bwin.party digital entertainment

press release

30 August 2013

bwin.party digital entertainment plc
Half year report for the six months ended 30 June 2013

Sustainable revenue base now forms a solid foundation for future growth
Nationally regulated and taxable markets represent approximately half of H1 2013 revenue

- On-track to deliver at least €70m of cost savings in the current year versus 2012 and up to €20m of additional savings in 2014
- All requisite documentation filed with New Jersey regulator; systems being installed in Borgata Casino ahead of planned launch in November
- New Director of Poker and Director of Product and Technology appointed; launch of all-new version of partypoker imminent
- Total revenue of €342.5m (2012: €410.0m) down 16% in line with previous guidance, reflecting the tactical shift from 'volume to value' and migration losses
- Clean EBITDA from Continuing operations of €60.7m down 34% reflecting the impact of a turnover tax on sports betting in Germany introduced on 1 July 2012, ISP blocking in Belgium and the closure of slots in Spain
- Clean EPS from Continuing operations of 4.3 € cents per share down 53% (2012: 9.2 € cents per share)
- Half year dividend increased by 5% to 1.80 pence per share (2012: 1.72 pence); proposed buy-back of up to €10m of shares during the next 12 months
- Full year revenue expected to be between 14% and 17% below 2012 with Clean EBITDA margins likely to be 2% lower than 2012 (excluding revenues and costs associated with a US launch)
- Launch of new products, improving productivity and lower costs means the Group is well-positioned to return to growth in 2014

Financial summary (unaudited)

Six months ended 30 June	2013 €million	2012 €million
Revenue		
Sports betting	**118.3**	128.1
Casino & Games	**110.8**	139.7
Poker	**62.3**	96.4
Bingo	**27.2**	31.5
Net revenue	**318.6**	395.7
Other revenue	**23.9**	14.3
Total revenue	**342.5**	410.0
Clean EBITDA~ from Continuing operations	**60.7**	92.3
Clean EBITDA~ from Discontinued operations^	**-**	(6.7)
Total Clean EBITDA~	**60.7**	85.6
Loss before tax - Continuing operations	**(9.1)**	(15.3)
Loss after tax - Continuing operations	**(11.6)**	(14.2)
Loss after tax	**(11.6)**	(21.3)

~ Before the provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation expenses, retroactive taxes and associated charges, completed merger and acquisition expenses, exchange differences and before non-cash charges relating to share-based payments and amortisation and impairments on acquisitions (see reconciliation of Clean EBITDA to operating loss below).

^ Discontinued operations refers to Ongame's B2B business as well as operations located physically outside of the US but which relate to US customers that were no longer accepted following the enactment of the UIGEA.

Earnings per share (unaudited)

Six months ended 30 June	**2013 € cents**	2012 € cents
Basic EPS (loss per ordinary share) - Continuing operations		
Standard	**(1.3)**	(1.7)
Clean~	**4.3**	9.2
Basic EPS (loss per ordinary share) - Total operations		
Standard	**(1.3)**	(2.5)
Clean~	**4.3**	8.4

~ EPS before the provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation expenses, retroactive taxes and associated charges, merger and acquisition expenses, exchange differences and before non-cash charges relating to share-based payments and amortisation and impairments on acquisitions (see reconciliation of Clean EPS to Basic EPS in note 8 to the Financial Information).

Commenting on today's results announcement, Norbert Teufelberger, CEO of bwin.party said:

"The first half was always going to be a challenge as we set about optimising the shape and size of our business, with a much greater focus on nationally regulated and to-be-regulated markets. As predicted, this meant that revenues declined but it also meant that we could make further substantial reductions in our cost base. However, our performance and revenue is behind where we expected it to be at this point. This is partly due to external factors but also due to operational challenges associated with our dotcom migration in December 2012.

"Changing the way we work and in particular the way we develop and implement software using the 'Agile' methodology represents a key step in improving our operational performance. Having already been deployed by many of the major eCommerce companies around the world, our move to Agile is starting to produce benefits in terms of productivity, speed of development and implementation. Over the next twelve months we expect to double the number of software releases whilst continuing to improve product quality and platform stability. These are all important drivers for our long-term revenue performance.

"This change in our working practices has been instrumental in ensuring that our new partypoker product is ready for launch, firstly into the dotcom environment and then into our core nationally regulated markets. The launch will reposition the partypoker brand ahead of the opening of the US market and revitalise the product, ensuring that it more than meets the expectations of today's recreational digital consumer.

"Our focus on product innovation has not been limited to poker. We will be launching a new version of our partybingo product before the end of the year and are continuing to press ahead with our preparations for the opening of the market in New Jersey. Also to come in 2013 is a brand new mobile interface in sports; a new social sports betting app that we have developed with Nordeus; the launch of premium.com, a new service focused on high value customers; and partypoker's next phase of development when we will introduce additional features for the casual player."

On current trading and outlook he added:

"In the eight week period ended 25 August 2013, average net daily revenue was down 8% versus the second quarter of 2013 and down 21% versus the same period in 2012. An improving position in sports betting in August has been hampered by ISP blocking in Greece and a short delay in the launch of our new poker product. However, we expect to see further benefits from our cost reduction programme to come through by the end of the year and into 2014. We are planning to grow our presence in nationally regulated and taxed markets that in June 2013 represented approximately half of our net revenue.

"The loss of revenue following the dotcom migration has prompted several changes internally to ensure that we learn from our mistakes and that such losses are not repeated. Whilst an improving performance during August is encouraging, it is unlikely to mitigate the softer than expected first half revenue performance and so we now expect full year revenues, excluding the US, to be between 14% and 17% lower than 2012 with Clean EBITDA margins, again excluding the US, likely to be 2% lower than last year.

"However, as we look into next year, on the back of a suite of new products, the 2014 World Cup, the benefit of additional cost savings, as well as the prospect of a launch into the US, the Board remains confident about the Group's prospects. Accordingly, the Board has declared an interim dividend of 1.80 pence per share, representing a 5% increase over 2012. The Board has also announced that it will seek to buy-back up to €10m of the Company's issued share capital over the next 12 months, subject to prevailing market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Group. Further announcements will be made as and when market purchases are made."

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Interviews with Norbert Teufelberger and Martin Weigold
Interviews with Norbert Teufelberger, Chief Executive Officer, and Martin Weigold, Chief Financial Officer, in video/audio and text will be available from 7.00am BST on 30 August 2013 on: http://www.bwinparty.com.

Analyst meeting, webcast, dial-in and conference call details: 30 August 2013
There will be an analyst meeting for invited UK-based analysts at Numis Securities, The London Stock Exchange Building, 10 Paternoster Square, London, EC4M 7LT starting at 9.30am BST. There will be a simultaneous webcast and dial-in broadcast of the meeting. To register for the live webcast, please pre-register for access by visiting the Group website (www.bwinparty.com). Details for the dial-in facility are given below. A copy of the webcast and slide presentation given at the meeting will be available on the Group's website later today.

Dial-in details to listen to the analyst presentation at 9.30am, 30 August 2013

9.20 am	*Please call:+44 (0) 203 003 2666*
Title	*bwin.party Half Year Results*
9.30 am	*Meeting starts*

A recording of the meeting will be available for a period of seven days from 30 August 2013. To access the recording please dial the following replay telephone number:

Replay telephone number:	*+44 (0) 208 196 1988*
Replay passcode:	*2442609#*

Conference call: 2.30pm, Friday 30 August 2013
For international analysts and investors there will be an opportunity to put questions to Norbert Teufelberger, Chief Executive Officer, and Martin Weigold, Chief Financial Officer, on a conference call using the following number:

2.20pm	*Please call:+44(0) 203 003 2666*
Title	*bwin.party Half Year Results*
2.30pm	*Conference call starts*

A recording of the conference call will be available for seven days from 30 August 2013 on the following number:

Replay telephone number	*+44 (0) 208 196 1988*
Replay passcode:	*4632491#*

All times are British Summer Time (BST).

About bwin.party
bwin.party digital entertainment plc is the world's largest listed online gaming company. The Company was formed from the merger of bwin Interactive Entertainment AG and PartyGaming Plc on 31 March 2011 ('the Merger'). Incorporated, licensed and regulated in Gibraltar, the Group has offices in Europe, India, Israel and the US and generated total revenue of €801.6m and Clean EBITDA of €164.9m in 2012. bwin.party is also licensed in Belgium, Denmark, France, Germany (Schleswig Holstein), Italy, Spain and Alderney, and commands leading market positions in each of its four key product verticals: online sports betting, poker, casino and bingo with some of the world's biggest online gaming brands including bwin, partypoker, PartyCasino and FoxyBingo. At the heart of our business, our proprietary software, online gaming platforms and a strong portfolio of games collectively differentiate our customer offer. Listed on the London Stock Exchange (ticker: BPTY), bwin.party is a constituent of the FTSE250 Index Series as well as the FTSE4Good Index Series.

Business Review

Results overview

Total revenue was €342.5m (2012: €410.0m) reflecting the shift from 'volume to value' announced at the full year results and the impact of reduced cross-sell volumes following the dotcom platform migration. The introduction of a 5% turnover tax on sports betting in Germany and the securing of a license in Belgium increased cost of sales[1] which, together with the drop in revenue, meant that Clean EBITDA declined to €60.7m (2012: €92.3m). Within Clean EBITDA from Continuing operations were charges of €1.5m related to our prospective US launch plans.

Amortisation fell by 31% to €35.7m (2012: €52.1m), partially offset by a small increase in depreciation charges, reflecting the acquisition of the business and assets of Orneon and Velasco Services that were acquired in May 2012. The reduced amortisation charge meant that the Group's Continuing operations reported a reduced loss before tax of €9.1m (2012: €15.3m).

Discontinued operations relate to the Ongame B2B poker business that was sold in October 2012 as well as on-going costs associated with the Company's Non-Prosecution Agreement ('NPA') that was reached with the United States Attorney's Office for the Southern District of New York (the 'USAO') on 6 April 2009. No further charges were incurred during the period. The loss before tax after taking Discontinued operations into account was €9.1 m (2012: loss before tax of €22.4m).

Retroactive taxes and associated charges incurred in the first half of 2012 as well as reduced amortisation charges meant that the basic loss per ordinary share from Continuing operations was 1.3 € cents (2012: loss per share 1.7 € cents). Clean EPS from Continuing operations fell by 53% to 4.3 € cents (2012: 9.2 € cents).

Taking into account Discontinued operations, Clean EPS of 4.3 € cents was down 49% (2012: 8.4 € cents) while basic loss per ordinary share was 1.3 € cents (2012: loss per share of 2.5 € cents).

The following table provides a reconciliation of the movements between Clean EBITDA and operating loss:

Reconciliation of Clean EBITDA to operating loss

Six months ended 30 June	2013 €million	2012 €million
Continuing operations		
Clean EBITDA	**60.7**	92.3
Exchange differences	**(4.0)**	(2.1)
Depreciation	**(12.2)**	(8.7)
Amortisation	**(35.7)**	(52.1)
Retroactive taxes and associated charges	**(0.6)**	(31.5)
Share-based payments	**(9.9)**	(9.4)
Merger and acquisition expenses	**(0.2)**	(0.1)
Reorganisation expenses	**(3.0)**	(2.4)
Loss from operating activities - Continuing operations	**(4.9)**	(14.0)
Discontinued operations		
Clean EBITDA	**-**	(6.7)
Exchange differences	**-**	(0.4)
Share-based payments	**-**	(0.1)
Merger and acquisition expenses	**-**	0.1
Loss from operating activities - Discontinued operations	**-**	(7.1)

During the first half there have been several operational, technology, strategic and regulatory developments that are covered in more detail below:

[1] *Excluding retroactive taxes and associated charges*

Operational developments

Increased focus on nationally regulated and to-be-regulated markets

During the first half we focused on putting in place the requisite measures to implement our shift from 'volume to value' with an increased focus on those customers that generate the most value for us and that are based in nationally regulated and to-be-regulated markets. By 30 June 2013, we had ceased player acquisition marketing in 18 markets and had also closed new player registrations in a total of 18 countries. This increased focus resulted in lower revenues but also a €31.9m reduction in marketing spend versus the same period last year, as well as lower transaction fees and third party content costs. It also meant that we were able to begin to streamline the supporting infrastructure in the form of overheads and outsourced services. A new organisational blueprint reflects changes to our technology set-up that are covered in more detail below.

Innovate our core gaming products

The complexity of integrating our platforms and back-office systems has meant that our customer-facing touchpoints have necessarily taken a back seat in terms of development resources. However, following the migration of 13 million bwin.com customers to our single technology platform in December 2012, we were able to start to implement several new product developments:

Relaunch of partypoker - This represents the fourth stage of our four-point plan to revitalise poker that we announced in August 2012. Our objective with the launch is to re-establish the brand as the undisputed home for recreational players – which was the foundation of partypoker when it first launched back in 2001. We want to reconnect with our target consumer through a much-improved product experience as well as through a step change in the quality of our player communications. All of our efforts have been focused on making the new product relevant and disruptive, so that it will not only challenge but will change current perceptions of both our brand and also of online poker generally – we are putting the fun back into poker.

The new product, which will launch within the next few weeks, will also be available on bwin.com. It has been completely redesigned from a player journey perspective with a complete overhaul in terms of look and feel. The new version includes several new features including one-click lobby, achievements and missions, player profiles and connecting to friends through social channels.

Having been in *beta* testing since the beginning of July, we have been processing the feedback from the external user group and burning through the issues identified ahead of launch. The process has been hugely positive ensuring that the product will now be even better when it launches to our dotcom customers in the next few weeks.

Development of new bingo product – The majority of our bingo revenue comes from a platform operated by a third party – something that has restricted our ability to innovate and differentiate our product. Meanwhile, the emergence of several new operators has meant that competition has intensified and the need for greater product differentiation and innovation has increased. Whilst Foxy Bingo and Cheeky Bingo remain contracted to run on the third party platform until July 2014, we have redeveloped and will soon relaunch our own bingo software using the partybingo label and believe that it will deliver a fresh and exciting alternative to what is available in the marketplace today. It will also serve as a valuable 'test-bed' should we decide to migrate the Foxy Bingo and Cheeky Bingo customers in 2014. As with our new version of partypoker, the all-new partybingo will offer several new features through an easy-to-access lobby and with a number of bingo variant games, as well as side-games and slots.

Sports betting – we have increased significantly the number of live events now offered through bwin.com and aim to hit 90,000 events this year and were up by 45% in the first half to 42,000 (2012: 29,000). This has been achieved through a marked increase in automation, the deployment of statistical trading models and improved analytics that has allowed us to increase coverage without any significant increase in costs.

Technology developments

Once we have all of our operations held on a single, fully-integrated technology platform we will be able to better manage the complexity of multiple jurisdictions, labels, regulations and channels. But we also want to significantly improve the experience for our customers and create market-leading technology. To achieve this we have been changing the way we work through the adoption of Agile software development techniques throughout our organisation. Led by Guy Duncan, our new Director of Product and Technology, this effort is already improving the alignment of our technology and business objectives by improving the quality of our software; reducing mistakes; fixing bugs faster; speeding up releases; increasing collaboration across disciplines; and driving innovation.

Within twelve months we aim to be implementing twice as many software releases as we do now. The ultimate goal is to reach a point where we can deploy software continuously, delivering improvements rapidly to our customers and the organisation as a whole. We don't want to just be a leader in our industry, we want to determine its course and drive its trajectory and intend to do that through rapid deployment of innovative product and platform solutions.

Strategic developments

New digital marketing approach

After six years as shirt sponsor of Real Madrid, we announced in May 2013 that bwin would be relinquishing its place on the shirt and would instead become Real Madrid's official digital partner in a new multi-year deal. This was in addition to our two other digital partnerships with Manchester United and Bayern Munich. Since the end of June and reflecting our focus on nationally regulated and to-be-regulated markets, we have also now entered into similar multi-year agreements with Juventus in Italy, Olympique Marseille in France and Anderlecht in Belgium. The rapid shifts in consumer behaviour in recent years and the increasing importance of new channels such as social media, alternative marketing platforms such as recommendation engines and the reach of viral marketing have all meant that conventional marketing techniques are no longer delivering the same returns on investment, requiring a fresh approach to the modern-day digital consumer. By deploying these assets across our existing database of over 13 million bwin and Party customers worldwide (excluding the US), we intend to reactivate them through access to unique promotions and content, supported by a much improved product suite and customer experience.

Social gaming

We announced and launched our social gaming strategy at the end of May 2012. Since then we have made good progress in executing our plans and are now starting to monetise the investment made to-date. Having launched Slots Craze, our first in-house slots application for mobile (iOS), in March 2013, we have also launched a full web version on Facebook and are achieving daily average revenue per user close to $0.10 and second day retention rates of over 40% – industry benchmarks for successful social gaming applications. Other products launched in 2013 include Cheeky Bingo and Stardust Casino, a social casino application developed in close partnership with Boyd Gaming. The next six months will see us continue to optimise these products as well as market them aggressively in key markets, and launch additional products to drive customer volumes and revenue.

Payments

We formally re-branded our in-house payments business as Kalixa on 10 April 2013 and it has continued to make solid progress in the first half. Kalixa Accept, which allows merchants to accept payments, is being used by Mastercard to drive their Repower programme that launched in Poland with three other countries to follow later this year. Kalixa Accept was also certified for full card-present processing, increasing the addressable base of transactions from 15% (online only) to 100%. Kalixa Pro is a full microbusiness payment solution that has been certified by both Mastercard and Visa; incorporating a business account, it connects to a corporate pre-paid card with a mobile application and dongle for accepting card payments. Finally Kalixa Pay, which is our own eWallet with an integrated contactless pre-paid card, launched a micro SD card and mobile application in the UK with other countries to follow in the second half.

Regulatory developments

The regulatory landscape has remained relatively stable during the first half although there has been substantial change versus the same period 12 months ago, the biggest change being in Germany following the introduction of a 5% turnover tax on sports betting that was introduced in July 2012. A summary of some of the key regulatory developments affecting our business is set out in the Appendix.

Dividend and share buy-back

In line with our dividend policy, the Board has declared a half year dividend of 1.80 pence per Ordinary share (2012: 1.72 pence) representing a 5% increase over the prior year. The half year dividend will be payable to shareholders and depositary interest holders on the register of shareholders and register of depositary interest holders respectively on 13 September 2013 (the 'Record Date'). It is expected that dividends will be paid on 11 October 2013. Shareholders wishing to receive dividends in Euros rather than Pounds Sterling will need to register a currency election with bwin.party's registrars on or before 20 September 2013. A separate announcement regarding the dividend payment has been issued today.

The Board renewed the authority to repurchase up to 10% of the Company's issued share capital at the Company's AGM on 19 June 2013 and intends to buy up to €10m of the Company's issued share capital over the next 12 months, subject to prevailing market conditions, other investment opportunities, appropriate gearing levels and the overall financial position of the Group. Any shares repurchased by the Company will be cancelled.

Plans for the rest of 2013 and 2014

Our shift from 'volume to value' will continue to feed through into our financial performance for the rest of 2013 and we are focused on achieving the following priorities:

1. Stabilise total revenue performance and drive growth in nationally regulated and to-be-regulated markets

Having already ceased all acquisition marketing initiatives in 18 countries, we continue to shift the allocation of our marketing spend into core nationally regulated and to-be-regulated markets. With the launch of several new products and mobile extensions during the second half and into next year, we are focused on driving revenue growth in our future core markets.

2. Deliver full benefit of streamlined cost base

Having optimised the shape and size of our business during the first six months of 2013, the full benefits of these measures will only start to be felt during the second half and as a result will result in further annualised savings in 2014. In addition to the marketing savings highlighted above, we expect there to be additional cost reductions in overheads, staff costs, and payment transaction costs. We are targeting incremental savings in 2014 of approximately €20m over and above those achieved in 2013.

3. Roll-out our new poker product to nationally regulated jurisdictions

Post-launch in the dotcom environment, we will make further changes as necessary before rolling out the new product into each of our ring-fenced, nationally regulated markets later this year and into 2014. We will also launch additional product features that will only be available after the initial launch. These additions will be supported by marketing campaigns in several territories in order to increase player traffic and drive revenue further.

4. Secure a leadership position in New Jersey

Awareness of the partypoker brand remains strong in the US having held an estimated 47% market share prior to exiting the market in 2006. We intend to leverage partypoker's pedigree and the strength of Borgata, the largest casino in Atlantic City with a 20% market share, to secure a leadership position in New Jersey. Whilst the exact timing of the opening of the market remains unclear, the target date is the end of November and that is when we are planning to be ready to launch. We have submitted all of the relevant licensing documentation and expect that our systems will be available for testing by the regulator shortly.

5. Complete technology integration and implementation of Agile

Having made substantial organisational changes within our technology set-up during the past six months, the shift to Agile methodologies will continue throughout our technology organisation for the rest of 2013. We will use this approach to help us improve productivity and deliver the integration of both the French and Italian technology platforms that have had to take a back-seat to the other priorities that we have been focused on addressing during 2013.

6. Grow revenues from our new business streams

As outlined above, we have continued to invest in payments and social gaming:

Payments – Having made good progress over the first six months of 2013, the rest of the year for Kalixa is all about growing revenue through each of its three business areas:

- Kalixa Pro will launch in the UK and prepare for further launches into other European markets, including Germany and Austria
- Kalixa Pay will launch in Ireland and Poland and will prepare to launch a white label service on behalf of large corporate customers before the end of the year
- Kalixa Accept will expand its sales team and look to enter Latin America and the US markets.

Social gaming – Having launched and refined several products over the past twelve months we are now in a position to start marketing these products for the first time while at the same time continuing to develop and release additional content, including our social sports betting product that we plan to launch before the end of the year.

Current trading and outlook

In the eight week period ended 25 August 2013, average net daily revenue was down 8% versus the second quarter of 2013 and down 21% versus the same period in 2012. An improving position in sports betting in August has been hampered by ISP blocking in Greece and a short delay in the launch of our new poker product. However, we expect to see further benefits from our cost reduction programme to come through by the end of the year and into 2014. We also plan to grow our presence in nationally regulated and taxed markets that in June 2013 represented approximately 50% of our net revenue.

A summary of the current trading performance in terms of net revenue (post bonus, pre-tax) relative to the same period in 2012 and also to Q2 13 is shown below:

Average daily net revenue (€)	In the 8 weeks to 25 August 2013	2012	% change	Q2 2013	July 2013	August 2013
Sports betting	535,000	633,900	*(16%)*	564,200	441,000	619,000
Casino & Games	555,500	653,400	*(15%)*	591,200	517,400	583,600
Poker	262,400	416,800	*(37%)*	320,700	243,000	244,500
Bingo	134,100	167,800	*(20%)*	142,900	132,700	135,300
Total	**1,487,000**	**1,871,900**	*(21%)*	**1,619,000**	**1,334,100**	**1,582,400**

The loss of revenue following the dotcom migration in December 2012 has prompted several changes internally to ensure that we learn from our mistakes so that such losses are not repeated. Whilst optimistic about the prospects for our new poker product and the possible opening of the US market, these are unlikely to mitigate the softer than expected first half result and current trading period and so we now expect full year revenues, excluding the US, to be between 14% and 17% lower than 2012 with Clean EBITDA margins, again excluding the US, likely to be 2% lower than last year.

However, as we look into next year, on the back of a suite of new products, the 2014 World Cup, the targeted €20m of additional cost savings as well as the prospect of a possible launch into the US, the Board remains confident about the Group's prospects.

SUMMARY OF RESULTS

Total revenue Six months ended 30 June	2013 €million	2012 €million
Sports betting	**119.0**	130.2
Casino & Games	**112.2**	141.8
Poker	**63.9**	98.3
Bingo	**27.6**	32.0
Other	**19.8**	7.7
Continuing operations	**342.5**	410.0
Discontinued operations	**-**	6.3
Total	**342.5**	416.3

Clean EBITDA Six months ended 30 June	New basis 2013 €million	Old basis 2013 €million	2012 €million
Sports betting	**25.8**	**5.4**	30.5
Casino & Games	**24.5**	**42.6**	45.0
Poker	**7.2**	**15.5**	10.0
Bingo	**2.8**	**6.8**	9.0
Other / Unallocated corporate	**0.4**	**(9.6)**	(2.2)
Continuing operations	**60.7**	**60.7**	92.3
Discontinued operations	**-**	**-**	(6.7)
Total	**60.7**	**60.7**	85.6

The basis for the allocation of costs and resources for the latest reporting period has changed and is no longer comparable with the prior year. While total Clean EBITDA is directly comparable with the prior year, the Clean

EBITDA generated by each vertical is not and so we have provided the figure on both the new as well as the previous basis, against which the prior year is directly comparable. It has not been possible to provide a comparable Clean EBITDA figure by vertical on the new basis for the prior year as the structure did not then exist.

The new basis aims to reflect more appropriately the fact that certain product verticals are dependent on the cross-sell of players from other product verticals and thus includes a re-allocation of marketing costs between these verticals in order to reflect more accurately the profitability of that segment on a standalone basis. Also, under the new basis a higher proportion of costs are allocated directly to each segment, and the remaining central costs are now allocated pro rata to gross profit.

Total revenue from Continuing operations fell by 16% to €342.5m (2012: €410.0m) reflecting the shift from 'volume to value', and the impact of reduced cross-sell volumes following the migration of dotcom customers. The drop in revenue fed through into Clean EBITDA margins that fell to 17.7% (2012: 22.5%). Clean EBITDA fell to €60.7m (2012: 92.3m), primarily driven by the drop in revenue but also by increased gaming taxes arising from the introduction of a 5% turnover tax on sports betting in Germany on 1 July 2012.

Discontinued operations in 2012 were composed mainly of the Ongame B2B business that was sold in October 2012 together with costs associated with US customers that were no longer accepted following the enactment of the UIGEA. No charges were incurred in the period.

Each of our consolidated key performance indicators, which are based on net revenue, is highlighted below.

Consolidated Key Performance Indicators

Six months ended 30 June	**2013**	2012	*Change*
Active player days (million)	**33.3**	44.2	*(25%)*
Daily average players (000s)	**184.0**	242.9	*(24%)*
Yield per active player day (€)	**9.6**	9.0	*7%*
New player sign-ups (000s)	**507.8**	840.8	*(40%)*
Average daily net revenue (€000)	**1,760.2**	2,174.2	*(19%)*

The shift in tactics to focus on fewer markets and fewer, but more valuable customers, affected all of the consolidated key performance indicators in the period. Active player days fell by 25% reflecting our decision to cease all acquisition marketing in 18 countries, the absence of the Euro 2012 Championship and the imposition of a 5% turnover tax that resulted in a marked reduction in live betting volumes in Germany, our largest market. Yield per active player day increased by 7% with increases in all product verticals except bingo, reflecting the shift from 'volume to value'. Yields in bingo were impacted by the weakening of Sterling versus the Euro as well as the addition of Spanish customers who are not permitted to play higher margin online slot games. Our decision to reduce marketing spend and block registrations in certain markets, along with the absence of the Euro 2012 Championship were the primary drivers behind a 40% drop in new player sign-ups and the combined effect of these movements was that average daily net revenue decreased by 19% to €1,760,200 (2012: €2,174,200).

A detailed review of the Continuing operations including each of the individual product segments is described below. Full details of all of the Group's historic quarterly key performance indicators can be downloaded from the Group's website at: www.bwinparty.com.

Sports betting

Six months ended 30 June	2013 €million	2012 €million	Change
Total stakes	**1,417.9**	2,153.2	*(34%)*
Gross win margin	***9.2%***	7.2%	
Gross revenue	**130.0**	154.2	*(16%)*
Bonuses and other fair value adjustments to revenue	**(11.7)**	(26.1)	*55%*
Net revenue	**118.3**	128.1	*(8%)*
Other revenue	**0.7**	2.1	*(67%)*
Total revenue	**119.0**	130.2	*(9%)*
Cost of sales	**(27.4)**	(14.0)	*(96%)*
Gross profit	**91.6**	116.2	*(21%)*
Clean EBITDA (new basis)	**25.8**	n/a	*n/a*
Clean EBITDA margin	***21.7%***	*n/a*	
Clean EBITDA (old basis)	**5.4**	30.5	*(82%)*
Clean EBITDA margin	***4.5%***	*23.4%*	

The imposition of a 5% turnover tax for German customers meant that short odds products became unviable in Germany, effectively restricting the volume of product available in our largest market where the amounts wagered fell by 53% to €269.3m (2012: €577.6m). A marked reduction in acquisition marketing as well as restrictions on new player registrations in several dotcom markets, along with the absence of the Euro 2012 Championship, meant that the total amounts wagered fell by 34% to €1.4 billion (2012: €2.2 billion). The drop in business volume was partially mitigated by an increase in gross win margin to 9.2% (2012: 7.2%). This was driven by a structural shift following the imposition of the new turnover tax in Germany that prompted an increase in wagering on higher odds singles and combination bets, as well as the withholding of 5% of winnings on bets placed by German customers, *in lieu* of the tax due. However, the overall increase in margin masks a poor run of results during April when the Bundesliga saw all of the favourites winning and June when the Confederations Cup results also went with the favourites. With an increased proportion of the overall pre-match book taken up by combination bets, such a poor run of results had a disproportionate impact on gross win margin and the net result was that gross revenue decreased by 16% to €130.0m (2012: €154.2m). The absence of the Euro 2012 Championship saw bonuses reduce to a more normalised level of 0.8% of bet amount and consequently net revenue of €118.3m was down by 8% (2012: €128.1m). Lower revenue and increased gaming taxes, primarily in Germany, resulted in Clean EBITDA of €25.8m on the new basis or €5.4m on the old basis (2012: €30.5m).

Under the previous basis of segmental reporting, costs that were not able to be directly allocated to a particular vertical were allocated pro rata to the net revenue generated by each vertical. Following the introduction of the turnover tax on sports betting in Germany, the sports betting segment was allocated a disproportionately high share of central costs under the old basis. Under the new basis of segmental reporting, a higher proportion of costs are allocated directly to each segment, and the remaining central costs are now allocated pro rata to gross profit. A summary of the key performance indicators for sports betting during the first half of 2013 is shown in the table below:

Sports betting - Key Performance Indicators

Six months ended 30 June	2013	2012	Change
Active player days (million)	**19.3**	24.9	*(22%)*
Daily average players (000s)	**106.6**	136.8	*(22%)*
Yield per active player day (€)	**6.1**	5.1	*20%*
New player sign-ups (000s)	**307.6**	475.0	*(35%)*
Average daily net revenue (€000)	**653.6**	703.8	*(7%)*

Whilst player volumes declined versus the prior year for the reasons outlined above, the prior year volumes (activity and new player sign-ups) were also flattered by the Euro 2012 Championship that had resulted in a higher than normal level of activity. Player yields were up strongly, despite higher gaming taxes reflecting our shift from 'volume to value' and a reduced number of casual players that were attracted by the Euro 2012 Championship. Yields would have been higher but for the poor run of sporting results during the second quarter. The bwin brand remains strong across Europe and based on figures published by the respective regulators, we continue to command a significant share in each of the large, newly nationally regulated markets: France

(19.0%), Italy (10.5%) and Spain (22.1%)[2]. With the benefit of a new mobile interface and new football sponsorships in France, Belgium and Italy, we hope to make further progress in the second half.

Casino & Games

Six months ended 30 June	**2013 €million**	2012 €million	*Change*
Total stakes	**3,578.3**	4,207.5	*(15%)*
Gross win margin	***3.8%***	*3.9%*	
Gross revenue	**135.4**	164.2	*(18%)*
Bonuses and other fair value adjustments to revenue	**(24.6)**	(24.5)	*(0%)*
Net revenue	**110.8**	139.7	*(21%)*
Other revenue	**1.4**	2.1	*(33%)*
Total revenue	**112.2**	141.8	*(21%)*
Cost of sales	**(5.5)**	(5.6)	*2%*
Gross profit	**106.7**	136.2	*(22%)*
Clean EBITDA (new basis)	**24.5**	n/a	*n/a*
Clean EBITDA margin	***21.8%***	*n/a*	
Clean EBITDA (old basis)	**42.6**	45.0	*(5%)*
Clean EBITDA margin	***38.0%***	*31.7%*	

Revenue in our casino & games business reduced in the period driven by several factors: the shift from 'volume to value', a reduction in cross-sell activity from bwin.com following the migration in December 2012, the removal of slots in Spain and ISP blocking in Belgium that remained in place until 20 May 2013. Notwithstanding this, we saw growth in Spain (ex-slots), as well as in Belgium once the ISP block was removed. The net result was that the amount wagered declined by 15% to €3,578.3m (2012: €4,207.5m) and the number of active player days declined by 27% to 3.8m (2012: 5.2m). A small dip in gross win margin to 3.8% (2012: 3.9%) reflected normal statistical variation while increased bonus costs were driven by competitive pressures in Germany following the introduction of the sports betting tax. These factors, together with the lower turnover meant that net revenue decreased by 21% to €110.8m (2012: 139.7m) and total revenue by 21% to €112.2m (2012: €141.8m). The increase in EBITDA margin reflected reduced marketing costs in certain dotcom markets, as well as a reduced allocation of central costs. This partially mitigated the impact of the drop in revenue on Clean EBITDA that was €24.5m on the new basis and €42.6m on the old basis, a 5% decline versus the previous year (2012: €45.0m).

A summary of the key performance indicators for the casino & games business during the first half of 2013 is shown in the table below:

Casino & Games - Key Performance Indicators

Six months ended 30 June	**2013**	2012	*Change*
Active player days (million)	**3.8**	5.2	*(27%)*
Daily average players (000s)	**21.0**	28.6	*(27%)*
Yield per active player day (€)	**29.2**	26.9	*9%*
New player sign-ups (000s)	**33.1**	76.8	*(57%)*
Average daily net revenue (€000)	**612.2**	767.6	*(20%)*

Active player days fell by 27% and the average number of daily players by 27% reflecting the shift from 'volume to value', a reduced level of cross-sell on bwin.com following the dotcom migration as well as the removal of Spanish slots following the regulation of the market in June 2012. The shift from 'volume to value' saw player yields improve 9% to €29.2 as we restricted registrations in a number of dotcom markets that is also reflected by the reduction in new player sign-ups that was down 57%. Taking all of these factors together, average daily revenue declined by 20% to €612,200 (2012: €767,600).

An improved mini games and mobile offering together with an increased number of third party games to be added over the coming weeks and months should each help to drive casino revenues in the second half.

[2] *Company estimates based on data provided by ARJEL, AAMS and DGOJ respectively*

Poker

Six months ended 30 June	2013 €million	2012 €million	*Change*
Gross revenue	**78.5**	120.6	*(35%)*
Bonuses and other fair value adjustments to revenue	**(16.2)**	(24.2)	*33%*
Net revenue	**62.3**	96.4	*(35%)*
Other revenue	**1.6**	1.9	*(16%)*
Total revenue	**63.9**	98.3	*(35%)*
Cost of sales	**(7.7)**	(12.2)	*37%*
Gross profit	**56.2**	86.1	*(35%)*
Clean EBITDA (new basis)	**7.2**	n/a	
Clean EBITDA margin	***11.3%***	*n/a*	
Clean EBITDA (old basis)	**15.5**	10.0	*55%*
Clean EBITDA margin	***24.3%***	*10.2%*	

The downward trends in poker continued during the first half, reflecting a decline in the value of certain ring-fenced regulated markets, continued competitive pressures, the shift from 'volume to value' that also saw us terminate a number of affiliate deals, and lower marketing spend that has been held back ahead of the relaunch of partypoker. Volumes on bwin poker also declined due to reduced cross-sell activity following the migration of dotcom players to the single technology platform in December. While many of these issues have since been rectified, the drop in revenue during the first half is unlikely to be made up during the second half.

With significant reductions in player sign-ups and activity levels, gross revenue fell by 35% to €78.5m (2012: €120.6m). With bonus rates relatively stable versus 2012, total poker revenue also fell by 35% to €63.9m (2012: €98.3m). Clean EBITDA was €7.2m on the new basis or €15.5m on the old basis, an increase of 55% (2012: €10.0m) due to reduced marketing expenses and a lower allocation of central costs.

A summary of the key performance indicators for poker is shown in the table below:

Poker - Key Performance Indicators

Six months ended 30 June	2013	2012	Change
Active player days (million)	**9.8**	15.8	*(38%)*
Daily average players (000s)	**54.1**	86.8	*(38%)*
Yield per active player day (€)	**6.4**	6.1	*5%*
New player sign-ups (000s)	**97.0**	212.3	*(54%)*
Average daily net revenue (€000)	**344.2**	529.7	*(35%)*

Our shift from 'volume to value' and the other factors outlined above meant that active player days declined by 38% in the period and new player sign-ups fell 54%. Player yields increased by 5%, reflecting an improved poker ecology ahead of the relaunch of partypoker. The overall impact was that average daily net revenue declined by 35% to €344,200 (2012: €529,700).

Through the execution of our four part plan we are determined to improve the performance of our poker business and return the segment to growth. Having already improved the poker ecology, integrated bwin and partypoker customers and launched FastForward Poker, the relaunch of partypoker is the final part of the plan that we announced 12 months ago. We believe that the new product should begin to change fundamentally the perception and financial performance of our poker business. As well as a new look and feel, we have endeavoured to differentiate the product by adopting a completely new approach to player journey, player management and we have also added a number of social features that are not available elsewhere. Whilst we expect that a turnaround in financial performance will take time as players spend time exploring the new features, we will provide an update on performance at the time of our Q3 KPIs and Interim Management Statement later this year as well as details of the next wave of additional features that will be added over the coming months.

Bingo

Six months ended 30 June	2013 €million	2012 €million	Change
Gross revenue	**53.6**	58.9	*(9%)*
Bonuses and other fair value adjustments to revenue	**(26.4)**	(27.4)	*4%*
Net revenue	**27.2**	31.5	*(14%)*
Other revenue	**0.4**	0.5	*(20%)*
Total revenue	**27.6**	32.0	*(14%)*
Cost of sales	**(2.0)**	(2.6)	*23%*
Gross profit	**25.6**	29.4	*(13%)*
Clean EBITDA (new basis)	**2.8**	n/a	
Clean EBITDA margin	***10.1%***	*n/a*	
Clean EBITDA (old basis)	**6.8**	9.0	*(24%)*
Clean EBITDA margin	***24.6%***	*28.1%*	

Competitive pressures in our two largest bingo markets, the UK and Italy, provided a challenging backdrop for our bingo business. The launch of casino products in Italy was an additional drag on performance there as bingo players were inevitably drawn to play casino games. While the newly regulated Spanish market is performing well, it remains relatively small as a proportion of the bingo segment.

Gross revenue declined by 9% due to the weakening of Sterling versus the Euro as well as aggressive competitor promotions in both the UK and Italy. The result was that net revenue fell by 14% to €27.2m (2012: €31.5m). Lower gross revenue in Italy meant that gaming taxes also fell to €2.0m (2012: €2.6m), helping to mitigate the impact on gross profit as well as Clean EBITDA that was €2.8m on the new basis or €6.8m on the old basis (2012: €9.0m).

A summary of the key performance indicators for bingo is shown in the table below:

Bingo - Key Performance Indicators

Six months ended 30 June	Actual 2013	2012	Change
Active player days (million)	**3.4**	3.6	*(6%)*
Daily average players (000s)	**18.8**	19.8	*(5%)*
Yield per active player day (€)	**8.0**	8.8	*(9%)*
New player sign-ups (000s)	**70.1**	76.7	*(9%)*
Average daily net revenue (€000)	**150.3**	173.1	*(13%)*

The market pressures outlined above meant that all of the KPIs showed declines in the period. Active player days declined by 6% to 3.4m (2012: 3.6m) while player yields also declined 9% to €8.0 per day (2012: €8.8). Aggressive marketing by competitors in the UK and Italy meant that sign-ups were also down resulting in a 13% decline in average daily net revenue to €150,300 (2012: €173,100).

Despite these challenging conditions, we continue to hold top three positions in terms of market share in the UK (21%), Italy (24%) and Spain (29%)[3] and have implemented a series of measures to improve performance in the second half. Foxy Bingo on mobile is proving popular in the UK since its soft launch in March 2013 and we hope to drive further growth during the second half. In Italy we expect the impact of the new government protocol for bingo to boost performance when it is introduced later this year as it will afford greater game variety and more flexible promotions.

Other revenue

Other revenue that includes revenue from B2B, domain sales, InterTrader, Kalixa, network services, software services, Win Interactive, Winners, our Spanish retail franchise and WPT, was up 67% to €23.9m (2012: €14.3m), with growth across all categories year on year. The major constituents of other revenue are: WPT (€5.8m), profit on domain sales (€5.5m), Winners (€3.0m) and B2B (€2.6m).

[3] *Company estimates based on data provided by ARJEL, AAMS and DGOJ respectively*

Cost of sales

Gaming taxes payable in nationally regulated and taxed markets make up the majority of cost of sales that also includes television production costs at WPT. While 2013 saw the addition of German taxes for the first time, the prior year was impacted by a retroactive tax payment and associated charges of €31.5m levied by the Spanish Authorities. As a result, total cost of sales declined by 36% to €44.1m (2012: €68.5m), of which gaming taxes totalled €40.5m (2012: €34.5m). As more markets regulate and tax online gaming, cost of sales as a proportion of total revenue can be expected to increase.

Other operating expenses

This increased from €2.2m to €5.0m primarily due to foreign currency movements, in particular the strengthening of the Euro, and aborted merger and acquisition charges.

Distribution expenses

Six months ended 30 June	2013 €million	2012 €million	Change	As a percentage of total revenue 2013 %	2012 %
Customer acquisition and retention	**62.4**	82.9	*25%*	*18.2%*	*20.2%*
Affiliates	**18.7**	30.1	*38%*	*5.5%*	*7.3%*
Customer bad debts	**4.1**	2.7	*(52%)*	*1.2%*	*0.7%*
Third-party content	**14.8**	17.7	*16%*	*4.3%*	*4.3%*
Webhosting and technical services	**13.3**	12.7	*(5%)*	*3.9%*	*3.1%*
Clean EBITDA distribution expenses	**113.3**	146.1	*22%*	*33.1%*	*35.6%*
Reorganisation expenses	**1.4**	-	*n/a*	*0.4%*	*n/a*
Distribution expenses	**114.7**	146.1	*21%*	*33.5%*	*35.6%*

Clean EBITDA Distribution expenses were reduced by €32.8m year-on-year. Our shift from 'volume to value' prompted a significant reduction in acquisition marketing in several countries resulting in declines in customer acquisition and retention expenses both in absolute terms as well as relative to total revenue - they represented 18.2% of total revenue in the first half, down from 20.2% the previous year. This reduction reflects lower spending in certain dotcom countries where player-acquisition had become marginally profitable. The termination of relationships with several affiliates during 2012 reduced affiliate costs to €18.7m, representing 5.5% of total revenue (2012: 7.3%). Customer bad debts increased from 0.7% of revenue to 1.2% of revenue following a change in the mix of how deposits were made following the platform migration in December 2012. However, this increase in chargebacks was more than offset by the associated reduction in transaction fees (see below). Third-party content costs fell to €14.8m reflecting lower casino volumes and were unchanged at 4.3% of revenue (2012: 4.3%). The continued expansion into newly regulated markets, specifically Belgium, meant that webhosting and technical services costs increased by 5% to €13.3m (2012: €12.7m) reflecting the cost of commissioning tailored requirements in nationally regulated markets.

Administrative expenses

Six months ended 30 June	2013 €million	2012 €million	Change	As a percentage of total revenue 2013 %	2012 %
Transaction fees	**15.8**	22.4	*29%*	*4.6%*	*5.5%*
Staff costs	**69.8**	64.0	*(9%)*	*20.4%*	*15.6%*
Outsourced services	**11.9**	14.4	*17%*	*3.5%*	*3.5%*
Other overheads	**26.7**	34.2	*22%*	*7.8%*	*8.3%*
Clean EBITDA administrative expenses	**124.2**	135.0	*8%*	*36.3%*	*32.9%*
Depreciation	**12.2**	8.7	*(40%)*	*3.6%*	*2.1%*
Amortisation	**35.7**	52.1	*31%*	*10.4%*	*12.7%*
Reorganisation expenses	**1.6**	2.4	*33%*	*0.5%*	*0.6%*
Share-based payments	**9.9**	9.4	*(5%)*	*2.9%*	*2.3%*
Administrative expenses	**183.6**	207.6	*12%*	*53.6%*	*50.6%*

Transaction fees fell both in absolute and relative terms due to synergies following the migration of bwin.com customers as well as lower transaction volumes following the shift from 'volume to value'. Staff costs increased by 9% to €69.8m (2012: €64.0m) and were in line with the second half of 2012 reflecting the addition of 350 technology staff associated with the acquisition of the trade and assets of Orneon and Velasco Services in May 2012 as well as increased headcount in Win, the social gaming unit. This is expected to fall during the second half of 2013 as the benefits of the cost reduction measures associated with our shift from 'volume to 'value' start to take effect once requisite notice periods and contractual obligations have been fulfilled. Outsourced services were reduced by 17% to €11.9m (2012: €14.4m) while other overheads were reduced by 22% as part of our synergy realisation programme. The net result was that Clean EBITDA administrative expenses were reduced by €10.8m to €124.2m (2012: €135.0m).

Depreciation increased in the period reflecting the fit-out of new office space, as well as investment in new technology infrastructure associated with nationally regulated and to-be-regulated markets. The amortisation charge relating to acquired intangibles that is non-cash in nature, continued to fall to 10.4% of total revenue (2012: 12.7%) as these assets are progressively written down. Reorganisation expenses of €1.6m (2012: €2.4m) were incurred in the period as part of our programme to deliver targeted merger synergies.

Taxation

The current tax charge for the period is €5.7m (2012: €5.1m). After allowing for deferred tax credits primarily relating to the unwinding of provisions set up on acquisitions, the total tax charge for the period is €2.5m (2012: credit of €1.1m). There is no tax associated with Discontinued operations and other comprehensive income.

Net cash

	As at 30 June 2013 €million	As at 31 December 2012 €million
Cash and cash equivalents	**162.5**	169.7
Short-term investments	**14.9**	31.5
Loans and borrowings	**(34.6)**	(36.4)
Net cash	**142.8**	164.8
Payment service providers (less chargebacks)	**54.7**	68.6
Net cash including amounts held by processors	**197.5**	233.4
Less: Client liabilities and progressive prize pools	**(122.4)**	(136.7)
Net cash including amounts held by processors less client liabilities	**75.1**	96.7

Despite generating positive net cashflow from operations during the period, a series of outflows, including certain one-off items meant that the net cash available to the Company (after deducting all customer liabilities but adding back net payment processor receivables) declined to €75.1m (31 December 2012: €96.7m).

Cashflow

Continuing operations

Operating cashflow from Continuing operations before Merger-related expenses, retroactive taxes and associated charges fell by €50.3m to €25.6m (2012: €75.9m) primarily due to the reduced level of Clean EBITDA, as well as a reduction in client liabilities as a direct consequence of our shift from 'volume to value'.

After dividend payments of €16.7m (2012: €15.9m), capital expenditure (including intangibles) of €17.6m (2012: €17.8m) and a reduction in short-term investments of €15.6m (2012: nil), the net cash inflow in the period was €2.9m (2012 outflow: €62.1m). This was significantly better than the prior year that was also impacted by substantial share repurchases and retroactive taxes and associated charges.

Discontinued operations

The net cash outflow arising from Discontinued operations in 2013 comprises the settlement of the Kentucky litigation for €11.5m (2012: nil) and contingent consideration due from the sale of Ongame of €0.7m (2012: nil). In 2012, the net cash outflow of €26.2m was driven primarily by the payments arising under the Non-Prosecution Agreement. The last repayment was made in September 2012. A summary of the Group's cashflow in the period is shown below:

Six months ended 30 June	2013 Continuing €million	 Discontinued €million	 Total €million	2012 Continuing €million	 Discontinued €million	 Total €million
Clean EBITDA	**60.7**	**-**	**60.7**	92.3	(6.7)	85.6
Exchange differences	**(4.0)**	**-**	**(4.0)**	(2.1)	(0.4)	(2.5)
Movement in inventory	**-**	**-**	**-**	0.1	-	0.1
Movement in trade and other receivables	**2.7**	**0.7**	**3.4**	(13.2)	0.5	(12.7)
Movement in trade and other payables	**(23.0)**	**-**	**(23.0)**	12.1	(19.5)	(7.4)
Movement in provisions	**(4.6)**	**(11.5)**	**(16.1)**	(6.0)	-	(6.0)
Income taxes paid	**(6.2)**	**-**	**(6.2)**	(7.3)	-	(7.3)
Net cash inflow (outflow) from operating activities pre-Merger related costs and retroactive taxes and associated charges	**25.6**	**(10.8)**	**14.8**	75.9	(26.1)	49.8
Acquisition costs	**(0.2)**	**-**	**(0.2)**	(0.1)	0.1	-
Reorganisation costs	**(3.0)**	**-**	**(3.0)**	(2.4)	-	(2.4)
Retroactive taxes and associated charges	**(0.6)**	**-**	**(0.6)**	(31.5)	-	(31.5)
Net cash inflow (outflow) from operating activities	**21.8**	**(10.8)**	**11.0**	41.9	(26.0)	15.9
Issue of ordinary shares	**0.8**	**-**	**0.8**	0.5	-	0.5
Purchase of own shares	**(3.4)**	**-**	**(3.4)**	(52.4)	-	(52.4)
Dividends paid	**(16.7)**	**-**	**(16.7)**	(15.9)	-	(15.9)
Repayment of bank borrowings	**-**	**-**	**-**	(4.9)	-	(4.9)
Acquisitions	**-**	**-**	**-**	(13.7)	-	(13.7)
Acquisitions - deferred payment	**-**	**-**	**-**	(0.3)	-	(0.3)
Capital expenditure	**(9.3)**	**-**	**(9.3)**	(12.9)	(0.2)	(13.1)
Purchases of intangible assets	**(8.3)**	**-**	**(8.3)**	(4.9)	-	(4.9)
Purchase of investments	**-**	**-**	**-**	(3.8)	-	(3.8)
Repayment of loan from joint venture	**2.8**	**-**	**2.8**	-	-	-
Decrease in short term investments	**15.6**	**-**	**15.6**	-	-	-
Other	**(0.4)**	**-**	**(0.4)**	4.3	-	4.3
Net cashflow	**2.9**	**(10.8)**	**(7.9)**	(62.1)	(26.2)	(88.3)

Principal risks

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ materially from expected and historical results. To mitigate against these risks bwin.party conducts a continuous process of Group-wide assessments that examine whether any risk has increased, decreased or become obsolete; identify any new risks, especially from recent key business events; and the likelihood of a risk occurring and what level of impact it would have on the Group.

Many of the threats and challenges faced by online gaming companies are similar to those faced by other leisure and entertainment industries. They include competition, changes to consumer tastes, maintaining healthy financial ratios in compliance with banking covenants and loss of key personnel.

There are also certain risks that are more specific to bwin.party and to the online gaming industry. These risks and how we manage them are set out in the Group's 2012 Annual Report and are repeated below:

1. Technology

Technology is at the core of our business and undergoes a continuous process of development. The evolution of our eCommerce platform and the products and services we provide through it is a vital process to maintain our competitive edge as we address the ever-changing desires of consumers whilst upholding our reputation for responsible, safe and secure products and services. As with all technology, new versions of software can require additional enhancement before becoming fully effective. Delays in such enhancements can impact operational and financial performance. Most of our gaming technology is proprietary, which means that we should be better placed to manage risks associated with technological and regulatory change than competitors that rely on third-party software and systems. However, we do share the industry's general risks that arise from sourcing broadband and communications, data management and storage services as well as a raft of other services from external suppliers. Our aim is to offset these risks by not becoming overly reliant on any single supplier as well as having in place disaster recovery centres and business continuity plans.

The reduced level in technology risk reflects the near completion of our Merger integration having already migrated significant parts of our technology and customer base from the separate platforms and systems that were operated pre-Merger, to a single, centralised operating system that supports each of our gaming verticals across multiple brands and territories. Our Italian and French technology systems and customer bases have yet to be integrated, and a few remaining back-office functions have also still to be harmonised. As a result, some operational risk remains for the business but the potential impact on revenue is less significant. To mitigate this risk we have planned extensively and will run appropriate tests before switching to any new systems.

2. Regulation and compliance

Regulation is probably the most complex of our key risks and managing it effectively is a critical process for us, especially given the increasing number of countries that are introducing regulatory regimes, each of which have bespoke requirements. Our compliance obligations range from administration of our gaming licences in Gibraltar, Alderney, Denmark, France, Italy, Spain, Belgium and Schleswig-Holstein in Germany to assessing what impact country-specific and pan-regional rules and regulations might have on our business and the wider industry. Whilst political and cultural attitudes towards online gaming continue to evolve, there is always a risk that certain territories may seek to prohibit or restrict one or more of the products that we offer or online gaming entirely. We have a dedicated regulatory and compliance team that is closely supervised by the CEO and is supported by our legal and regional management teams. We submit ourselves to a series of external audits as required under our gaming licences and also perform our own compliance assessments to ensure that policies and procedures are being followed and working effectively.

3. Taxation

bwin.party operates in a very challenging tax environment due to the pace of change and the complexity of the business. Group companies operate for tax purposes only where they are incorporated, domiciled or registered. Revenues earned from customers located in a particular jurisdiction may give rise to further taxes in that jurisdiction. If such taxes are levied, either on the basis of existing law or the current practice of any tax authority, or by reason of a change in law or practice, then this may have a material adverse effect on the amount of tax payable by the Group. We manage these risks by considering tax as part of our overall business planning.

4. Integration

The complex process of integrating bwin and PartyGaming is almost complete, easing both the pressure on management and other resources. The Integration Management Office, which was set up at the time of the Merger to drive and monitor progress across each of the synergy streams as well as identify constraints and inter-dependencies, was wound-up in August 2012 and the responsibilities passed back to the business units. While there can be no guarantee that all elements of the integration will be successful, the significant investment in planning and preparation ahead of the Merger has proven worthwhile. The main risks in this category are achieving financial synergies and completing the migration to a single technology platform.

5. Poker

PokerStars remains the largest operator in most markets and a very strong competitor. We have not changed the risk level that was reduced to one of 'strong competition' in 2011, reflecting the closure of the US-facing activities of PokerStars. In 2012, PokerStars also acquired and relaunched Full Tilt, previously the second largest poker brand in the dotcom market, which strengthened its market position. The migration of bwin's dotcom poker players to our single platform was completed at the end of 2012, increasing our dotcom poker player liquidity pool. However, dotcom poker remains a challenging market and the pending relaunch of partypoker does carry risk. As a result Poker remains one of our key risks.

6. Country and Currency Risk

Whilst the continuing uncertainty in the global economic outlook inevitably increases the trading and balance sheet risks to which the Group is exposed, the diversified nature of the Group's business means that such risks are not disproportionately different from any other commercial enterprise of a similar scale and international reach. Conditions in the Eurozone remain challenging and reference has already been made in previous statements to the challenging economic backdrop in several European countries, reducing the spending power of customers particularly in Southern European countries, which the Group has attempted to reflect in its financial forecasts. The weaker European economies are also increasing the risk of currency volatility and the potential for significant currency devaluation and business disruption if one or more of these countries exits the euro currency. Accordingly, the Group's treasury processes and policies have been revised with the aim of minimising the Group's exposure to the Eurozone economic risk and to preserve our ability to operate if such events arise.

The functional reporting currency of the Group, the Company and a majority of the Company's subsidiaries is the euro. bwin.party's treasury policy dictates that all material transaction and currency liability exposures are fully hedged with financial derivatives or cash. Consequently, those bwin.party companies that have adopted the euro as their functional currency ensure their financial assets and liabilities in non-euro currencies are equal and that any residual balance is held in euros. With the so-called 'GIPSI' countries (Greece, Ireland, Portugal, Spain and Italy), if one or more of these countries exits the euro then the Group may be exposed to a currency devaluation of its financial assets to the extent that the financial assets located in the exiting jurisdiction exceed its financial liabilities. Accordingly, the treasury policy requires that wherever practical and subject to regulatory requirements, the financial assets located in each GIPSI country are limited so they do not exceed the financial liabilities associated with that jurisdiction.

By order of the Board of Directors

Martin Weigold
Chief Financial Officer
bwin.party digital entertainment plc

30 August 2013

Statement of Directors' responsibilities

This interim management report is the responsibility of, and has been approved by, the Directors of bwin.party digital entertainment plc. Accordingly, the Directors confirm that to the best of their knowledge:

- the unaudited condensed consolidated set of financial information has been prepared in accordance with IAS 34 - Interim Financial Reporting as issued by the IASB and endorsed and adopted by the European Union;

- the interim management report includes a fair review of the information required by:

    (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

    (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the Annual Report for the year ended 31 December 2012.

The Directors of bwin.party digital entertainment plc are listed on the bwin.party website: www.bwinparty.com.

By order of the Board of Directors

Martin Weigold
Chief Financial Officer
bwin.party digital entertainment plc

30 August 2013

Financial information (unaudited)

Condensed consolidated statement of comprehensive income

Six months ended 30 June	Notes	2013 €million	2012 €million
Continuing operations			
Net revenue		**318.6**	395.7
Other revenue		**23.9**	14.3
Total revenue	3	**342.5**	410.0
Cost of sales		**(44.1)**	(68.5)
Gross profit		**298.4**	341.5
Other operating income		**-**	0.4
Other operating expense	4	**(5.0)**	(2.2)
Administrative expenses		**(183.6)**	(207.6)
Distribution expenses		**(114.7)**	(146.1)
Clean EBITDA		**60.7**	92.3
Exchange losses		**(4.0)**	(2.1)
Completed merger and acquisition costs		**(0.2)**	(0.1)
Amortisation		**(35.7)**	(52.1)
Depreciation		**(12.2)**	(8.7)
Retroactive taxes and associated charges	5	**(0.6)**	(31.5)
Share-based payments		**(9.9)**	(9.4)
Reorganisation costs		**(3.0)**	(2.4)
Loss from operating activities		**(4.9)**	(14.0)
Finance income		**0.6**	0.8
Finance expense		**(5.5)**	(4.1)
Share of profit of associates and joint ventures		**0.7**	2.0
Loss before tax		**(9.1)**	(15.3)
Tax (charge) credit	6	**(2.5)**	1.1
Loss after tax from Continuing operations		**(11.6)**	(14.2)
Loss after tax from Discontinued operations	7	**-**	(7.1)
Loss for the period		**(11.6)**	(21.3)
Other comprehensive (expense) income:			
Exchange differences on translation of foreign operations, net of tax		**(4.9)**	8.5
Total comprehensive expense for the period		**(16.5)**	(12.8)
Loss for the period attributable to:			
Equity holders of the parent		**(10.6)**	(20.8)
Non-controlling interests		**(1.0)**	(0.5)
		(11.6)	(21.3)
Total comprehensive expense for the period attributable to:			
Equity holders of the parent		**(15.5)**	(12.3)
Non-controlling interests		**(1.0)**	(0.5)
		(16.5)	(12.8)
Loss per share (€ cents)			
Basic	8	**(1.3)**	(2.5)
Diluted	8	**(1.3)**	(2.5)
Continuing loss per share (€ cents)			
Basic	8	**(1.3)**	(1.7)
Diluted	8	**(1.3)**	(1.7)

Condensed consolidated statement of financial position

	Notes	As at 30 June 2013 €million	As at 31 December 2012 €million
Non-current assets			
Intangible assets	9	**646.3**	679.6
Property, plant and equipment		**38.5**	42.6
Investments		**25.1**	25.8
Other receivables	10	**9.7**	6.8
		719.6	754.8
Current assets			
Trade and other receivables	10	**134.7**	139.4
Short-term investments		**14.9**	31.5
Cash and cash equivalents		**162.5**	169.7
		312.1	340.6
Total assets		**1,031.7**	1,095.4
Current liabilities			
Trade and other payables	11	**(63.0)**	(72.0)
Income and gaming taxes payable		**(40.9)**	(37.6)
Client liabilities and progressive prize pools	12	**(122.4)**	(136.7)
Provisions	13	**-**	(16.0)
Loans and borrowings	14	**(9.1)**	(6.9)
		(235.4)	(269.2)
Non-current liabilities			
Trade and other payables	11	**(3.8)**	(4.8)
Provisions	13	**(82.3)**	(78.9)
Loans and borrowings	14	**(25.5)**	(29.5)
Deferred tax	15	**(40.1)**	(44.1)
		(151.7)	(157.3)
Total liabilities		**(387.1)**	(426.5)
Total net assets		**644.6**	668.9
Equity			
Share capital	16	**0.1**	0.1
Share premium account		**1.4**	0.6
Own shares	16	**(6.9)**	(9.9)
Capital contribution reserve		**24.1**	24.1
Capital redemption reserve		**0.0**	0.0
Available-for-sale reserve		**2.9**	1.3
Retained earnings		**1,210.6**	1,234.4
Other reserve		**(573.7)**	(573.7)
Currency reserve		**(10.1)**	(5.2)
Equity attributable to equity holders of the parent		**648.4**	671.7
Non-controlling interests		**(3.8)**	(2.8)
Total Equity		**644.6**	668.9

Condensed consolidated statement of changes in equity

	As at 1 January 2012 €million	Acquisition of subsidiaries and businesses €million	Other Issues of shares €million	Dividends paid €million	Purchase of shares €million	Cancellation of share premium €million	Total comprehensive income for the period €million	Other share-based payments €million	As at 30 June 2012 €million
Share capital	0.2	-	-	-	(0.1)	-	-	-	0.1
Share premium account	1,018.4	-	0.6	-	-	-	-	-	1,019.0
Own shares	(7.1)	-	-	-	(5.7)	-	-	-	(12.8)
Capital contribution reserve	24.1	-	-	-	-	-	-	-	24.1
Capital redemption reserve	-	-	-	-	-	-	-	-	-
Available-for-sale reserve	-	-	-	-	-	-	-	-	-
Retained earnings	340.6	-	-	(15.9)	(46.7)	-	(20.8)	9.5	266.7
Other reserve	(573.7)	-	-	-	-	-	-	-	(573.7)
Currency reserve	(5.2)	-	-	-	-	-	8.5	-	3.3
Total attributable to equity holders of the parent	797.3	-	0.6	(15.9)	(52.5)	-	(12.3)	9.5	726.7
Non-controlling interests	(3.8)	2.0	-	-	-	-	(0.5)	-	(2.3)
Total equity	793.5	2.0	0.6	(15.9)	(52.5)	-	(12.8)	9.5	724.4

	As at 1 July 2012 €million	Acquisition of subsidiaries and businesses €million	Other Issues of shares €million	Dividends paid €million	Purchase of shares €million	Cancellation of share premium €million	Total comprehensive income for the period €million	Other share-based payments €million	As at 31 December 2012 €million
Share capital	0.1	-	-	-	-	-	-	-	0.1
Share premium account	1,019.0	-	0.5	-	-	(1,018.9)	-	-	0.6
Own shares	(12.8)	-	4.8	-	(1.9)	-	-	-	(9.9)
Capital contribution reserve	24.1	-	-	-	-	-	-	-	24.1
Capital redemption reserve	-	-	-	-	0.0	-	-	-	0.0
Available-for-sale reserve	-	-	-	-	-	-	1.3	-	1.3
Retained earnings	266.7	-	-	(17.1)	(2.0)	1,018.9	(42.9)	10.8	1,234.4
Other reserve	(573.7)	-	-	-	-	-	-	-	(573.7)
Currency reserve	3.3	-	-	-	-	-	(8.5)	-	(5.2)
Total attributable to equity holders of the parent	726.7	-	5.3	(17.1)	(3.9)	-	(50.1)	10.8	671.7
Non-controlling interests	(2.3)	-	-	-	-	-	(0.5)	-	(2.8)
Total equity	724.4	-	5.3	(17.1)	(3.9)	-	(50.6)	10.8	668.9

	As at 1 January 2013 €million	Acquisition of subsidiaries and businesses €million	Other Issues of shares €million	Dividends paid €million	Purchase of shares €million	Cancellation of share premium €million	Total comprehensive income for the period €million	Other share-based payments €million	As at 30 June 2013 €million
Share capital	**0.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.1**
Share premium account	**0.6**	**-**	**0.8**	**-**	**-**	**-**	**-**	**-**	**1.4**
Own shares	**(9.9)**	**-**	**4.4**	**-**	**(1.4)**	**-**	**-**	**-**	**(6.9)**
Capital contribution reserve	**24.1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24.1**
Capital redemption reserve	**0.0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**
Available-for-sale reserve	**1.3**	**-**	**-**	**-**	**-**	**-**	**1.6**	**-**	**2.9**
Retained earnings	**1,234.4**	**-**	**(4.4)**	**(16.7)**	**(2.0)**	**-**	**(10.6)**	**9.9**	**1,210.6**
Other reserve	**(573.7)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(573.7)**
Currency reserve	**(5.2)**	**-**	**-**	**-**	**-**	**-**	**(4.9)**	**-**	**(10.1)**
Total attributable to equity holders of the parent	**671.7**	**-**	**0.8**	**(16.7)**	**(3.4)**	**-**	**(13.9)**	**9.9**	**648.4**
Non-controlling interests	**(2.8)**	**-**	**-**	**-**	**-**	**-**	**(1.0)**	**-**	**(3.8)**
Total equity	**668.9**	**-**	**0.8**	**(16.7)**	**(3.4)**	**-**	**(14.9)**	**9.9**	**644.6**

Share premium is the amount subscribed for share capital in excess of nominal value. In July 2012 the Company cancelled €1,019.0m of its share premium account.

Capital contribution reserve is the amount arising from share-based payments made by parties associated with the original Principal Shareholders and cash held by the Employee Trust.

Capital redemption reserve is the amount transferred from share capital on redemption of issued shares.

Available-for-sale reserve are the gains (losses) arising on financial assets classified as available for sale.

Retained earnings represent cumulative profit / (loss) for the year, share-based payments and any other items of other comprehensive income not disclosed as separate reserves in the table above.

The other reserve of €573.7 million is the amount arising from the application of accounting which is similar to the pooling of interests method, as set out in the Group's accounting policies.

Currency reserve represents the gains/losses arising on retranslating the net assets of overseas operations into Euros.

Non-controlling interests relate to the interests of other shareholders in certain subsidiaries.

Condensed consolidated statement of cashflows

Six months ended 30 June	2013 €million	2012 €million
Loss for the period	**(11.6)**	(21.3)
Adjustments for:		
Depreciation of property, plant and equipment	**12.2**	8.7
Amortisation of intangibles	**35.7**	52.1
Share of profit of associates	**(0.7)**	(2.0)
Interest expense	**5.5**	4.1
Interest income	**(0.6)**	(0.8)
Increase in reserves due to share-based payments	**9.9**	9.5
Income tax charge (credit)	**2.5**	(1.1)
Operating cashflows before movements in working capital and provisions	**52.9**	49.2
Decrease in inventory	**-**	0.1
Decrease (increase) in trade and other receivables	**3.4**	(12.7)
Decrease in trade and other payables	**(23.0)**	(7.4)
Decrease in provisions	**(16.1)**[4]	(6.0)
Cash generated from operations	**17.2**	23.2
Income taxes paid	**(6.2)**	(7.3)
Net cash inflow from operating activities	**11.0**	15.9
Investing activities		
Acquisition of subsidiaries and businesses	**-**	(13.7)
Acquisition of subsidiaries and businesses, net of cash acquired - deferred payment	**-**	(0.3)
Purchases of intangible assets	**(8.3)**	(4.9)
Purchases of property, plant and equipment	**(9.3)**	(13.1)
Purchase of investments	**-**	(3.8)
Interest received	**0.6**	0.8
Repayment of loan from joint venture	**2.8**	-
Decrease in short-term investments	**15.6**	4.2
Net cash generated (used) by investing activities	**1.4**	(30.8)
Financing activities		
Issue of ordinary shares	**0.8**	0.5
Purchase of own shares	**(3.4)**	(52.4)
Dividends paid	**(16.7)**	(15.9)
Repayment of bank borrowings	**-**	(4.9)
Interest paid	**(1.0)**	(0.7)
Net cash used by financing activities	**(20.3)**	(73.4)
Net decrease in cash and cash equivalents	**(7.9)**	(88.3)
Exchange differences	**0.7**	6.5
Cash and cash equivalents at beginning of period	**169.7**	289.0
Cash and cash equivalents at end of period	**162.5**	207.2

Segregated cash

Included within cash and cash equivalents is €28.6m (2012: €27.1m) related to cash held in segregated accounts in certain nationally regulated markets.

[4] *Includes settlement of Kentucky litigation of €11.5m*

Notes to the condensed consolidated financial information

1. Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013 have been prepared in accordance with International Accounting Standard ('IAS') 34 - *Interim Financial Reporting*, and have been prepared on the basis of International Financial Reporting Standards ('IFRSs') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations as adopted by the European Union that are effective for the year ending 31 December 2013.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2013, which were approved by the Board on 30 August 2013, do not comprise statutory accounts, and should be read in conjunction with the Annual Report for the year ended 31 December 2012. Those accounts have been reported upon by the Group's auditors and delivered to Companies House in Gibraltar. The report of the auditors on those accounts was unqualified. The Annual Report is published in the Investors section of the Group website at www.bwinparty.com and is available from the Company on request.

Except as described below, the unaudited interim condensed consolidated financial statements are prepared on the basis of the accounting policies stated in the Group's Annual Report 2012 which is available on the Group's website at www.bwinparty.com.

Accounting standards and interpretations

The following relevant standards, issued by the International Accounting Standards Board ('IASB'), are effective for the first time in the current financial year and have been adopted by the Group with no significant impact on its consolidated results or financial position:

IAS 1 (Amended)	Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012)
IAS 19 (Amended)	Employee Benefits (effective for annual periods beginning on or after 1 January 2013)
IFRS 7 (Amended)	Disclosures - Offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2013)
IFRS 13	Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

The following relevant standards and interpretations were issued by the IASB or the IFRIC before the period end but are as yet not effective for the 2013 year end:

IAS 27 (Amended)	Separate Financial Statements (effective for annual periods beginning on or after 1 January 2014)**
IAS 28 (Amended)	Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2014)
IAS 32 (Amended)	Offsetting of financial assets and financial liabilities (effective for annual periods beginning on or after 1 January 2014)
IAS 36 (Amended)	Recoverable amount disclosures for non-financial assets (effective for annual periods beginning on or after 1 January 2014)*
IFRS 7 (Amended)	Disclosures - Initial application of IFRS 9 (effective for annual periods beginning on or after 1 January 2015)
IFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2015).
IFRS 10	Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2014)**
IFRS 11	Joint Arrangements (effective for annual periods beginning on or after 1 January 2014)

1. Basis of preparation (continued)

IFRS 12	Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2014)**

* Not yet endorsed by the EU.

** Original standards have been endorsed, further amendments to the standards are yet to be endorsed

The Group is currently assessing the impact, if any, that these standards will have on the presentation of, and recognition in its consolidated results in future periods.

2. Seasonality of operations

Seasonality is one of many factors that affect quarter-on-quarter revenue growth. Like many other online businesses with customer bases located in the Northern hemisphere, during the winter months consumers tend to spend more time online than during the summer months. In addition, as the Group's customer base becomes more casual in nature, seasonality can be expected to have a greater impact as customers that have a broad variety of interests, including online gaming, can be expected to take advantage of longer daylight hours and better weather conditions to enjoy other leisure pursuits.

3. Segment information

For management purposes and transacting with customers, the Group's operations were segmented into the following reporting segments:

- sports betting,
- casino & games,
- poker,
- bingo and
- unallocated corporate (including World Poker Tour, InterTrader.com, WIN.com, software services and the payment services business).

These segments are the basis upon which the Group reported its segment information. Unallocated corporate expenses, assets and liabilities relate to the Group as a whole and are not allocated to individual segments.

Following the merger with bwin a review was undertaken of the need to change the Group's reporting of results to the Chief Operating Decision Makers ('CODMs') which has had a consequential effect on the reporting of segmental information under IFRS 8. Accordingly, since 1 January 2013 the Group's operations are segmented into the following reporting segments:

- sports betting,
- casino & games,
- poker,
- bingo and
- other

The segment 'other' includes a number of businesses that in aggregate are not large enough to account for more than 10% of the Group's revenues, profits or assets. Included within this segment are: World Poker Tour; the third party payment processing business, Kalixa; the financial spreadbetting business, InterTrader; software services, social gaming, profit on domain sales and the Winners retail business.

Under the previous basis of segmental reporting, costs that were not able to be directly allocated to a particular vertical were allocated pro rata to the net revenue generated by each vertical. With increasing regulation and taxation certain segments were allocated a disproportionately high share of central costs. Under the new basis of segmental reporting, a higher proportion of costs are allocated directly to each segment, and the remaining central costs are now allocated pro rata to gross profit.

3. Segment information (continued)

The new basis also aims to reflect more appropriately the fact that certain product verticals are dependent on the cross-sell of players from other product verticals and thus includes a reallocation of marketing costs between these verticals in order to more accurately reflect the true profitability of that segment on a standalone basis.

Under the new basis of segmental reporting, unallocated corporate expenses are now allocated to each of these operating segments. The measure of reporting segment performance was historically Clean EBITDA and the basis for arriving at this is the same as the Group accounts. This will continue to be the case in future periods.

The Group will disclose the new basis for the current year and the old basis for both the current year and prior year. It is unable to disclose the new basis for the prior year as the information is not available to do this.

New basis of reporting

Six months ended 30 June 2013	Sports betting €million	Casino & Games €million	Poker €million	Bingo €million	Other €million	Consolidated €million
Continuing operations						
Net revenue	118.3	110.8	62.3	27.2	-	318.6
Other revenue	0.7	1.4	1.6	0.4	19.8	23.9
Total revenue	119.0	112.2	63.9	27.6	19.8	342.5
Clean EBITDA	25.8	24.5	7.2	2.8	0.4	60.7
Profit (loss) before tax	(0.4)	9.1	(6.4)	(4.7)	(6.7)	(9.1)
Discontinued operations						
Net revenue	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total revenue	-	-	-	-	-	-
Clean EBITDA	-	-	-	-	-	-
Loss before tax	-	-	-	-	-	-
Total operations						
Net revenue	118.3	110.8	62.3	27.2	-	318.6
Other revenue	0.7	1.4	1.6	0.4	19.8	23.9
Total revenue	119.0	112.2	63.9	27.6	19.8	342.5
Clean EBITDA	25.8	24.5	7.2	2.8	0.4	60.7
Profit (loss) before tax	(0.4)	9.1	(6.4)	(4.7)	(6.7)	(9.1)

3. Segment information (continued)

Old basis of reporting

Six months ended 30 June 2013	Sports betting €million	Casino & Games €million	Poker €million	Bingo €million	Unallocated corporate €million	Consolidated €million
Continuing operations						
Net revenue	**118.3**	**110.8**	**62.3**	**27.2**	**-**	**318.6**
Other revenue	**0.7**	**1.4**	**1.6**	**0.4**	**19.8**	**23.9**
Total revenue	**119.0**	**112.2**	**63.9**	**27.6**	**19.8**	**342.5**
Clean EBITDA	**5.4**	**42.6**	**15.5**	**6.8**	**(9.6)**	**60.7**
Profit (loss) before tax	**(26.2)**	**22.5**	**0.3**	**(1.7)**	**(4.0)**	**(9.1)**
Discontinued operations						
Net revenue	**-**	**-**	**-**	**-**	**-**	**-**
Other revenue	**-**	**-**	**-**	**-**	**-**	**-**
Total revenue	**-**	**-**	**-**	**-**	**-**	**-**
Clean EBITDA	**-**	**-**	**-**	**-**	**-**	**-**
Loss before tax	**-**	**-**	**-**	**-**	**-**	**-**
Total operations						
Net revenue	**118.3**	**110.8**	**62.3**	**27.2**	**-**	**318.6**
Other revenue	**0.7**	**1.4**	**1.6**	**0.4**	**19.8**	**23.9**
Total revenue	**119.0**	**112.2**	**63.9**	**27.6**	**19.8**	**342.5**
Clean EBITDA	**5.4**	**42.6**	**15.5**	**6.8**	**(9.6)**	**60.7**
Profit (loss) before tax	**(26.2)**	**22.5**	**0.3**	**(1.7)**	**(4.0)**	**(9.1)**

Six months ended 30 June 2012	Sports betting €million	Casino & Games €million	Poker €million	Bingo €million	Unallocated corporate €million	Consolidated €million
Continuing operations						
Net revenue	128.1	139.7	96.4	31.5	-	395.7
Other revenue	2.1	2.1	1.9	0.5	7.7	14.3
Total revenue	130.2	141.8	98.3	32.0	7.7	410.0
Clean EBITDA	30.5	45.0	10.0	9.0	(2.2)	92.3
Profit (loss) before tax	(9.4)	17.2	(14.0)	1.5	(10.6)	(15.3)
Discontinued operations						
Net revenue	-	-	-	-	-	-
Other revenue	-	-	6.3	-	-	6.3
Total revenue	-	-	6.3	-	-	6.3
Clean EBITDA	-	-	(6.7)	-	-	(6.7)
Loss before tax	-	-	(7.1)	-	-	(7.1)
Total operations						
Net revenue	128.1	139.7	96.4	31.5	-	395.7
Other revenue	2.1	2.1	8.2	0.5	7.7	20.6
Total revenue	130.2	141.8	104.6	32.0	7.7	416.3
Clean EBITDA	30.5	45.0	3.3	9.0	(2.2)	85.6
Profit (loss) before tax	(9.4)	17.2	(21.1)	1.5	(10.6)	(22.4)

3. Segment information (continued)

Other revenue was up 67% to €23.9m (2012: €14.3m), with growth across all categories year on year. The major constituents of other revenue are: WPT (€5.8m), domain sales (€5.5m), Winners (€3.0m) and B2B (€2.6m).

Geographical analysis of total revenue

The following table provides an analysis of the Group's total revenue by geographical segment:

Six months ended 30 June	2013 €million	2012 €million
Germany	**76.4**	86.7
United Kingdom	**35.0**	40.4
Other	**231.1**	282.9
Total revenue	**342.5**	410.0

4. Other operating expenses

Six months ended 30 June	2013 €million	2012 €million
Merger and acquisition expenses	**1.0**	0.1
Exchange losses	**4.0**	2.1
	5.0	2.2

5. Retroactive taxes and associated charges

During 2012, the Spanish tax authority contacted all of the major online gaming operators and made clear that, in their opinion, any online operator that has ever accepted customers from Spain has an obligation to pay Spanish taxes under two laws, one dating from 1966 and the other from 1977. Previously these laws were applied to operators based in Spain carrying out offline gaming activities and to certain kinds of bets (other than fixed odd bets). As a result, together with a number of other operators, we completed a tax self-assessment in accordance with the Spanish Tax Authority's requirements and made a payment of €25.6m in respect of periods prior to June 2011. Including associated surcharges and interest, this resulted in a charge of €31.5m in the prior year.

The charge in the period of €0.6m relates to a settlement payment made to Belgian authorities in connection with obtaining access to the Belgian gaming market through a joint venture with a Belgian land based gaming operator.

6. Tax

Analysis of tax charge (credit)

Six months ended 30 June	2013 €million	2012 €million
Current tax expense for the period	**5.7**	5.1
Deferred tax credit for the period	**(3.2)**	(6.2)
Income tax charge (credit) for the period	**2.5**	(1.1)

The current tax charge for the period is €5.7m (2012: €5.1m). After allowing for deferred tax credits primarily relating to the unwinding of provisions set up on acquisitions the total tax charge for the period is €2.5m (2012: credit of €1.1m). There is no tax associated with Discontinued operations and other comprehensive income.

The effect of deferred tax relates primarily to the unwinding of provisions set up on acquisitions.

6. Tax (continued)

The total expense (credit) for the period can be reconciled to accounting (loss) as follows:

Six months ended 30 June	Note	2013 €million	2012 €million
Loss before tax from Continuing operations		**(9.1)**	(15.3)
Loss before tax from Discontinued operations	7	**-**	(7.1)
Loss before tax		**(9.1)**	(22.4)
Tax at effective rate in Gibraltar at 10% (2012: 10%)		**(0.9)**	(2.2)
Effect of expenses not allowed for tax purposes		**3.5**	6.1
Effect of deferred tax		**(3.2)**	(6.2)
Effect of different tax rates applied in overseas jurisdictions		**3.1**	1.2
Total income tax charge (credit) for the period		**2.5**	(1.1)

The expenses not allowed for tax purposes are primarily amortisation of intangible assets.

Factors affecting the tax charge for the period

The Group's policy is to manage, control and operate Group companies only in the countries in which they are registered. At the period end there were Group companies registered in 23 countries including Gibraltar. However, the rules and practice governing the taxation of eCommerce activity are evolving in many countries. It is possible that the amount of tax that will eventually become payable may differ from the amount provided in the financial information.

Factors that may affect future tax charges

As the Group is involved in worldwide operations, future tax charges will be affected by the level and mix of profitability in different jurisdictions.

Future tax charges will be reduced by a deferred tax credit in respect of amortisation of certain acquired intangibles.

7. Discontinued operations

Condensed consolidated statement of comprehensive income

Discontinued operations in 2012 are composed mainly of the Ongame B2B business that was sold on 31 October 2012 together with costs associated with US customers that were no longer accepted following the enactment of the UIGEA. No charges were incurred in the period.

Six months ended 30 June	Notes	2013 €million	2012 €million
Other revenue		-	6.3
Total revenue	3	-	6.3
Gross profit		-	6.3
Other operating income		-	(0.8)
Administrative expenses		-	(10.2)
Distribution expenses		-	(2.4)
Loss from operating activities		-	(7.1)
Loss before tax		-	(7.1)
Loss for the period attributable to the equity holders of the parent		-	(7.1)
Loss per share (€ cents)			
Basic and diluted	7	-	(0.8)

Condensed consolidated statement of cashflows

Six months ended 30 June	2013 €million	2012 €million
Loss for the period	-	(7.1)
Adjustments for:		
Increase in reserves due to share-based payments	-	0.1
Operating cashflows before movements in working capital and provisions	-	(7.0)
Decrease in trade and other receivables	0.7	0.5
Decrease in trade and other payables	-	(19.5)
Movement in provisions	(11.5)	-
Net cash outflow from operating activities	(10.8)	(26.0)
Investing activities		
Purchases of property, plant and equipment	-	(0.2)
Net cash used in investing activities	-	(0.2)
Net decrease in cash and cash equivalents	(10.8)	(26.2)
Exchange differences	-	(0.9)
	(10.8)	(27.1)

8. Earnings per Share ('EPS')

Six months ended 30 June	2013 Continuing operations € cents	2013 Discontinued operations € cents	2013 Total € cents	2012 Continuing operations € cents	2012 Discontinued operations € cents	2012 Total € cents
Basic EPS	**(1.3)**	**0.0**	**(1.3)**	(1.7)	(0.8)	(2.5)
Diluted EPS	**(1.3)***	**0.0**	**(1.3)***	(1.7)*	(0.8)*	(2.5)*
Basic Clean EPS	**4.3**	**0.0**	**4.3**	9.2	(0.8)	8.4
Diluted Clean EPS	**4.2**	**0.0**	**4.2**	8.9	(0.8)*	8.1

** A diluted EPS calculation may not increase a basic EPS calculation when the basic EPS is a loss.*

Basic earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, excluding those held as own shares.

Six months ended 30 June	2013 Total	2012 Total
Basic EPS		
Basic loss (€million)	**(10.6)**	(20.8)
Weighted average number of ordinary shares (million)	**806.6**	820.6
Basic loss per ordinary share (€ cents)	**(1.3)**	(2.5)
Basic Clean EPS		
Adjusted earnings (€million)	**34.8**	68.9
Weighted average number of ordinary shares (million)	**806.6**	820.6
Adjusted earnings per ordinary share (€ cents)	**4.3**	8.4

Clean earnings per share

The performance measure of EPS used internally by management to manage the operations of the business and remove the impact of one-off and certain non-cash items is Clean EPS, which is calculated before the provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation expenses, completed merger and acquisition expenses, share-based payments, exchange differences, retroactive tax charges and amortisation and impairments on acquisitions, which they believe better reflects the underlying performance of the business and assists in providing a clearer view of the fundamental performance of the Group.

Clean earnings attributable to equity shareholders is derived as follows:

Six months ended 30 June	2013 Continuing operations €million	2013 Discontinued operations €million	2013 Total €million	2012 Continuing operations €million	2012 Discontinued operations €million	2012 Total €million
Loss for the purposes of basic and diluted earnings per share being profit attributable to equity holders of the parent	**(10.6)**	**-**	**(10.6)**	(13.7)	(7.1)	(20.8)
Reorganisation expenses	**3.0**	**-**	**3.0**	2.4	-	2.4
Completed merger and acquisition expenses	**0.2**	**-**	**0.2**	0.1	(0.1)	-
Retroactive taxes and associated charges	**0.6**	**-**	**0.6**	31.5	-	31.5
Exchange differences	**4.0**	**-**	**4.0**	2.1	0.4	2.5
Share-based payments	**9.9**	**-**	**9.9**	9.4	0.1	9.5
Amortisation on acquired intangible assets	**30.9**	**-**	**30.9**	50.0	-	50.0
-Tax thereon	**(3.2)**	**-**	**(3.2)**	(6.2)	-	(6.2)
Clean earnings (loss)	**34.8**	**-**	**34.8**	75.6	(6.7)	68.9

8. Earnings per Share ('EPS') (continued)

Six months ended 30 June	2013 Number million	2012 Number million
Weighted average number of shares		
Number of shares in issue as at 1 January	**812.1**	837.2
Number of shares in issue as at 1 January held by the Employee Trust	**(6.0)**	(3.9)
Weighted average number of shares issued during the period	**1.5**	0.5
Weighted average number of shares purchased during the period	**(0.5)**	(13.2)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**807.1**	820.6
Effect of potential dilutive share options and contingently issuable shares	**23.8**	29.5
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**830.9**	850.1

In accordance with IAS 33, the weighted average number of shares for diluted earnings per share takes into account all potentially dilutive equity instruments granted which are not included in the number of shares for basic earnings per share above. Although the unvested, potentially dilutive equity instruments are contingently issuable, in accordance with IAS 33, the period end is treated as the end of the performance period. Those option holders who were employees at that date are deemed to have satisfied the performance requirements and their related potentially dilutive equity instruments have been included for the purpose of diluted EPS.

9. Intangible assets

	Goodwill €million	Acquired intangibles €million	Other intangibles €million	Total €million
Cost or valuation				
As at 1 January 2012	697.9	751.4	20.4	1,469.7
Adjustment on consideration of prior business combinations	0.8	-	-	0.8
Acquired through business combinations	11.6	4.3	-	15.9
Additions	-	-	4.9	4.9
Exchange movements	5.4	4.5	0.4	10.3
As at 30 June 2012	715.7	760.2	25.7	1,501.6
Acquired through business combinations	6.9	(0.3)	-	6.6
Additions	-	-	5.5	5.5
Exchange movements	(4.4)	(3.7)	(0.3)	(8.4)
As at 31 December 2012	718.2	756.2	30.9	1,505.3
Adjustment on consideration of prior business combinations	**(0.7)**	**(0.7)**	**-**	**(1.4)**
Additions	**-**	**-**	**8.3**	**8.3**
Exchange movements	**(3.9)**	**(2.5)**	**(0.1)**	**(6.5)**
As at 30 June 2013	**713.6**	**753.0**	**39.1**	**1,505.7**
Amortisation				
As at 1 January 2012	450.4	270.3	10.4	731.1
Charge for the period	-	50.0	2.1	52.1
Exchange movements	1.4	3.6	0.4	5.4
As at 30 June 2012	451.8	323.9	12.9	788.6
Charge for the period	-	41.5	1.9	43.4
Exchange movements	(1.4)	(4.7)	(0.2)	(6.3)
As at 31 December 2012	450.4	360.7	14.6	825.7
Charge for the period	**-**	**30.9**	**4.8**	**35.7**
Exchange movements	**-**	**(1.8)**	**(0.2)**	**(2.0)**
As at 30 June 2013	**450.4**	**389.8**	**19.2**	**859.4**
Carrying amounts				
As at 30 June 2012	263.9	436.3	12.8	713.0
As at 31 December 2012	267.8	395.5	16.3	679.6
As at 30 June 2013	**263.2**	**363.2**	**19.9**	**646.3**

Acquired intangible assets are those intangible assets purchased as part of an acquisition and primarily include customer lists, brands, software and broadcast libraries. The fair value of acquired intangibles is based on cashflow projections at the time of acquisition. Customer lists from existing customers take into account the expected impact of player attrition.

Other intangibles primarily include development expenditure, long-term gaming and intellectual property licences and purchased domain names. Development expenditure represents software infrastructure assets that have been developed and generated internally. Licences are amortised over the life of the licences and other intangibles are being amortised over their estimated useful economic lives of between three and five years.

9. Intangible assets (continued)

In accordance with IAS 36, the Group regularly monitors the carrying value of its intangible assets. A detailed review was undertaken at 31 December 2012 to assess whether the carrying value of assets was supported by the net present value of future cashflows derived from those assets using cashflow projections for a ten-year period. The review concluded that no impairments were required. The Board is not aware of any evidence of impairment during the current period.

10. Trade and other receivables

	As at 30 June 2013 €million	As at 31 December 2012 €million
Payment service providers	**57.0**	70.5
Less: chargeback provision	**(2.3)**	(1.9)
Payment service providers - net	**54.7**	68.6
Prepayments	**36.6**	27.5
Contingent consideration	**3.6**	2.0
Other receivables	**39.8**	41.3
Current assets	**134.7**	139.4
Contingent consideration	**9.7**	6.8
Non-current assets	**9.7**	6.8

The Directors consider that the carrying amount of trade and other receivables approximates to their fair values, which is based on estimates of amounts recoverable. The recoverable amount is determined by calculating the present value of expected future cashflows.

Provisions are expected to be settled within the next year and relate to chargebacks which are recognised at the Directors' best estimate of the provision based on past experience of such expenses applied to the level of activity.

The non-discounted book values for these amounts are as follows:

	Contingent consideration	
	As at 30 June 2013 €million	As at 31 December 2012 €million
Within one year	**3.8**	2.2
Later than one year but not later than five years	**11.2**	7.8
More than five years	**-**	-
	15.0	10.0

11. Trade and other payables

	As at 30 June 2013 €million	As at 31 December 2012 €million
Deferred and contingent consideration	**3.0**	3.3
Other payables	**60.0**	68.7
Current liabilities	**63.0**	72.0
Deferred and contingent consideration	**3.8**	4.8
Later than one year but not later than five years	**3.8**	4.8
Non-current liabilities	**3.8**	4.8

Deferred and contingent consideration relates to amounts payable for the acquisitions of WPT and of assets acquired from Velasco Services Inc. and Orneon Limited.

11. Trade and other payables (continued)

Other payables comprise amounts outstanding for trade purchases and other on-going costs. The carrying amount of other payables approximates to their fair value which is based on the net present value of expected future cashflows.

The amount due for deferred and contingent consideration is recognised at fair value.

The non-discounted book values for these amounts are as follows:

	Deferred and contingent consideration	
	As at 30 June 2013 €million	As at 31 December 2012 €million
Within one year	**3.3**	3.5
Later than one year but not later than five years	**4.6**	5.7
More than five years	**-**	-
	7.9	9.2

12. Client liabilities and progressive prize pools

	As at 30 June 2013 €million	As at 31 December 2012 €million
Client liabilities	**113.5**	122.4
Progressive prize pools	**8.9**	14.3
	122.4	136.7

Client liabilities and progressive prize pools represent amounts due to customers including net deposits received, undrawn winnings, progressive jackpots and tournament prize pools and certain promotional bonuses. The carrying amount of client liabilities and progressive prize pools approximates to their fair value which is based on the net present value of expected future cashflows.

13. Provisions

Current Liabilities	Litigation €million	Onerous contracts €million	Total €million
As at 1 January 2012	2.1	8.7	10.8
Unwinding of discount	-	0.3	0.3
Reclassification due to date of maturity	-	3.8	3.8
Credited to condensed consolidated statement of comprehensive income	-	(4.8)	(4.8)
Current liabilities as at 30 June 2012	2.1	8.0	10.1
Unwinding of discount	0.1	0.4	0.5
Credited to condensed consolidated statement of comprehensive income	(2.2)	(4.3)	(6.5)
Charged to condensed consolidated statement of comprehensive income	11.9	-	11.9
Current liabilities as at 31 December 2012	11.9	4.1	16.0
Unwinding of discount	**-**	**0.1**	**0.1**
Credited to condensed consolidated statement of comprehensive income	**-**	**(4.2)**	**(4.2)**
Utilised in the year	**(11.9)**	**-**	**(11.9)**
Current liabilities as at 30 June 2013	**-**	**-**	**-**

Non-Current Liabilities	Litigation €million	Onerous contracts €million	Total €million
As at 1 January 2012	73.9	3.8	77.7
Unwinding of discount	3.2	-	3.2
Reclassification due to date of maturity	-	(3.8)	(3.8)
Non-current liabilities as at 30 June 2012	77.1	-	77.1
Unwinding of discount	3.4	-	3.4
Credited to condensed consolidated statement of comprehensive income	(1.6)	-	(1.6)
Non-current liabilities as at 31 December 2012	78.9	-	78.9
Unwinding of discount	**3.4**	**-**	**3.4**
Non-current liabilities as at 30 June 2013	**82.3**	**-**	**82.3**

Litigation refers to provisions made in respect of certain outstanding legal and regulatory disputes and are an estimate of what the Directors believe to be the fair value based on probability-weighted expected values. In light of the uncertainty associated with legal and regulatory disputes, there can be no guarantee that the assumptions used to estimate the provision will be an accurate prediction of the actual costs that may or may not be incurred. No further details have been provided as the Directors consider that this would be prejudicial to the interests of the Group.

Onerous contracts relate to provisions made against the future costs of contracts where subsequent changes in legislation in certain countries have meant that the future economic benefits received by the Group are less than the costs involved with fulfilling the remaining terms and conditions of the contracts and is recognised at the Directors' best estimate based on their knowledge of the markets of the countries involved.

The amounts due for provisions are recognised at fair value based on the above and carried at amortised cost using an effective interest rate of 8.7%.

13. Provisions (continued)

The non-discounted book values for these amounts are as follows:

	Litigation		Onerous contracts	
	As at 30 June 2013 €million	As at 31 December 2012 €million	**As at 30 June 2013 €million**	As at 31 December 2012 €million
Within one year	**-**	11.9	**-**	4.2
Later than one year but not later than five years	**93.2**	93.2	**-**	-
	93.2	105.1	**-**	4.2

14. Loans and borrowings

	Book value		Fair value	
	As at 30 June 2013 €million	As at 31 December 2012 €million	**As at 30 June 2013 €million**	As at 31 December 2012 €million
Secured bank loan	**8.8**	6.2	**9.1**	6.9
Current liabilities	**8.8**	6.2	**9.1**	6.9
Secured bank loan	**26.3**	30.8	**25.5**	29.5
Later than one year but not later than five years	**26.3**	30.8	**25.5**	29.5
Non-current liabilities	**26.3**	30.8	**25.5**	29.5

Bank borrowings are recognised at fair value and subsequently carried at amortised cost based on their internal rates of return. The discount rate applied was 4.51%.

Principal terms and the debt repayment schedule of loans and borrowings before amortisation at both 30 June 2013 and 31 December 2012 are as follows:

	Amount	Nominal rate	Year of maturity	Security
The Royal Bank of Scotland plc	£30 million	3 months LIBOR plus 3.25%	2015	Floating charge over the assets of Cashcade Limited and its subsidiary undertakings

The maturity analysis of loans and borrowings, including interest and fees, is as follows:

	As at 30 June 2013 €million	As at 31 December 2012 €million
Within one year	**10.0**	7.5
Later than one year and not later than five years	**27.6**	32.6
	37.6	40.1

15. Deferred tax

	€million
As at 1 January 2012	59.1
Exchange differences	-
Credited to condensed consolidated statement of comprehensive income	(6.2)
As at 30 June 2012	52.9
Disposed through disposal of a business unit	(3.0)
Exchange differences	(0.4)
Credited to condensed consolidated statement of comprehensive income	(5.4)
As at 31 December 2012	44.1
Exchange differences	**(0.8)**
Credited to condensed consolidated statement of comprehensive income	**(3.2)**
As at 30 June 2013	**40.1**

Deferred tax relates primarily to temporary timing differences arising from fair value adjustments of acquired intangibles.

16. Share capital

Ordinary shares

	Issued and fully paid €	Number million
As at 1 January 2012	150,114	837.2
Redeemed as part of share buy-back scheme	(4,734)	(26.0)
Employee share options exercised during the period	490	1.5
As at 30 June 2012	145,870	812.7
Redeemed as part of share buy-back scheme	(313)	(1.3)
Employee share options exercised during the period	87	1.6
As at 31 December 2012	145,644	813.0
Redeemed as part of share buy-back scheme	**(211)**	**(1.1)**
Issued for satisfaction of consideration	**107**	**0.6**
Employee share options exercised during the period	**706**	**3.6**
As at 30 June 2013	**146,246**	**816.1**

The issued and fully paid share capital of the Group amounts to €146,246.11 and is split into 816,134,746 ordinary shares. The share capital in UK sterling is £122,391.46 and translates at an average rate of 1.1949 euros to £1 Sterling.

Authorised share capital and significant terms and conditions

The Company's authorised share capital is £225,000 divided into 1,500 million ordinary shares of 0.015 pence each. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends when declared and are entitled to one vote per share at meetings of the Company. The Trustee of the Employee Trust has waived all voting and dividend rights in respect of shares held by the Employee Trust.

16. Share capital (continued)

Own shares

	Own shares reserve €million	Number million
As at 1 January 2012	(7.1)	3.9
Purchase of own shares for the Employee Trust	(7.4)	4.0
Employee share options exercised during the period	1.7	(1.9)
As at 30 June 2012	(12.8)	6.0
Purchase of own shares for the Employee Trust	(0.2)	0.4
Employee share options exercised during the period	3.1	(0.7)
As at 31 December 2012	(9.9)	5.7
Purchase of own shares for the Employee Trust	**(1.4)**	**1.0**
Employee share options exercised during the period	**4.4**	**(2.6)**
As at 30 June 2013	**(6.9)**	**4.1**

As at 30 June 2013 4,139,902 (31 December 2012: 5,691,683) ordinary shares were held as treasury shares by the Employee Trust. During the period the Company donated £1.1m (2012: £5.8m) to the Employee Trust, which the Employee Trust then used to purchase 1,000,000 (2012: 4,000,000) ordinary shares in the market.

17. Contingent liabilities

From time to time the Group is subject to legal claims and actions against it. The Group takes legal advice as to the likelihood of success of such claims and actions.

As part of the Board's on-going regulatory compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the business and takes appropriate advice in respect of these developments.

Group companies may be subject to VAT on transactions which have been treated as exempt supplies of gambling or financial services, or on supplies which have been zero rated for export to Gibraltar where legislation provides that the services are received or used and enjoyed in the country where the services provider is located. No such amounts have been recognised as liabilities at the balance sheet date. In the view of the directors no valid claims are outstanding in respect of these contingent liabilities. Revenues earned from customers located in a particular jurisdiction may give rise to further taxes in that jurisdiction. If such taxes are levied, either on the basis of current law or the current practice of any tax authority, or by reason of a change in the law or practice, then this may have a material adverse effect on the amount of tax payable by the Group.

Litigation

As a consequence of the as yet non-harmonised regulatory environment for online gaming in Europe, a number of civil and administrative proceedings are pending against the Group and/or its board members in several countries (including but not limited to Germany, Portugal, Slovenia and Spain) aimed at preventing bwin.party from offering its services in these countries. Further, there are criminal proceedings pending against the Group and/or certain board members for the alleged violation of local gaming laws in France.

In 2010, a former bwin subsidiary was assessed by Austrian tax authorities to have value-added tax arrears of €6.4 million for the years 2002 to 2004. The assessments were appealed and overruled by a decision of the Independent Finance Senate in 2012. Subsequent periods are still under audit. Although it is now likely that the arguments used in the overruled assessments will be dropped, the value of the worst case scenario amounts to €192.1 million.

In September 2011, the Oporto Court of First Instance, amongst others, (i) declared the (already terminated) sponsorship agreement between bwin.party and the Portuguese Soccer League ('LPFP') as illegal, (ii) declared bwin.party's gaming offer and advertising measures as illegal in Portugal, (iii) prohibited bwin.party to explore mutual bets and lottery games in Portugal and to carry out any form of publicity or promotion of the website bwin.com, (iv) imposed on the defendants pecuniary sanctions of (A) €50,000 for each day the infraction lasts to the Portuguese Casino Association ('APC') and (B) €50,000 for each infraction to Santa Casa de Misericórdia da Lisboa ('SCML'), and (v) ordered the publishing of the ruling and the notification of Portuguese media organisations. bwin.party filed an appeal against the decision of the Court of First Instance, which was rejected by the Court of Appeals with decision dated 7 February 2013. bwin.party filed an appeal against this decision to the Portuguese Supreme Court of Justice. In June 2012, APC filed enforcement motions against LPFP and bwin.party for alleged non-compliance with the decision of September 2011 requesting the payment of pecuniary sanctions of €6,350,000. These motions were rejected by the Court of First Instance and are currently pending before the Appellate Court. bwin.party is of the view that it has taken the necessary steps to comply with the judgement of the Court of First Instance. It cannot be excluded, however, that such steps are held to be insufficient by a competent court while bwin.party's and LPFP's appeal is pending. The Company continues to dispute its liability under the relevant statutes and intends to continue vigorously with its defence.

In July 2012, the Spanish gaming operator Codere filed an unfair competition complaint against various bwin.party group companies. Prior to this complaint the Spanish Court rejected Codere's request for a preliminary injunction. Very similar to the complaint filed by Santa Casa in Portugal (which was dismissed in July 2012), the complaint filed by Codere seeks damages and prejudicial consequences in the amount of approximately €25 million.

On 23 April 2013, Amaya Gaming Group Inc. ('Amaya') issued a claim notice in relation to the Share Sale and Transfer Agreement regarding Ongame Network Limited ('Ongame') to bwin.party alleging that certain balance sheet information of Ongame was incorrect and seeking damages in the amount of approximately €5.1m. Following receipt of the notice, bwin.party and Amaya have exchanged further information relating to Amaya's claim. bwin.party is currently assessing whether Amaya's claim has any merits and will, thereafter, seek to find an amicable solution in relation to this dispute.

In 2010, the Justice and Public Safety Cabinet of the Commonwealth of Kentucky filed a civil suit against the former PartyGaming Plc and other defendants in Franklin Circuit Court, a state court in Kentucky in the US. The suit sought a claim for damages related to the sums lost by Kentucky residents on PartyGaming's sites during the period of 5 August 2005 until PartyGaming's termination of US-facing activities on 13 October 2006. The Commonwealth reached an agreement with bwin.party digital entertainment plc to settle its claims for $15 million. bwin.party digital entertainment plc was dismissed as a defendant to the claim on 24th June 2013.

bwin.party digital entertainment plc and a subsidiary, PartyGaming IA Limited, were named as defendants in an action now pending in the U.S. District Court for the Southern District of Florida, entitled Yessenia Soffin, et al. v. bwin.party digital entertainment plc, et al., Case No. 9:12-cv-81278-DTKH. The plaintiffs have alleged tortious interference with business relationship, civil conspiracy, violations of Fl. Stat. § 501.204(1) (FDUPTA), and violations of the Lanham Act, 15 U.S.C. § 1125, related to the defendants' efforts to prevent infringement of the 'PartyPoker' trademark by plaintiffs' 'Party Star Poker' gaming brand. The plaintiffs allege that they have sustained damages in excess of US$25 million. The Company continues to dispute its liability under the relevant statutes and intends to vigorously defend its case.

In respect of the above matters relating to former bwin companies, IFRS 3 requires that a probability-weighted estimate is used for fair-valuing acquired contingent liabilities and a provision made accordingly, even though had the same contingent liability arisen in a former PartyGaming company no provision would be made under IAS 37.

Details of amounts provided for litigation and regulatory disputes can be found in note 13. No further details have been provided as the Directors consider that this would be prejudicial to the interests of the Group.

18. Related parties

Group

Transactions between the Group companies have been eliminated on consolidation and are not disclosed in this note.

Directors and key management

Key management are those individuals who the Directors believe have significant authority and responsibility for planning, directing and controlling the activities of the Group. The aggregate short-term and long-term benefits, as well as share-based payments of the Directors and key management of the Group are set out below:

Six months ended 30 June	**2013 €million**	2012 €million
Short-term benefits	**5.1**	4.7
Share-based payments	**4.2**	3.7
	9.3	8.4

18. Related parties (continued)

Certain Directors and certain key management were granted share options under service contracts which were granted under a Group share option plan.

At 30 June 2013 an aggregate balance of €3.0 million (2012: €3.8 million) was due to Directors and key management.

The Group purchased certain communication services of €0.9 million (2012: €1.0 million) from a company on an arm's length basis for whom a Board member is a director, with amounts owed at 30 June 2013 of €nil (2012: €0.2 million).

The Group purchased certain payment services of €7.0 million (2012: €6.8 million) from a company on an arm's length basis for whom a Board member was a director during the period, with amounts owed at 30 June 2013 of €nil (2012: less than €0.1 million).

The Group purchased certain consultancy services of less than €0.1 million (2012: €0.1 million) from a company on an arm's length basis for whom a Board member was a director during the period with amounts owed at 30 June 2013 of €nil (2012: €nil).

The Group made a loan of €0.5 million (2012: €nil) on an arm's length basis to a company for whom a member of key management during the period is now a member of key management with amounts owed at 30 June 2013 of €0.5 million (2012: €nil).

Two Directors each have a loan with the Group of €3.1 million (2012: €3.0 million) with an interest rate on an arm's length basis. The Group holds certain guarantees against these loans and believes the amounts to be fully recoverable.

In 2013 furnished property was leased to a member of key management at an annual lease rental of €42,100 (2012: €44,300) which the Directors believe is the fair value rental of the property. There were no amounts owed at 30 June 2013 (2012: €nil).

Associates and joint ventures

The Group purchased on an arm's length basis certain advertising services of €0.5 million (2012: €0.6 million) from a company that has a non-controlling interest in a Group subsidiary with amounts owed at 30 June 2013 of €nil (2012: €0.1 million).

The Group purchased on an arm's length basis certain customer services of €2.3 million (2012: €2.5 million) from an associate, with amounts owed at 30 June 2013 of €0.4 million (2012: €nil).

The Group purchased on an arm's length basis certain rights to broadcast licensed media of €1.4 million (2012: €3.5 million) from a joint venture partner, with amounts owed at 30 June 2013 of €0.2 million (2012: €3.5 million) and sold rights to broadcast licensed media of €0.1 million (2012: €2.4 million) to a joint venture partner, with amounts owed at 30 June 2013 of €0.3 million (2012: €2.4 million).

19. Dividend

In line with our progressive dividend policy, the Board has declared a half year dividend of 1.80 pence per Ordinary share (2012: 1.72 pence) representing a 5% increase over the prior year. The half year dividend will be payable to shareholders and depositary interest holders on the register of shareholders and register of depositary interest holders respectively on 13 September 2013 (the 'Record Date'). It is expected that dividends will be paid on 11 October 2013. Shareholders wishing to receive dividends in Euros rather than Pounds Sterling will need to register a currency election with bwin.party's registrars on or before 20 September 2013. A separate announcement regarding the dividend payment has been issued today.

Independent review report to bwin.party digital entertainment plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cashflows and related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated set of financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BDO LLP
Chartered Accountants and Registered Auditors
55 Baker Street
London W1U 7EU
United Kingdom
30 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

APPENDIX

Regulatory overview

Europe

We have still yet to see whether any action will be taken by the European Commission regarding outstanding complaints and infringement proceedings against Member States although the Commission has made clear that as part of its action plan for online gaming it plans to either close the outstanding complaints and proceedings or initiate new infringement cases against those states whose gambling regulations are considered to be in violation of EU law.

The European Parliament's third own-initiative report on online gambling in the Internal Market had originally been due to be voted on before the summer break. Due to other priorities however, the vote in the plenary has been postponed until after the summer break, and is likely to take place in September 2013.

Germany (24% of net revenue in H1 2013)
Despite being enacted more than 12 months ago, the new State Treaty has still not been implemented following a series of delays to the licensing process. Having originally expected licenses to be issued in April 2013, the authority in Hesse (the state that is charged with managing the licensing process) announced that this had been delayed until August. However, it now appears that all applications are again being reviewed – a process that is expected to last until the end of August at the earliest. Having recently failed to get an injunction to stop the process, the court made clear that unsuccessful operators would be able to start preliminary proceedings challenging the licensing process, within 15 days of the licenses being awarded. Given the imbalance of supply and demand with over 90 applications being received for just 20 licences, this seems inevitable. Confusing the picture yet further, in a decision on 24 January 2013, Germany's Federal Court of Justice referred questions to the Court of Justice of the European Union ('CJEU') which, amongst others, seek guidance as to whether the licenses granted in Schleswig-Holstein render the restrictions of the other German *Länder* inconsistent and therefore unenforceable.

While the licensing process appears to be in a state of flux, the proposed regulations themselves have also been heavily criticised by grass roots sporting bodies as well as by academics. A recent study[5] predicts that if implemented, given its overly restrictive nature and non-commercial framework, the State Treaty on Gambling would result in 70% of gambling taking place on the black market. Were the Schleswig-Holstein model to be adopted, the study estimates that only 7% of gambling would be accounted for by the black market.

Despite all of these concerns, bwin.party has applied for a licence under the new regime and is working with the authorities to deliver a long-term solution that meets the requirements of all stakeholders.

United Kingdom (10% of net revenue in H1 2013)
The prioritisation of other bills through parliament has meant that the Government's point of consumption bill has still not been given a second reading. As a result it now seems that this will take place in September or possibly October 2013. As regards the parallel reform of a point of consumption taxation for remote gambling providers draft legislation was published in August 2013. It is expected that the tax and new regulations will come into effect in December 2014.

Italy (9% of net revenue in H1 2013)
The macroeconomic situation and the absence of new products appear to be holding back growth in the Italian online gaming market. In the first three months of 2013, the overall market was broadly flat year-on-year, with sports betting and casino both appearing to cannibalise the other products – they grew by 29% and 87% respectively while over the same period cash game poker, tournament poker and bingo all declined by 35%, 36% and 27% respectively. While it is hoped that an increase in the range of sports bets allowed and greater flexibility regarding the provision of bingo products will come into force during second half of 2013, there also appears to be a will within political circles to bring forward additional anti-problem gambling measures although no details have yet been published.

[5] *'Glücksspielmarkt Deutschland 2017, Marktliche Effekte der Regulierung von Sportwetten in Deutschland' – July 2013, Goldmedia GmbH Strategy Consulting*

France (6% of net revenue in H1 2013)
According to the latest data for the second quarter of 2013 published by the French regulator, ARJEL, the amount wagered on sports betting grew by 6% while poker wagers declined by 16%, the biggest drop since regulation began. The industry continues to lobby for the opening up of poker liquidity to improve the situation, a position that is supported by ARJEL. Despite repeated concerns over their impact on the size and value of the regulated market, there does not yet appear to be any movement to reduce the relatively high rates of gaming tax applied in France.

Spain (5% of net revenue in H1 2013)
According to data from the Spanish regulator[6] in the first quarter of 2013, the total online gaming market declined by 1% versus the previous quarter in terms of gross gaming revenue. Having announced their intention to expand the regulated framework to also include online slots the Spanish regulator has yet to provide any further details on scope or timing.

Greece (4% of net revenue in H1 2013)
Having received a detailed opinion on its proposed restrictions for the online gaming market, there was a standstill on the new Greek law until late July 2013. Contrary to EU law, the law seeks to impose barriers to new market entrants, and impose internet blocking and blacklisting of unlicensed gambling operators. The recent amendments also foresee an extension of OPAP's offline gambling monopoly to an online monopoly of gambling and betting rights, with exclusivity being granted to OPAP until 2020 for online sports betting and on certain aspects of online gambling until 2030 and is subject to challenge. Having issued a blacklist of over 400 websites that are alleged to be in breach of Greek gaming laws, a number of ISPs began blocking customers from accessing these sites from August 2013. The EU Commission has already raised concerns on the EU compatibility of the notified amendments in its detailed opinion on the Greek law.

Belgium (1% of net revenue in H1 2013)
On 28 January 2013 bwin.be went live and on 6 March 2013 we received our E-license from the regulator. On 3 May 2013 we were removed from the blacklist and on 17 May 2013 bwin.com was unblocked allowing customers seeking bwin.com to be redirected to bwin.be.

Denmark (1% of net revenue in H1 2013)
The Danish market continues to be led by Danske Spil, our local partner. According to figures from the regulator, the market had grown by approximately 30% versus the prior year although this growth was driven by sports betting and casino while poker remained flat year on year. There were 31 operators (down from 38) using 44 licences (down from 54) and the total size of the online gaming market was approximately €273m of gross gaming revenue.

Elsewhere, there are moves to introduce legislation for online gaming in the Czech Republic, Hungary, Ireland, Netherlands and Portugal, to name but a few. Whether such proposals may become law remains unclear.

United States

Peter King (R – New York) introduced *The Internet Gambling Regulation, Consumer Protection and Enforcement Act of 2013* into Congress in June 2013 and this was followed by *The Internet Poker Freedom Act* introduced by Joe Barton (R - Texas) in July. There have also been press reports that Senators Harry Reid (D – Nevada) and Dean Heller (R – Nevada) will also introduce a similar bill into the Senate. However, much scepticism remains as to whether there will be sufficient support to enact any online gaming legislation at a federal level. Meanwhile, at the state level Nevada already has licensees operational there and Delaware and New Jersey are expected to see operators' launch later this year.

In California, rumours of a revised version of draft bill SB 678, *the Authorization and Regulation of Internet Poker and Consumer Protection Act of 2013,* sponsored by Democratic Senator Lou Correa, that would regulate and license online poker within the state, suggest it may be introduced soon. Building a consensus amongst the key Indian tribes is seen as a pre-requisite for success and something that has thwarted previous attempts to bring forward online poker legislation

Through our existing agreements with MGM Resorts International, Boyd Gaming and the United Auburn Indian Community, we believe the Group is well-placed to take advantage of market openings in the US.

[6] https://www.ordenacionjuego.es/en/estudios-informes

Glossary

'Active player days'	aggregate number of days in the given period in which active players have contributed to rake and/or placed a wager. This can be calculated by multiplying average active players by the number of days in the period
'active player' or 'active real money'	in relation to the Group's products, a player who has contributed to rake and/or placed a wager
'average active players' or 'Daily average players'	the daily average number of players who contributed to rake and/or placed a wager in the given period. This can be calculated by dividing active player days in the given period, by the number of days in that period
'B2B'	business-to-business
'B2C'	business-to-consumer
'Board' or 'Directors'	the Directors listed on the Company's website, www.bwinparty.com
'bwin'	bwin Interactive Entertainment AG, its subsidiaries and its associated companies
'bwin.party'	bwin.party digital entertainment plc, the name of the Group formed by the Merger of PartyGaming Plc and bwin Interactive Entertainment AG
'bwin.party Shares'	the Company's existing Shares and the new shares issued to the bwin shareholders in conjunction with the completion of the merger
'Cashcade'	Cashcade Limited and its subsidiaries
'Clean EBITDA and 'Clean EPS'	EBITDA/EPS before the provision for costs associated with the Group's Non-Prosecution Agreement, reorganisation expenses, merger and acquisition costs, share-based payments, exchange differences, retroactive tax charges, loss on disposal of assets held for sale and amortisation and impairments on acquisitions
'Company' or 'PartyGaming' or 'bwin.party	PartyGaming Plc prior to completion of the Merger and bwin.party digital entertainment plc ('bwin.party') after the merger
'Discontinued operations'	Ongame's B2B business as well as operations located physically outside of the US but which relate to customers in the US and were terminated following the enactment of the UIGEA on 13 October 2006
'EBITDA'	earnings before interest, tax, depreciation and amortisation
'Employee Trust'	the bwin.party Shares Trust, a discretionary share ownership trust established by the Company in which the potential beneficiaries include all of the current and former employees and self-employed consultants of the Group
'Foxy Bingo'	www.foxybingo.com, one of Europe's largest active bingo sites that was acquired as part of the purchase of Cashcade
'FTSE4good Index Series'	a benchmark of tradeable indices for responsible investors. The index is derived from the globally recognised FTSE Global Equity Index Series

‘Gioco Digitale’	www.giocodigitale.it, one of the Group’s principal bingo websites
‘gross win margin’	gross win as a percentage of the amount wagered
‘gross win’	customer stakes less customer winnings
‘Group’ or ‘bwin.party Group’	the Company and its consolidated subsidiaries and subsidiary undertakings
‘IAS’	International Accounting Standards
‘IASB’	International Accounting Standards Board
‘IFRS’	International Financial Reporting Standards
‘InterTrader’	Our financial markets service, formerly known as PartyMarkets.com
‘KPIs’	Key Performance Indicators such as active player days and yield per active player day
‘Merger’	the merger of bwin Interactive Entertainment AG and PartyGaming Plc that was completed on 31 March 2011, accounted for under IFRS 3 as an acquisition of bwin
‘new player sign-ups’	new players who register on the Group’s real money sites
‘NPA’	the Non-Prosecution Agreement entered into by the Group and the US Attorney’s Office for the Southern District of New York (the ‘USAO’) on 6 April 2009. Under the terms of the agreement, the USAO will not prosecute the Group for providing internet gambling services to customers in the US prior to the enactment of the UIGEA
‘PartyCasino’	www.partycasino.com, the Group’s principal casino website
‘partypoker’	www.partypoker.com, the Group’s principal poker website
‘player’ or ‘unique active player’	Customers who placed a wager or generated rake in the period
‘Principal Shareholders’	Russell DeLeon (holding through Stinson Ridge Limited), Ruth Parasol (holding through Emerald Bay Limited) and each of whom was a promoter of the Company
‘rake’	the money charged by the Group for each qualifying poker hand played on its websites in accordance with the prevailing and applicable rake structure
‘real money sign-ups’ or ‘sign-ups’	new players who have registered and deposited funds into an account with ‘real money’ gambling where money is wagered, as opposed to play money where no money is wagered
‘Shareholders’	holders of Shares in the Company
‘Shares’	the ordinary shares of 0.015 pence each in the capital of the Company
‘sports betting’	placing bets on sporting events

'UIGEA'	the Unlawful Internet Gambling Enforcement Act that was enacted in the US on 13 October 2006
'wager'	a bet on a game or sporting event
'WIN'	the Group's Social Gaming business unit established in May 2012
'WPT'	the business and substantially all of the assets of The World Poker Tour acquired by the Group on 9 November 2009
'yield per active player day'	net revenue in the period divided by the number of active player days in that period