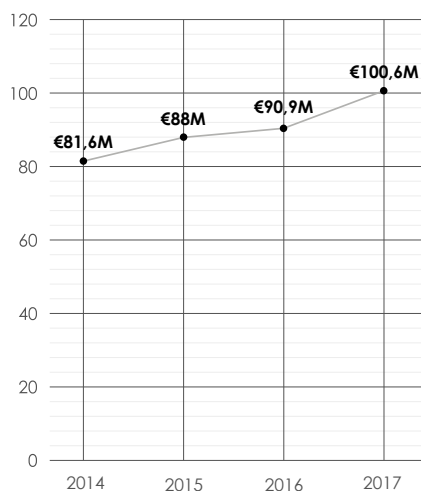
FINANCIAL DEBT

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.

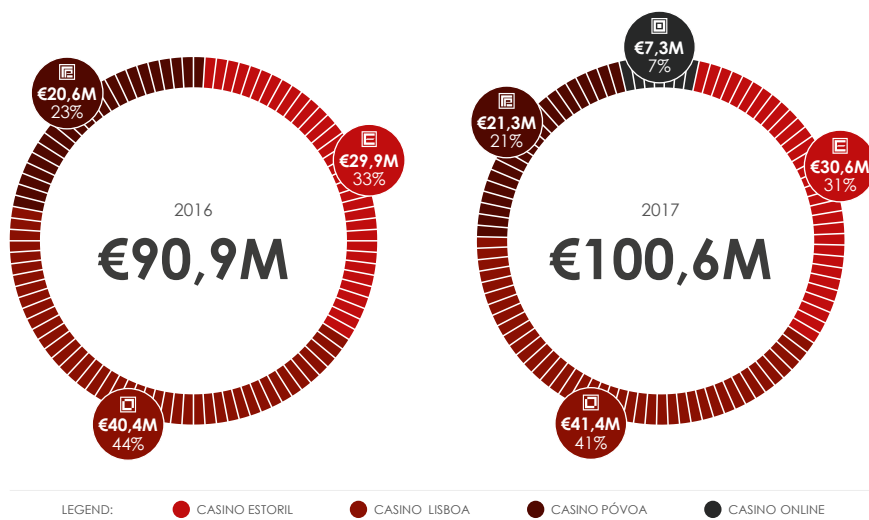
By the end of June 2017 the Group bank debt was 30 million Euros — **¶4.F**.

4.A Game Revenues - 1st Semester

(Million Euros)

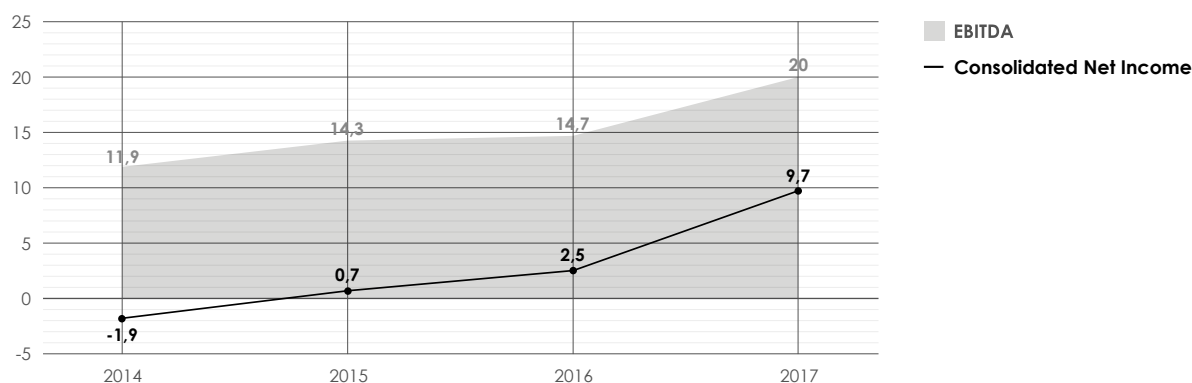


4.B Game Revenues - 1st Semester 2016 and 2017



4.C EBITDA/Consolidated Net Income

(Million Euros)



5. FINANCIAL ANALYSIS CONSOLIDATED ACCOUNTS

TERRITORIAL

In Portugal, the gambling activity in land based casinos is developed by five business groups that exploit, under a public concession, the twelve casinos existing in the national territory.

In March 2017 the Casino of Ponta Delgada in the Azores started its activity. To this date there's no information available related to game revenues due to the youth of this operation.

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

Revenues from gambling in Portugal during the first semester of 2017 amounted to approximately 146,4 million Euros, a growth of 2,9% compared last year first semester.

In the same period the Group territorial game revenues achieved 93,6 million Euros, an increase of 3% — 4.5.A.

ONLINE GAMES AND BETTING

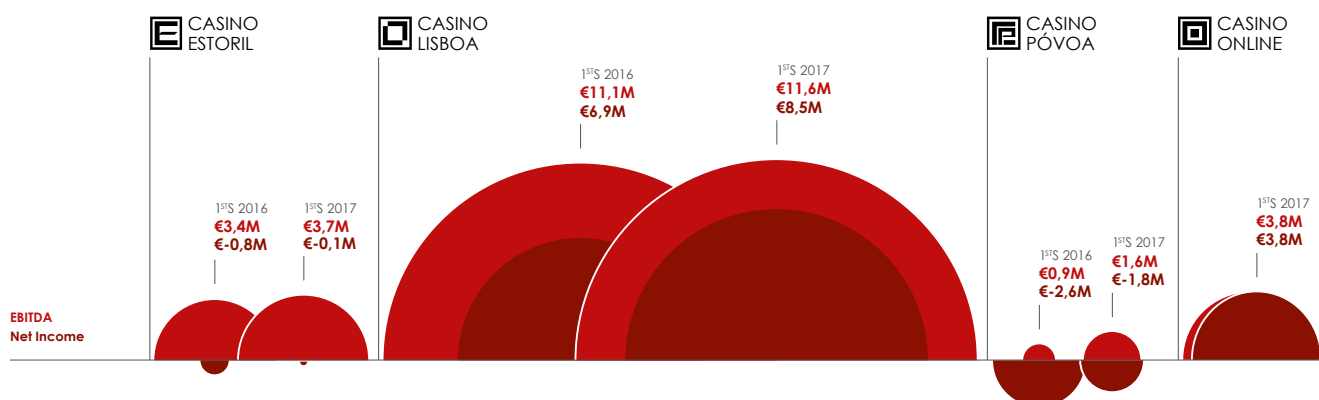
On the 28th June 2015 the online gambling regulation approved by decree-law 66/2015 entered into force.

The issue of the first license occurred one year later, in May 2016, it was a sports betting license. The second license issued by the Turismo de Portugal took place in July 2016 and also for sports betting.

In July 2016 the first online casino license (slot machines, roulette and blackjack) was issued. This license

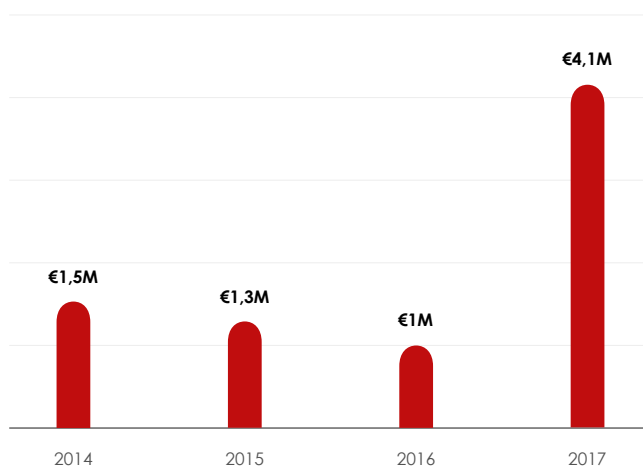
4.D EBITDA/Net Income

(Million Euros)



4.E Capex

(Million Euros)



4.F Bank Debt - June

(Million Euros)



was granted to the Estoril-Sol Group on July 25th, 2016, and the Group started operations on the same day. Since then two more licenses have been issued, totaling to this date three online casino licenses allotted — **5.B.**

During the first half of 2017, online gambling in Portugal generated gross revenues (amount of bets after deducting the premiums paid) in the overall amount of 56,6 million Euros. The sports betting segment accounts for 55% of the market value and generated gross revenues of 31,3 million Euros.

Casino Games, including slot machines, roulette and blackjack, represent 30% of the market and generated gross revenues of 17 million Euros. Poker generated revenues of 8,3 million Euros corresponding to 15% of all online bets — **5.C.**

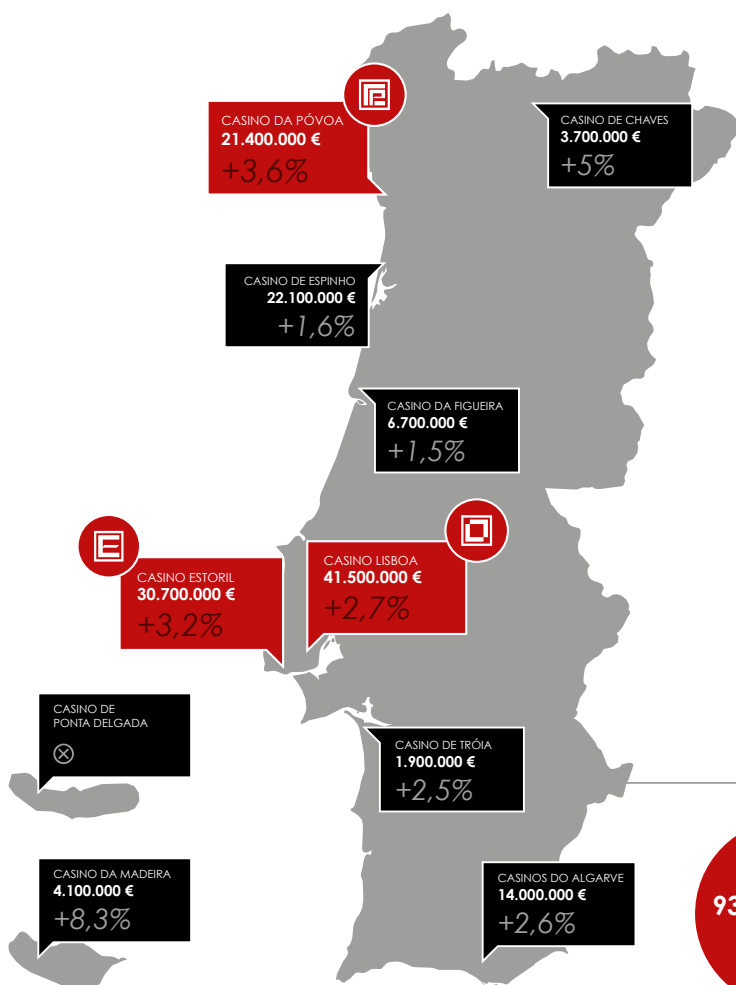
The Estoril-Sol Group, on June 30, 2017, holds a license to operate casino online games, namely, slot machines, roulette and blackjack. To this date there are other operators that hold licenses to operate casino online games, but these licenses do not include

all the games analyzed in this segment (slot machines, roulette and blackjack). During the first half of 2017 Estoril-Sol recorded online gaming revenues of 7,3 million Euros, corresponding to 43% of total gross revenues generated in Portugal with casino online games — **5.D.**

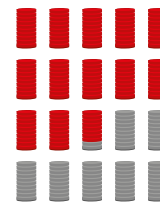
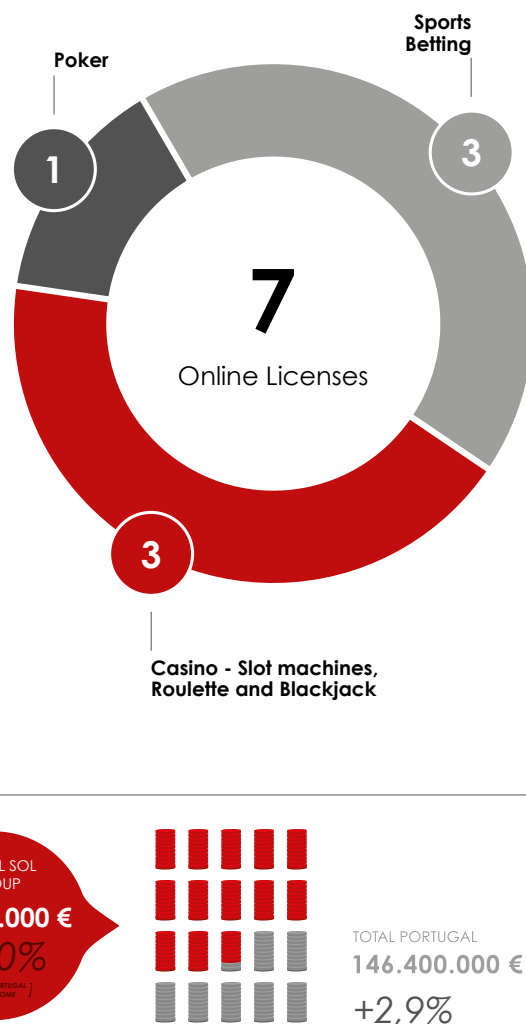
TOTAL REVENUES

During the first semester of 2017, the Group recorded combined gross game revenues, territorial and online, of 100,6 million

5.A Game Revenues (territorial)



5.B Online Licenses



TOTAL PORTUGAL
146.400.000 €
+2,9%

Euros, with an overall growth of 10,8% (3% territorial), which was contributed by the online gaming revenues, nonexistent in the first semester of 2016. Net from gaming taxes, the Group's total game revenues amounted to 49,8 million Euros, an increase of 15,9% over the 43 million Euros achieved in the first half of the previous year.

The effective tax rate borne by the Group in the first semester of 2017 was 50% compared to 53% in 2016, and this was offset by the fact that online gaming revenues are taxed at a rate ranging from 15% to 30%

depending on the volume of the revenues achieved.

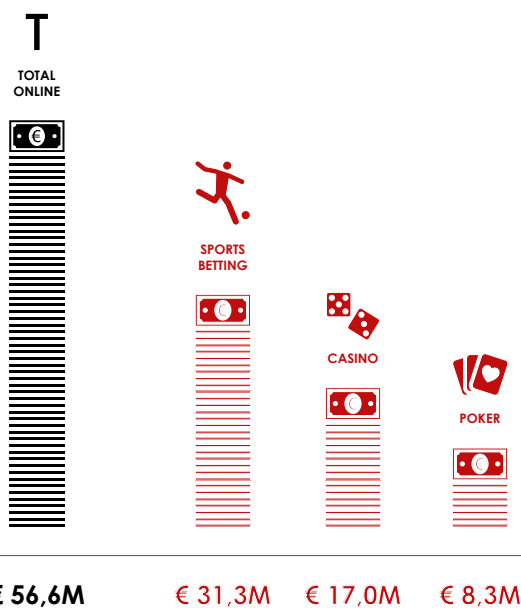
The other operating revenues of Estoril-Sol, restaurant and entertainment, increased by 2,6% to 4,3 million Euros. The Group's 4,8% increase in operating costs reflects the Group's investment in streamlining and increasing the entertainment, leisure and restaurant offer in the casinos, but mainly reflects the strong investment in marketing and advertising carried out by the Group in the first half of 2017 related with the online casino

operation. This strong commitment and investment during the first semester of 2017 and second half of 2016 from the Group, proved to be essential to obtain the good results of this new operation, the online casino — 5.E.

Estoril-Sol Group improve its operating results in almost 36%, and reached for the first half of 2017 a positive EBITDA of 20,1 million Euros. Casino Lisboa achieved a positive EBITDA of 11,6 million Euros, Estoril and Online an EBITDA of around 3,8 million Euros and the Casino da Póvoa

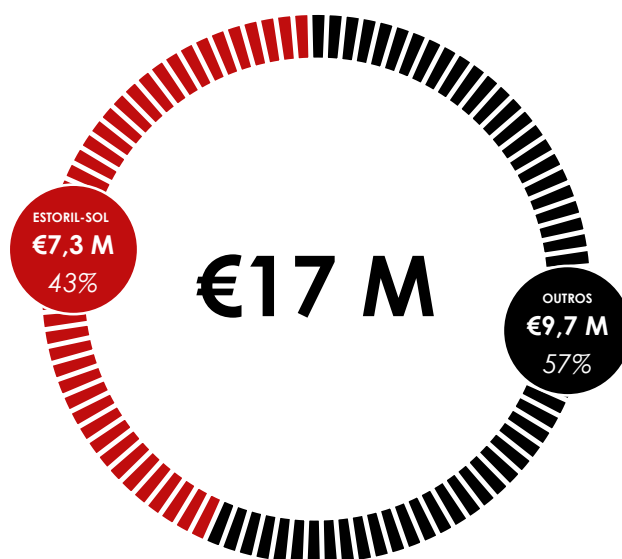
5.C Online games and betting - Gross revenues, 1st Semester 2017

(Million Euros)



5.D Casino games (online)

(Million Euros/Market share)



5.E Consolidated income statements

	Jun 2017	Jun 2016	Var. %
Gaming Revenue	100 688 406	90 900 804	10,8%
Special Gaming Tax	-50 821 114	-47 870 160	a)
Effective Tax Rate	50%	53%	
Game Revenue - Net	49 867 293	43 030 643	15,9%
Other revenue (F&B/Entertainment)	4 356 801	4 247 834	2,6%
Operating costs	-34 093 318	-32 520 585	4,8%
EBITDA	20 130 776	14 757 892	36,4%
Amortization and Depreciation	-9 495 975	-10 581 339	-10,3%
Financial Costs	-776 296	-1 614 052	-52%
Income tax (IRC)	-58 614	-7 000	737%
Consolidated Net Result	9 799 890	2 555 502	283%
Equity holders of the Parent Company	7 862 793	2 555 502	
Non-controlling interests	1 937 097	-	
	9 799 890	2 555 502	

a) Includes the amounts recorded in "Gaming Taxes" as "Special Gaming Tax (Current)" and "Annual Gaming Tax (Difference to minimum grant)"

5.F EBITDA per Casino

	Casino Estoril	Casino Lisboa	Casino Póvoa	Casino Online
Gaming Revenue	30 578 252	41 390 919	21 364 240	7 354 995
Game Taxes	-15 356 456	-20 755 522	-13 107 500	-1 601 635
Effective Tax Rate	50%	50%	61%	22%
Net Revenue	15 221 797	20 635 397	8 256 740	5 753 360
EBITDA	3 764 779	11 652 554	1 602 675	3 887 483
EBITDA Margin	12%	28%	8%	53%

registered in the first half of 2017 a positive EBITDA of 1,6 million Euros — **➡5.F.**

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 52% over the first six months of 2017 compared to same period last year. Estoril-Sol supported almost 0,7 million Euros with loan interests during the first half of 2017.

The Consolidated Net Profit in the first semester of 2017 was positive by 9,7 million Euros compared with earnings of 2,5 million Euros in the previous year. Of these 9,7 million Euros, 7,8 million Euros belong to the shareholders of Estoril-Sol, S.G.P.S., S.A, and the remainder held by minority and non-controlling interests.

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 (note 16 and 18 to the consolidated accounts).

7. SUBSEQUENT FACTS

Between the 30th of June 2017 and the date of this report, no relevant facts occurred that could materially affect the financial position and the future results of Estoril-Sol, S.G.P.S., 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 04th August 2017, 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, S.A., a license for online

sports betting, 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 August 3rd, 2020, if not renewed, under the terms and conditions set out in RJO.

8. STATEMENT OF THE BOARD OF DIRECTORS

Within the terms of paragraph c) n°1 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, S.G.P.S., 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, S.G.P.S., S.A. and the companies included in the consolidation perimeter.

Estoril, 26th July 2017



CASINO

APOSTAS DESPORTIVAS

PROMOÇÕES

APOIO AO CLIENTE

FAÇA A SUA
1ª APOSTA DE
10€ E RECEBA JÁ
30€ FREEBETS!

SAIBA MAIS!

Slots

Roleta Francesa

Jogos mais populares

NEW

BURNING HOT

54 IMBS

NEW

20 SUPER HOT

20 IMBS

NEW

40 SUPER HOT

40 IMBS

KASSIUS

BLACKJACK

FLICK KISS

BOOST RACERS

BOON RANG

NEW 7 EXTREMELY HOT

NEW

NEWS

10:32 - Nat1958 acabou de ganhar 100.00 € no

ATÉ 250€ GRÁTIS

100% de bônus - Duplique o seu
primeiro depósito.

CRIAR A MINHA CONTA

100%
seguro

Deposite dinheiro facilmente na sua conta



THE BOARD OF DIRECTORS

Chairman

Stanley Hung 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 Armino de Carvalho Teixeira

Calvin Ka Wing Chann

Miguel António Dias Urbano de Magalhães Queiroz



ANNEX TO THE MANAGEMENT REPORT



Information regarding the securities issued by ESTORIL-SOL, S.G.P.S., S.A., 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 2017.

	No. shares 31 Dec 2016	Date	Value (€/share)	No. shares purchased	No. shares sold	No. shares 30 Jun 2017
Board of Directors						
Stanley Hung Sun Ho	135 662	-	-	-	-	135 662
Mário Alberto Neves Assis Ferreira	601	-	-	-	-	601
Patrick Wing Ming Huen	55 000	-	-	-	-	55 000
Pansy Catilina Chiu King Ho	0	-	-	-	-	0
Ambrose Shu Fai So	50 000	-	-	-	-	50 000
Man Hin Choi	527	-	-	-	-	527
António José de Melo Vieira Coelho	0	-	-	-	-	0
Vasco Esteves Fraga	608	-	-	-	-	608
Jorge Armindo de Carvalho Teixeira	0	-	-	-	-	0
Calvin Ka Wing Chann	1 000	-	-	-	-	1 000
Miguel António Dias Urbano de Magalhães Queiroz	0	-	-	-	-	0
Advisory Board						
Rui José da Cunha	12 300	-	-	-	-	12 300
Audit Board						
Manuel Maria Reis Boto	0	-	-	-	-	0
Vitor Prata Sevilhano Ribeiro	0	-	-	-	-	0
Paulo Ferreira Alves	0	-	-	-	-	0
Lisete Sofia Pinto Cardoso	0	-	-	-	-	0
Statutory Auditor						
Pedro Miguel Argente de Freitas e Matos Gomes	0	-	-	-	-	0



HOLDERS OF QUALIFIED SHAREHOLDINGS



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

On 30th June 2017, 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 2017, 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 2017, 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., S.A. in the share capital of ESTORIL-SOL, S.G.P.S., S.A. was, on 30th June 2017, 32,67% and 33,13% of the voting rights.

CONSOLIDATED FINANCIAL STATEMENTS

ESTORIL-SOL, S.G.P.S., S.A.

CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON JUNE 30TH, 2017 AND DECEMBER 31ST, 2016

(Amounts in Euros)

	Notes	Jun 2017	Dec 2016
ASSETS			
NON-CURRENT ASSETS			
Tangible fixed assets:			
Reversible to the State	10	41 729 451	42 654 547
Not reversible to the State	10	54 958 768	55 839 165
Tax deductions on investments		(14 253 292)	(15 399 000)
		82 434 927	83 094 712
Intangible assets:			
	11	49 888 957	55 639 395
Investment properties		196 482	198 795
Other non current assets		45 833	41 907
TOTAL NON-CURRENT ASSETS		132 566 199	138 974 809
CURRENT ASSETS			
Inventories		6 793 871	6 775 646
Accounts receivable - trade		377 613	327 017
Other accounts receivable		1 904 452	1 500 547
Cash and cash equivalents	12	19 236 546	13 573 389
TOTAL CURRENT ASSETS		28 312 481	22 176 599
TOTAL ASSETS		160 878 680	161 151 407
EQUITY AND LIABILITIES			
EQUITY			
Capital	13	59 968 420	59 968 420
Treasury shares	13	(708 306)	(708 306)
Share issue premiums	13	960 009	960 009
Legal reserves		7 154 428	6 821 678
Other reserves and retained earnings		5 217 044	2 987 819
Consolidated net profit		7 862 793	6 554 939
Equity attributable to the holders of the Parent Company		80 454 389	76 584 558
Equity attributable to non-controlling interests	14	3 085 267	1 148 165
TOTAL EQUITY		83 539 656	77 732 723
LIABILITIES			
Non-current liabilities:			
Financial debt	15	1 250 000	1 250 000
Other accounts payable	16	4 310 638	4 310 638
Provisions	17	8 290 535	8 851 972
Total non-current liabilities		13 851 173	14 412 610
Current liabilities:			
Financial debt	15	28 803 934	29 100 739
Other accounts payable	16	34 683 916	39 905 336
Total current liabilities		63 487 851	69 006 074
TOTAL LIABILITIES		77 339 024	83 418 684
TOTAL EQUITY AND LIABILITIES		160 878 680	161 151 407

The notes form an integral part of these financial statements

CONSOLIDATED INCOME STATEMENT OF THE PERIODS ENDED ON 30TH JUNE, 2017 AND 2016

(Amounts in Euros)

	Notes	1 st Semester		2 nd Quarter	
		2017	2016	2017	2016
REVENUE					
Gaming revenues	6	100 688 406	90 900 804	50 792 203	44 480 595
Gaming taxes	6	(50 821 114)	(47 870 160)	(25 882 164)	(23 584 305)
		49 867 292	43 030 644	24 910 039	20 896 290
Other operating revenue	6	4 356 801	4 247 834	2 177 670	2 301 984
		54 224 093	47 278 478	27 087 709	23 198 274
OPERATING EXPENSES					
Cost of sales		(1 394 472)	(1 320 837)	(690 426)	(685 537)
Supplies and external services	7	(15 568 540)	(14 141 100)	(7 581 017)	(7 057 561)
Wages and salaries	8	(15 876 411)	(15 484 555)	(8 025 391)	(7 700 284)
Depreciation and amortization		(9 938 400)	(10 581 339)	(4 958 592)	(5 220 347)
Impairments - accounts receivable ((increases) / reversals)		150	900	150	450
Provisions ((increases)/reversals)	17	442 425	(2 488)	442 425	(2 488)
Impairment of non-depreciable/amortizable investments		2 757	(6 733)	2 802	(3 389)
Other operating expenses		(1 256 803)	(1 565 772)	(589 770)	(809 724)
Total operating expenses		(43 589 293)	(43 101 924)	(21 399 817)	(21 478 879)
Income before financial results and taxes		10 634 800	4 176 554	5 687 892	1 719 395
FINANCIAL (LOSSES) AND GAINS					
Financial losses	9	(798 715)	(1 629 553)	(388 512)	(810 779)
Financial gains	9	22 419	15 501	10 768	7 775
		(776 296)	(1 614 052)	(377 744)	(803 004)
Income before taxes		9 858 504	2 562 502	5 310 147	916 391
Income taxes		(58 614)	(7 000)	(58 614)	-
Consolidated net income	5	9 799 890	2 555 502	5 251 533	916 391
Attributable to:					
Equity holders of the parent company		7 862 793	2 555 502	4 336 106	916 391
Non-controlling interests	14	1 937 097	-	915 428	-
		9 799 890	2 555 502	5 251 533	916 391
Net result per share	19	0,66	0,21	0,36	0,08

The notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIODS ENDED 30TH JUNE 2017 AND 2016

(Amounts in Euros)

	Share Capital	Treasury Shares	Issue Premiums	Legal Reserve	Other reserves and retained earnings	Consolidated net result of the year	Total	Non-controlling interests (Note 14)	Total equity
Balance at 1st Jan 2016	59 968 420	(708 306)	7 820 769	6 614 782	(7 271 176)	4 196 063	70 620 552	-	70 620 552
Application of the consolidated net profit of the year ended 31 st Dec 2015	-	-	-	206 896	1 467 887	(4 196 063)	(2 521 280)	-	(2 521 280)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th Jun 2016	-	-	-	-	-	2 555 502	2 555 502	-	2 555 502
Balance at 30th Jun 2016	59 968 420	(708 306)	7 820 769	6 821 678	(5 803 291)	2 555 502	70 654 775	-	70 654 775
Balance at 1st Jan 2017	59 968 420	(708 306)	960 009	6 821 678	2 987 819	6 554 939	76 584 558	1 148 165	77 732 723
Application of the consolidated net profit of the year ended 31 st Dec 2016	-	-	-	332 750	2 229 226	(6 554 939)	(3 992 963)	-	(3 992 963)
Consolidated Other Comprehensive Income (OCI) of the period ended 30 th Jun 2017	-	-	-	-	-	7 862 793	7 862 793	1 937 097	9 799 890
Balance at 30th Jun 2017	59 968 420	(708 306)	960 009	7 154 428	5 217 044	7 862 793	80 454 389	3 085 267	83 539 656

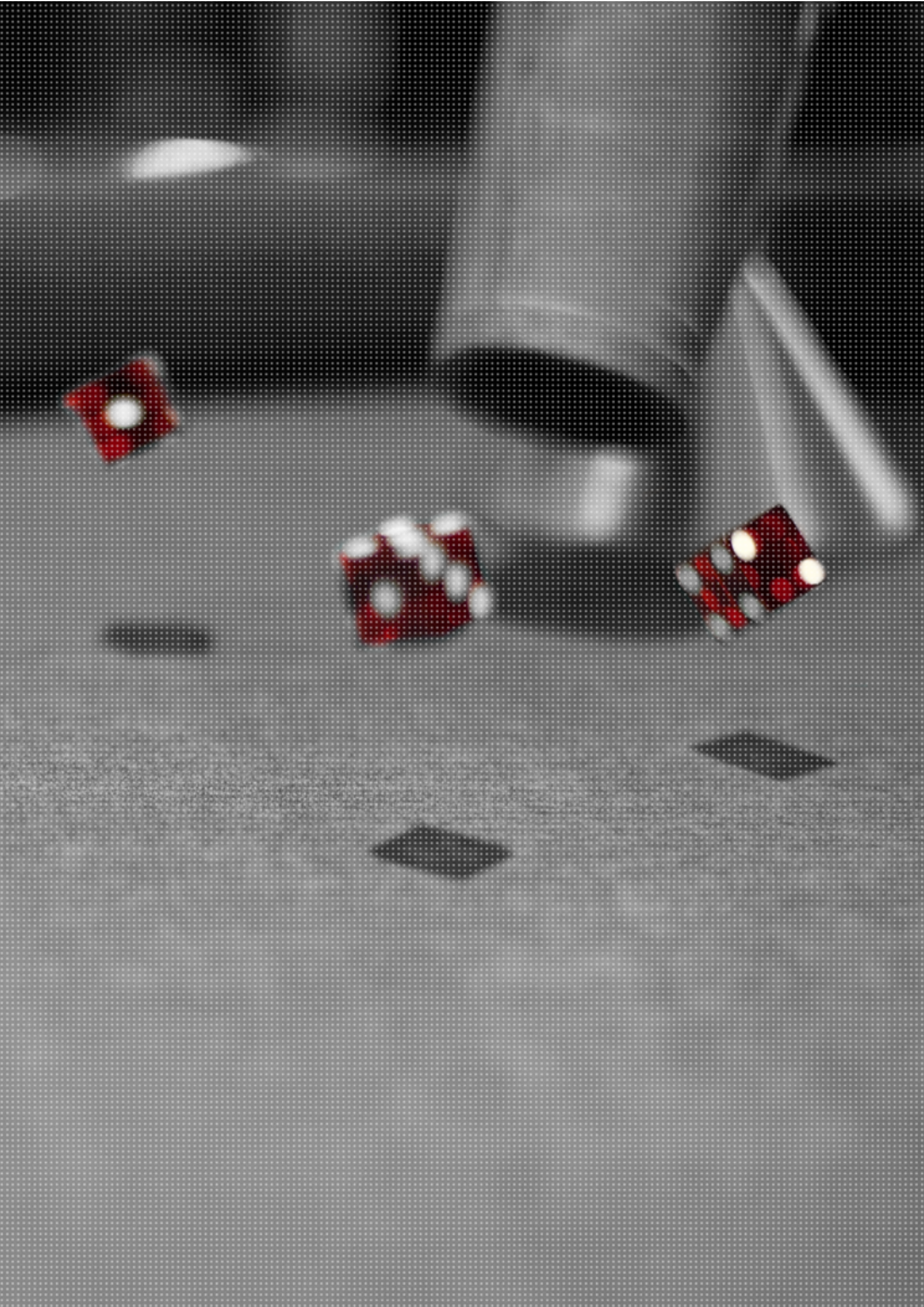
The notes form an
integral part of these
financial statements.

CONSOLIDATED CASH FLOW STATEMENTS FOR PERIODS ENDED 30TH JUNE 2017 AND 2016

(Amounts in Euros)

	Notes	1 st Semester		2 nd Quarter	
		2017	2016	2017	2016
OPERATING ACTIVITIES					
Receipts from clients		103 513 414	93 265 018	52 340 634	45 850 820
Payments to suppliers		(18 544 454)	(17 154 577)	(8 427 494)	(8 674 528)
Payments to staff		(14 012 022)	(13 821 813)	(7 136 639)	(6 833 917)
Cash flow generated by operations		70 956 938	62 288 629	36 776 501	30 342 375
Payment of income tax (IRC)		(117 858)	(101 933)	(114 955)	(90 233)
Payment of Special Gaming Tax		(53 923 570)	(50 601 834)	(20 112 864)	(19 046 988)
Other payments relating to the operating activity		(2 448 613)	(3 150 541)	(687 214)	(1 408 856)
Cash flow from operating activities (1)		14 466 896	8 434 321	15 861 468	9 796 298
INVESTING ACTIVITIES					
Receipts from:					
Interest and similar income		21 979	15 501	10 540	7 775
		21 979	15 501	10 540	7 775
Payments in respect of:					
Tangible fixed assets		(3 690 771)	(722 512)	(2 377 855)	(372 655)
Intangible assets		-	(24 000)	-	(24 000)
		(3 690 771)	(746 512)	(2 377 855)	(396 655)
Cash flow from investment activities (2)		(3 668 792)	(731 011)	(2 367 314)	(388 880)
FINANCING ACTIVITIES					
Receipts from:					
Bank loans obtained		181 802 592	193 031 877	89 984 808	99 218 270
		181 802 592	193 031 877	89 984 808	99 218 270
Payments in respect of:					
Bank loans repaid		(182 190 976)	(199 007 854)	(95 355 902)	(105 448 089)
Interest and similar costs		(757 751)	(1 937 745)	(316 137)	(862 609)
Dividends		(3 988 812)	(2 512 356)	(3 988 812)	(2 512 356)
		(186 937 540)	(203 457 956)	(99 660 851)	(108 823 054)
Cash flow from financing activities (3)		(5 134 948)	(10 426 079)	(9 676 043)	(9 604 784)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		5 663 157	(2 722 769)	3 818 110	(197 366)
Cash and cash equivalents at the start of the period	12	13 573 389	10 839 350	15 418 436	8 313 947
Cash and cash equivalents at the end of the period	12	19 236 546	8 116 580	19 236 546	8 116 581

The notes form an integral part of these financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS



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 2016. 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 2017, 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 2016, 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 2017 and 31st March 2016 are the following:

Name	Head Office	Method of consolidation	Effective percentage of the capital held	
			Jun 2017	Dec 2016
Estoril-Sol, S.G.P.S., S.A.	Estoril	Integral	Mãe	Mãe
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	50	50

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, S.G.P.S., 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) S.A. most of the capital and votes in that company (Estoril-Sol Digital, Online Gaming Products and Services, S.A.).

4.2 Associate companies

Estoril-Sol, S.G.P.S., S.A. indirectly held on the 1st January 2016, 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;
- the Póvoa de Varzim Faming Concession the Póvoa Casino;
- the Online gambling license to Casino Online;
- and “Others”, essentially including the effect of the holding companies and of the other operating activities of the Group.

On 30th June 2017 and 2016, the information by business segment, is as follows:

30th June 2017

	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online		
Net assets	31 792 214	77 783 991	109 576 205	39 327 117	7 876 450	4 098 908	160 878 680
Net liabilities	17 061 858	24 072 746	41 134 605	28 820 266	1 705 914	5 678 239	77 339 024
Result of the segment	(156 983)	8 504 056	8 347 072	(1 808 250)	3 874 196	(613 128)	9 799 890
Investment assets:							
Tangible fixed	1 530 140	1 318 838	2 848 978	1 333 476	11 900	-	4 194 354

30th June 2016

	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for Online Gambling	Other	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online		
Net assets	36 321 368	79 131 789	115 453 157	41 143 522	-	6 339 321	162 936 000
Net liabilities	25 087 817	32 513 984	57 601 801	30 168 972	-	4 510 450	92 281 223
Result of the segment	(860 410)	6 993 200	6 132 790	(2 606 587)	-	(970 701)	2 555 503
Investment assets:							
Tangible fixed	495 770	120 755	616 525	451 433	-	22 402	1 090 360

6. OPERATING INCOME BY NATURE

The consolidated operating income, in the periods ended on 30th June 2017 and 2016, is split in the following manner:

June 2017

Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
Gaming revenues:						
Slot machines	23 489 786	33 391 418	56 881 204	17 672 931	6 760 148	81 314 283
Table based gaming	7 223 125	8 119 626	15 342 751	3 742 422	1 625 245	20 710 418
Bonuses and other fair value adjustments	(134 659)	(120 125)	(254 784)	(51 113)	(1 030 398)	(1 336 295)
	30 578 252	41 390 919	71 969 171	21 364 240	7 354 995	100 688 406
Gaming taxes:						
Special gaming tax (current)	(15 356 456)	(20 755 522)	(36 111 979)	(10 707 677)	(1 601 635)	(48 421 290)
Annual gaming tax (difference to minimum grant)	-	-	-	(2 399 824)	-	(2 399 824)
	(15 356 456)	(20 755 522)	(36 111 979)	(13 107 500)	(1 601 635)	(50 821 114)
Other operating revenues:						
F&B and Entertainment	1 983 731	330 353	2 314 084	486 151	-	2 800 235
Tax deductions - Entertainment	562 129	415 110	977 240	400 984	-	1 378 224
Supplementary income	148 445	18 512	166 957	10 296	-	177 253
Other	833	0	833	256	-	1 089
	2 695 138	763 975	3 459 114	897 687	-	4 356 801
	17 916 935	21 399 372	39 316 306	9 154 427	5 753 360	54 224 093

June 2016

Nature	Estoril Game Concession		Sub-Total	Póvoa Game Concession	License for online Gambling	Total
	Estoril Casino	Lisboa Casino		Póvoa Casino	Casino Online	
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
Bonuses and other fair value adjustments	103 335	(1 343)	101 992	(29 536)	-	72 456
	29 843 402	40 418 910	70 262 312	20 638 492	-	90 900 804
Gaming taxes:						
Special gaming tax (current)	(14 870 034)	(20 210 127)	(35 080 161)	(10 334 014)	-	(45 414 174)
Annual gaming tax (difference to minimum grant)	-	-	-	(2 455 986)	-	(2 455 986)
	(14 870 034)	(20 210 127)	(35 080 161)	(12 790 000)	-	(47 870 160)
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	956 604	467 840	-	1 424 444
Supplementary income	120 566	18 530	139 096	10 899	-	149 995
Other	4 956	-	4 956	1 155	-	6 111
	2 582 615	730 339	3 312 954	934 881	-	4 247 834
	17 555 983	20 939 122	38 495 106	8 783 373	-	47 278 478

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 2017 and 2016, external supplies and services were as follows:

	June 2017	June 2016
Gifts to customers	2 142 025	2 232 978
Marketing and advertising	1 991 709	993 445
Subcontracts	1 907 803	1 744 458
Energy and other fluids	1 415 031	1 415 904
Cleaning and laundry	1 218 213	1 212 756
Conservation and repairs	1 206 730	1 388 034
Specialized work	1 050 789	1 113 662
Royalties	1 011 119	939 520
Surveillance and security	834 561	789 384
Fees	611 037	275 740
Rents	573 466	589 941
Financial services (comissions)	531 409	266 881
Insurance	376 580	375 667
Communication	268 902	235 771
Travel and hotels	123 574	133 313
Other	305 592	433 646
	15 568 540	14 141 100

8. STAFF COSTS

In the periods ended on 30th June 2017 and 2016, staff costs were as follows:

	June 2017	June 2016
Remuneration of governing bodies	1 453 615	1 404 141
Remuneration of staff	10 757 129	10 510 905
Indemnities	19 815	50 713
Charges on remuneration	2 780 343	2 709 016
Insurance	102 070	91 547
Social charges	580 951	545 182
Other	182 488	173 051
	15 876 411	15 484 554

9. NET FINANCIAL COSTS

Financial costs and income for the periods ended on 30th June 2017 and 2016 is broken down as follows:

	June 2017	June 2016
FINANCIAL COSTS		
Interest borne:		
Financing from banks	(426 715)	(1 045 562)
Finance and operating leasing	(84 728)	(34 762)
	(511 443)	(1 080 324)
Other financing costs:		
Comissions and similar charges	(287 272)	(549 229)
	(798 715)	(1 629 553)
FINANCIAL INCOME		
Exchange gains	9 699	9 660
Other		5 841
	22 419	15 501
NET FINANCIAL COSTS	(776 296)	(1 614 052)

10. TANGIBLE FIXED ASSETS

During the periods ended on 30th June 2017 and 2016, the movement in tangible assets, as well as in the respective depreciation and accumulated impairment losses, was as follows:

January to June 2017

	Land	Buildings and other constructions	Basic Equipment	Vehicles	Office Equipment	Other tangible fixed assets	Fixed assets in progress	Total
Gross amount:								
Opening balance		197 483 576	120 255 229	66 744	4 386 179	82 292	1 780 940	340 568 796
Acquisitions		664	1 420 377	-	12 725	-	2 760 588	4 194 354
Adjustments/Transfers	-	-	26 225	-	-	-	-	26 225
Write-off	-	-	(1 660 829)	(46 000)	(14 659)	-	-	(1 721 488)
Closing balance	16 513 836	197 484 240	120 041 002	20 744	4 384 245	82 292	4 541 528	343 067 887
Depreciation and accumulated impairment losses:								
Opening balance	-	136 741 249	101 349 388	54 615	3 874 707	81 359	-	242 101 318
Depreciation of the year	-	3 430 698	2 469 721	1 473	87 037	-	-	5 988 929
Write-off	-	-	(1 660 566)	(35 344)	(14 667)	-	-	(1 710 577)
Closing balance	-	140 171 947	102 158 543	20 744	3 947 077	81 359	-	246 379 670
Net amount	16 513 836	57 312 293	17 882 459	-	437 168	933	4 541 528	96 688 219

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
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

11. INTANGIBLE ASSETS

The breakdown of intangible assets on 30th June 2017 and 31st December 2016 is as follows:

Gaming Concession	June 2017		
	Gross Assets	Accumulated amortization	Net Assets
Estoril Gaming Concession			
Casino Estoril	153 576 455	(132 869 269)	20 707 187
Casino Lisboa	30 000 000	(22 669 950)	7 330 051
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(55 207 189)	21 826 920
	260 610 564	(210 746 407)	49 864 157
Intangible assets - Online gaming license (a)	36 000	(11 200)	24 800
	260 646 564	(210 757 607)	49 888 957

Gaming Concession	December 2016		
	Gross Assets	Accumulated amortization	Net Assets
Estoril Gaming Concession			
Casino Estoril	153 576 455	(129 776 774)	23 799 681
Casino Lisboa	30 000 000	(21 641 378)	8 358 622
Póvoa Gaming Concession - Casino da Póvoa	77 034 109	(53 583 817)	23 450 292
	260 610 564	(205 001 969)	55 608 595
Intangible assets - Online gaming license (a)	36 000	(5 200)	30 800
	260 646 564	(205 007 169)	55 639 395

(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, S.A., 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.

12. CASH AND CASH EQUIVALENTS

On 30th June 2017 and 31st December 2016, this caption was broken down as follows:

	Jun 2017	Dec 2016
CASH	8 054 176	8 696 631
Bank deposits		
Immediately available bank deposits	5 660 587	3 657 733
Long term deposits (a)	5 500 000	1 200 000
Other treasury applications	21 782	19 025
Cash and bank deposits	19 236 546	13 573 389
Bank overdrafts	-	-
Cash and cash equivalents	19 236 546	13 573 389

13. CAPITAL

On 30th June 2017 and 31st December 2016, 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 2017 and on 31st December 2016 is broken down as follows:

	Jun 2017	Dec 2016
Share capital	59 968 420	59 968 420
Treasury shares	(708 306)	(708 306)
Issue premiums	960 009	960 009
	60 220 123	60 220 123

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

Date	Nominal value	No. of shares
30th June 2017		
Registered	5€	6 116 779
Bearer	5€	5 876 905
		11 993 684
31st December 2016		
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. NON-CONTROLLING INTERESTS

On 30th June 2017 and 31st December 2016, this caption was broken down as follows:

Company	Jun 2017			
	Equity	Profit/(Loss) of the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	6 170 536	3 874 196	3 085 267	1 937 097

Company	Dec 2016			
	Equity	Profit/(Loss) of the period	Book value of non-controlling interests	Proportion in income attributable to non-controlling interests
Estoril-Sol Digital, Online Gaming Products and Services, S.A.	2 296 340	1 813 718	1 148 165	906 859

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, S.G.P.S., 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) S.A. most of the capital and votes in that company (Estoril-Sol Digital, Online Gaming Products and Services, S.A.).

15. FINANCIAL DEBT

On 30th June 2017 and 31st December 2016, this caption was broken down as follows:

Nature of the financing	Jun 2017		Dec 2016	
	Nominal value	Balance sheet value	Nominal value	Balance sheet value
Non-current financing:				
Bank loans	1 250 000	1 250 000	1 250 000	1 250 000
	1 250 000	1 250 000	1 250 000	1 250 000
Current financing:				
Bank loans	6 399 865	6 267 024	7 688 648	7 710 499
Commercial paper	7 750 000	7 956 210	2 500 000	2 449 228
Current accounts	14 580 700	14 580 700	18 930 300	18 930 300
Financial leasing	-	-	10 712	10 712
	28 730 565	28 803 934	29 129 660	29 100 739
	29 980 565	30 053 934	30 379 660	30 350 739

The average interest rates for financing, borne by the Group, including commissions and other charges, come within an interval of between 2% and 4,1%.

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 2017 and 31st December 2016, these ratios were according the contractually negotiated limits.

The amount classified as non-current bank loans, for a total amount of 1.250.000 Euros, falls due in accordance with the following schedule:

- 1.250.000 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.

16. OTHER ACCOUNTS PAYABLE

On 30th June 2017 and 31st December 2016, this caption was broken down as follows:

	Jun 2017	Dec 2016
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	576 214	576 214
	4 310 638	4 310 638
OTHER ACCOUNTS PAYABLE - CURRENT		
Current suppliers	4 480 867	5 382 419
Suppliers of investments	1 410 446	1 100 635
State and Public Sector		
Annual gaming payment	7 443 660	11 606 867
Annual payment - Difference to minimum grant		
Decree 1/2015 - 10% over 50% rate of the annual gaming payment	2 399 823	3 241 292
Installments payment schedule - approved for 2015	576 215	576 215
Special Gaming Tax (to be paid next month)	5 866 754	6 541 148
Social Security contributions	762 205	611 667
Other in favour of the State	1 412 388	1 112 534
Clients advance payments	458 094	338 736
Charges with holidays payable	4 081 303	4 540 311
Responsibilities for accumulated gaming premiums	1 984 055	1 872 791
Other	3 808 106	2 980 721
	34 683 916	39 905 336

Clients advance payments:

The value of “Clients advance payments” relate entirely to the online casino and refer to the balance of the internet website of the online casino, available for playing or withdraw at 23:59; 30th June and 31st December 2016.

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 14th 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 instalments 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 time to the amounts related to the year ended December 2014, which initially payment deadline was on January 31st, 2015.

The value 4.310.638 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 of 1.244.808 Euros, 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 2017 is recorded as “Other accounts payable – current”.

17. PROVISIONS

The movement in the provisions accounts in the periods ended on 30th June 2017 and 2016 is as follows:

January to June 2017

	Opening Balance	Increases	Reversals	Write-off	Closing Balance
Provisions for pensions	2 899 650	-	-	(26 187)	2 873 463
Legal proceedings in hand	5 383 224	123 719	-	(92 825)	4 847 974
Other risks and charges	569 098	-	-	-	569 098
	5 952 322	123 719	-	(92 825)	5 417 072
	8 851 972	123 719	-	(119 012)	8 290 535

The reversals of provisions that occurred during the first half of 2017 mostly relate to civil lawsuits related to claims for compensation of players with requests for self-exclusion, and where court judgments have come to co-account the player in a percentage greater than that originally provided by the Group.

January to June 2016

	Opening Balance	Increases	Reversals	Write-off	Closing Balance
Provisions for pensions	3 522 023	-	-	(26 187)	3 495 836
Legal proceedings in hand	4 193 142	2 488	-	(260 273)	3 935 357
Other risks and charges	569 098	-	-	-	569 098
	4 762 240	2 488	-	(260 273)	4 504 455
	8 284 263	2 488	-	(286 460)	8 000 291

18. 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 in-curred 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 evens if it wins the case. As at 30th June 2017 there are 25 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 733.545 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 evens if it wins the case. As at 30th June 2017 there are 13 former employees with pending litigation related with this dismissal. The provision accrued within the accounts amounts to 344.500 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 1.984.055 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 16).

Guarantees provided

On 30th June 2017 and 31st December 2016 the guarantees provided by the Group were as follows:

	Jun 2017	Dec 2016
Obligations related with the Special Gaming Tax	7 250 000	24 494 052
Tax lawsuits in hand / litigation	7 414 888	7 414 888
Current suppliers	39 250	39 250
	14 704 138	31 948 190

During the first semester of 2017 the Group saw its responsibilities with bank guarantees reduced by 17,2 million Euros, as they were related with the Special Game Tax from the year ended 31st December 2016 paid during January 2017 (Note 16).

19. CONSOLIDATED RESULTS PER SHARE

The consolidated result per basic share of the years ended on 30th June 2017 and 2016 was determined as follows:

	Jun 2017	Jun 2016
Net profit of the Equity holders of the Parent Company	7 862 793	2 555 502
Average weighted number of shares in circulation	11 931 119	11 931 119
Result per basic share	0,66	0,21

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.





ESTORIL-SOL, S.G.P.S., S.A.

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