bwin.party digital entertainment

28 August 2015

bwin.party digital entertainment plc

Unaudited results for the six months ended 30 June 2015

Norbert Teufelberger, Chief Executive Officer, said:

"Clean EBITDA increased by 2% year-on-year despite the introduction of VAT in a number of EU Member States and the new UK point of consumption tax. However, our progress on non-core asset disposals and other cost saving initiatives is running ahead of plan - excluding the impact of EU VAT and UK point of consumption tax ('POCT'), Clean EBITDA would have increased by 24%.

"Based upon our progress in the year-to-date and with the further roll-out of our latest mobile products, the introduction of new CRM tools and planned entry into two new nationally regulated markets later this year, we remain confident about the full year outlook."

Key points

- Total revenue was €296.5m (2014: €317.1m) reflecting the absence of the FIFA World Cup, lower margins in sports, market declines in poker and the impact of EU VAT in certain markets; nationally regulated and/or taxed markets represented 60% of total revenue (2014: 56%)
- Gross gaming revenue through mobile/touch grew by 50% and now represents 30% of overall GGR (2014: 19%) with growth across all verticals
- Clean EBITDA~ up by 2% to €47.3m (2014: €46.4m) despite being impacted by lower revenue and higher taxes. Excluding the impact of EU VAT and the POCT, Clean EBITDA would have increased by 24% to €57.7m (2014: €46.4m)
- On-track to meet or exceed €15m incremental cost saving target this year
- Total consideration received from the sale of non-core assets of €37.1m, in-line with previous guidance. Net cash* at 30 June 2015 of €58.1m (31 December 2014: €34.6m)
- Basic EPS of €0.4 cents (2014: loss of €11.4 cents)
- Current trading: absence of a major football tournament and EU VAT meant that in the 8 weeks to 25 August 2015 average daily net revenue was down 9% versus the same period in 2014; Board remains confident about full year outlook
- Whilst discussions with GVC are continuing, there has been no change to the Board's recommendation for 888's offer and the associated shareholder documents are expected to be sent to shareholders shortly
- Recommended half year dividend up 2% to 1.92 pence per share (2014: 1.89 pence)

Financial highlights

Six months ended 30 June	**2015 €million**	2014 €million
Net revenue	**263.8**	295.8
Other revenue	**32.7**	21.3
Total revenue	**296.5**	317.1
Clean EBITDA~	**47.3**	46.4
Operating profit (loss)	**5.3**	(100.4)
Profit (loss) after tax	**2.9**	(94.0)
Basic EPS (loss) per Ordinary share (€cents)		
Standard	**0.4**	(11.4)
Clean~	**2.4**	3.0

~EBITDA adjusted for exchange differences, reorganisation expenses, income or expenses that relate to exceptional items, and non-cash charges relating to impairments and share-based payments (see reconciliation of Clean EBITDA to operating profit/(loss) below and reconciliation of Clean EPS to Basic EPS in note 4 to the unaudited Financial Information).

** Net cash after deducting all customer liabilities and loan borrowings but adding back net payment processor receivables*

press release

Performance by business unit

Total revenue (€ million) Six months ended 30 June	Nationally regulated and /or taxed* 2015	2014	Other 2015	2014	Total 2015	2014
bwin labels	**96.9**	104.3	**75.0**	84.6	**171.9**	188.9
Games labels	**49.8**	52.6	**42.8**	54.6	**92.6**	107.2
Studios	**6.6**	6.6	**-**	-	**6.6**	6.6
Non-core	**24.8**	14.4	**-**	-	**24.8**	14.4
Corporate	**0.6**	-	**-**	-	**0.6**	-
Total revenue	**178.7**	177.9	**117.8**	139.2	**296.5**	317.1

**Austria, Belgium, Denmark, France, Germany (sports betting only), Italy, Spain, UK and USA (New Jersey)*

Six months ended 30 June	Total revenue 2015 €million	2014 €million	% change	Clean EBITDA 2015 €million	2014 €million	% change
bwin labels	**171.9**	188.9	*(9%)*	**40.2**	35.4	*14%*
Games labels	**92.6**	107.2	*(14%)*	**20.5**	33.6	*(39%)*
Studios	**38.6**	43.2	*(11%)*	**(10.7)**	(9.6)	*(11%)*
Non-core^	**34.7**	24.1	*44%*	**2.1**	(8.4)	*125%*
Corporate	**18.2**	19.5	*(7%)*	**(4.8)**	(4.6)	*(4%)*
Removal of inter-Group	**(59.5)**	(65.8)	*10%*	**-**	-	*n/a*
Total operations	**296.5**	317.1	*(6%)*	**47.3**	46.4	*2%*

^ Segment includes €14.3m of revenue relating to assets disposed of during the period

Performance by product

A segmental analysis by product of the Group's total revenue between markets that are nationally regulated and/or subject to local gaming taxes and those that are not is provided below:

Total revenue (€ million) Six months ended 30 June	Nationally regulated and /or taxed* 2015	2014	Other 2015	2014	Total 2015	2014
Sports betting	**82.8**	89.1	**28.3**	38.3	**111.1**	127.4
Casino & games	**28.2**	27.6	**70.2**	75.7	**98.4**	103.3
Poker	**14.8**	19.6	**19.1**	24.5	**33.9**	44.1
Bingo	**26.7**	26.0	**0.2**	0.7	**26.9**	26.7
Other	**26.2**	15.6	**-**	-	**26.2**	15.6
Total revenue	**178.7**	177.9	**117.8**	139.2	**296.5**	317.1

**Austria, Belgium, Denmark, France, Germany (sports betting only), Italy, Spain, UK and USA (New Jersey)*

A reconciliation between the revenue by business unit and by product is included within the Summary of Results.

Consolidated Key Performance Indicators

Six months ended 30 June	2015	2014	% change
Active player days (million)	**23.0**	29.5	*(22%)*
Daily average players (000s)	**127.1**	163.0	*(22%)*
Yield per active player day (€)	**11.5**	10.0	*15%*
New player sign-ups (000s)	**370.1**	485.8	*(24%)*
Average daily net revenue (€000)	**1,457.5**	1,634.3	*(11%)*

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.

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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 28 August 2015 on: http://www.bwinparty.com.

Analyst meeting, webcast, dial-in and conference call details: 28 August 2015

There will be an analyst meeting for invited UK-based analysts at Deutsche Bank AG,1 Great Winchester Street, London EC2N 2DB 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, 28 August 2015

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 28 August 2015. To access the recording please dial the following replay telephone number:

Replay telephone number:	*+44 (0) 208 196 1998*
Replay passcode:	*7606405#*

All times are British Summer Time (BST).

About bwin.party

bwin.party digital entertainment plc (LSE: BPTY) is a global online gaming company. The Company was formed from the merger of bwin Interactive Entertainment AG and PartyGaming Plc on 31 March 2011. Incorporated, licensed and regulated in Gibraltar, the Group also has licences in Alderney, Austria Belgium, France, Italy, Denmark, Germany (Schleswig-Holstein), Malta, Spain, the UK and the necessary approvals to operate in New Jersey. With offices in Europe, India, Israel and the US, the Group generated revenue of €611.9m and Clean EBITDA of €101.2m in 2014. bwin.party commands leading market positions in each of its four key product verticals: online sports betting, casino & games, poker and bingo with some of the world's biggest online gaming brands including bwin, partypoker, partycasino and FoxyBingo. The Group's scale, technology and strong portfolio of games collectively differentiate its customer offer from those of its competitors. bwin.party is a constituent member of the FTSE 250 Index and the FTSE4Good Index Series, which identifies companies that meet globally recognised corporate responsibility standards. For more information about bwin.party, visit www.bwinparty.com.

Chief Executive's review

Introduction

Clean EBITDA increased by 2% year-on-year despite the introduction of VAT in a number of EU Member States, a lower than expected sports margin and the UK point of consumption tax that was introduced on 1 December 2014. However, our progress on non-core asset disposals and other cost saving initiatives is running ahead of plan - excluding the impact of EU VAT and UK point of consumption tax, Clean EBITDA would have increased by 24%.

Total revenue declined by 6% to €296.5m (2014: €317.1m) with trading during the first half of 2015 largely as expected: revenue was impacted by the absence of a major football tournament and the introduction of VAT in a number of EU Member States while strong mobile growth helped to offset lower than expected sports betting margins.

Operationally our shift to a label-led structure is beginning to deliver the improvements expected with the removal of duplication, increased transparency and accountability that, coupled with the disposal of non-core assets, have contributed to a significant reduction in costs. We are now on-track to exceed the €15m of additional cost savings in 2015 that was originally targeted.

The regulatory and fiscal environment continues to evolve with several Member States moving to adopt nationally regulated frameworks, although questions remain for several of these countries on whether their new or proposed regimes are compliant with EU law. While Sweden has already been referred to the Court of Justice of the European Union ('CJEU'), the European Commission has also sent pilot letters to several countries, including Germany and Belgium signifying the first stage of an infringement process.

In Romania, emergency ordinance no 92_2014 was enacted on 12 June 2015 requiring all gaming operators that accepted online bets from players in Romania prior to being licensed to pay retroactive taxes. Whilst a joint complaint by the European Gaming and Betting Association, the Gibraltar Betting and Gaming Association and the Maltese Remote Gaming Council has been made to the European Commission in respect of this legislation, a provision of €7.9m has been made in the first half representing the Board's estimate of retroactive taxes that may be due in Romania.

New VAT rules came into force across the EU from 1 January 2015 impacting a number of areas of the digital economy, including online gaming. As previously announced, this could represent a c.€15m headwind for bwin.party in the current year while the POCT is expected to result in additional gaming taxes of between €10m and €11m in the current year.

Strategically, we have made excellent progress on selling-down non-core assets and have already reached our target range of between €30m-€50m of total proceeds. During the first half we completed the sale of World Poker Tour ('WPT'), Win, Gaming Realms, Winners and United Games and have now raised over €37m from the sale of non-core businesses. Additional proceeds of between approximately €3m and €5m are expected to be received in the second half of 2015.

On 17 July 2015 the Board announced the terms of a recommended offer from a wholly-owned subsidiary of 888 Holdings plc ('888') comprising a mixture of cash and new 888 shares (the '888 Offer'). Based on the value of 888 shares at yesterday's close, the 888 Offer values each bwin.party share at approximately 104.7p per share, representing a premium of 24.8% to the volume weighted average closing price for the three month period prior to 14 May 2015 (being the last business day prior to the Group's announcement on 15 May 2015 regarding its discussions with third parties in relation to a variety of possible business combinations).

Whilst discussions with GVC are continuing, there has been no change to the Board's recommendation for the 888 Offer and all shareholder documents relating to the 888 Offer are expected to be sent to shareholders shortly. Copies of all documents and further details of the offer including all terms and conditions will then be made available on the Group's corporate website: www.bwinparty.com.

H1 2015 - Operational developments

Our shift to a label-led rather than product led structure has continued to deliver operational improvements during the first half with improved system availability and greater accountability. As a result, we have made good progress on delivering against our tactical goals: growing our presence in nationally regulated and/or taxed markets; growing mobile; as well as continuing to enhance our products and systems.

Increased focus on regulated and to-be-regulated markets

Increasing the proportion of the Group's total revenue coming from nationally regulated and/or taxed markets remains a core strategic objective for the Group and during the first half of 2015 this increased to 60% of total revenues versus 56% in the same period in 2014. .

Mobile growth

bwin labels – the roll-out of our latest 'MS2' mobile sports betting application in Italy and Belgium, as well as our dotcom markets, has been a key driver behind the strong growth in mobile revenues. In the month of June, over 50% of bwin's sports betting gross gaming revenue came through the mobile and touch channel (2014: 37%). Across all products, the share of bwin's gross gaming revenue coming through mobile and touch devices grew to 37% in the first half (2014: 24%) and 38% in June 2015 (June 2014: 30%). As an indicator of the transition to mobile we are now seeing around 35% of our new player registrations come through mobile versus 14% in January 2014.

Games labels – during the first half we launched new applications for partycasino, GiocoDigitale and also Foxy Casino that are each proving popular. As a result, approximately 22% of Games labels' gross gaming revenue in the first half came through the mobile channel (2014: 14%). From a feature perspective we have incorporated new casino content from the likes of NetEntertainment, IGT, WMS and Amaya as well as from our own in-house studio, doubling the number of games on partycasino. In poker, we released multi-table tournaments on mobile in all markets which is already proving popular amongst our customers. As part of our effort to simplify our operations and further costs, all of our US B2C activities are now included within Games labels, whereas the US B2B activities are included in Studios.

Product development and operations

In addition to the delivery of the mobile developments outlined above, our Studios business unit remains focused on raising the quality and availability of our services across all platforms. Our continued investment in technology has delivered a marked reduction in system downtime and reduced significantly the time taken to restart our gaming platform following maintenance or systems upgrades. In April we completed the final piece of our technology integration with the successful migration of 900,000 Italian accounts onto a single unified platform, supporting both bwin.it and Giocodigitale.it.

Marketing

bwin labels – the launch of our 'Every Day is Match Day' campaign in March leveraged the Group's Real Madrid and Bayern Munich sponsorships with a fully integrated campaign across TV, print and radio as well as digital and social channels. The campaign drove new player sign-ups in our core markets and also increased brand awareness. Our CRM and digital marketing approach also took a further step forward with the implementation of a series of new segmentation and customer modelling tools. The shift towards these channels is being balanced with a reduction in our ongoing investment in sports sponsorships.

Games Labels – The shift into regulated markets continues with the UK defined as the key market for Games labels. Our decision to focus the allocation of marketing resources on a localised proposition has delivered growth across all products in the UK which now contributes nearly half of the segment's revenue.

Our UK 'Poker for the People' campaign continues to draw more players to the brand with a significant year-on-year increase in the number of average daily players from the UK.

Recent marketing activity in our casino business has focused on promoting our exclusive proprietary games, with a 19% uplift in average daily UK revenue compared with previous year.

Our Foxy Bingo 'Get Happy' campaign drove a record number of new depositing players during the first half which helped deliver a 27% increase in new player signups versus the same period in 2014.

Strategic developments

Industry consolidation

The wave of industry consolidation that we predicted a year ago is well under way with a number of deals in the sector already complete and several others at an advanced stage. On 17 July 2015, the Board announced the terms of a recommended offer by 888 to acquire all of the issued and to-be-issued share capital of bwin.party at a headline value of 104.09p per share. All shareholder documents associated with the 888 Offer are expected to be sent to shareholders shortly and will then be available on the Group's corporate website at www.bwinparty.com.

Sale of non-core businesses

We have made excellent progress during the first half on reducing losses and realising value from several non-core business interests including: WPT, a land-based poker tournament and TV production business; Win, a social gaming business; our investment in Gaming Realms, a listed social gaming business; Winners, a retail betting franchise in Spain; and United Games, a social gaming developer. Total consideration received from these and other non-core asset disposals was €37.1m as at 30 June 2015.

Regulatory developments

During the first half of 2015, the enactment of the emergency ordinance in Romania resulted in the Group recognising a provision of €7.9m representing the Board's estimate of retroactive taxes that may be due. Elsewhere, several jurisdictions around the world are continuing to explore the possible introduction of online gambling legislation and a summary of some of the other key regulatory developments affecting our ongoing business is set out in the Appendix.

Impairment of intangible assets

The Group regularly monitors the carrying value of its intangible assets. A review was undertaken at 30 June 2015 to assess whether there were any factors that would give rise to concerns on the carrying value of intangible assets. As a result of the review, it was concluded that no impairment charge was required. In the prior year, a non-cash impairment charge of €94.7m was recorded in the first half relating to intangible assets within poker and social gaming.

Dividend

In line with our dividend policy, the Board has declared a half year dividend of 1.92 pence per Ordinary share (2014: 1.89 pence) representing a 2% 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 11 September 2015 (the 'Record Date'). It is expected that dividends will be paid on 9 October 2015. 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 18 September 2015. A separate announcement regarding the dividend payment has been issued today.

Current trading and outlook

The absence of a major football tournament this year and the impact of the introduction of EU VAT from 1 January 2015 meant that average daily net revenue in the 8 weeks to 25 August 2015 was €1,325,700, down 9% versus the same period last year (2014: €1,451,300). With continued mobile growth and cost savings on-track, the Board remains confident about the full year outlook.

Norbert Teufelberger
Chief Executive Officer

SUMMARY OF RESULTS

Net revenue by product has been included in the table below to show the reconciliation of the results by segment to the results by product.

Six months ended 30 June 2015 €million	bwin labels	Games labels	Studios	Non-core	Corporate functions	Removal of inter-segmental revenue	Total
Sports	**106.8**	**2.0**	**-**	**-**	**-**	**-**	**108.8**
Casino	**54.9**	**40.9**	**-**	**-**	**-**	**-**	**95.8**
Poker	**9.1**	**23.3**	**-**	**-**	**-**	**-**	**32.4**
Bingo	**0.6**	**26.2**	**-**	**-**	**-**	**-**	**26.8**
Total net revenue	**171.4**	**92.4**	**-**	**-**	**-**	**-**	**263.8**
Other revenue (external)	**0.5**	**0.2**	**6.6**	**24.8**	**0.6**	**-**	**32.7**
Other revenue (internal)	**-**	**-**	**32.0**	**9.9**	**17.6**	**(59.5)**	**-**
Total revenue	**171.9**	**92.6**	**38.6**	**34.7**	**18.2**	**(59.5)**	**296.5**
Clean EBITDA	**40.2**	**20.5**	**(10.7)**	**2.1**	**(4.8)**	**-**	**47.3**

Six months ended 30 June 2014 €million	bwin labels	Games labels	Studios	Non-core	Corporate functions	Removal of inter-segmental revenue	Total
Sports	122.8	2.7	-	-	-	-	125.5
Casino	52.4	48.8	-	-	-	-	101.2
Poker	12.5	30.2	-	-	-	-	42.7
Bingo	1.1	25.3	-	-	-	-	26.4
Total Net revenue	188.8	107.0	-	-	-	-	295.8
Other revenue (external)	0.1	0.2	6.6	14.4	-	-	21.3
Other revenue (internal)	-	-	36.6	9.7	19.5	(65.8)	-
Total revenue	188.9	107.2	43.2	24.1	19.5	(65.8)	317.1
Clean EBITDA	35.4	33.6	(9.6)	(8.4)	(4.6)	-	46.4

Clean EBITDA increased by 2% year-on-year despite the introduction of VAT in a number of EU Member States, a lower than expected sports margin and the UK point of consumption tax that was introduced on 1 December 2014. However, our progress on non-core asset disposals and other cost saving initiatives is running ahead of plan - excluding the impact of EU VAT and UK point of consumption tax, Clean EBITDA would have increased by 24%.

bwin labels

Total revenue fell by 9% to €171.9m (2014: 188.9m) principally due to the absence of the FIFA World Cup that benefitted last year and the introduction of VAT. However, due to reduced operating costs, Clean EBITDA rose by 14% to €40.2m (2014: €35.4m).

Games labels

Total revenue fell by 14% to €92.6m (2014: €107.2m) primarily due to a decline in the poker market, reduced VIP activity and the introduction of VAT in certain European markets. Clean EBITDA fell by 39% to €20.5m (2014: €33.6m) due to lower revenue coupled with the introduction of the POCT in the UK, partially mitigated by reduced operating costs.

Studios

Total revenue in Studios fell by 11% to €38.6m (2014: €43.2m) with revenues from internal customers reducing in-line with the revenue reductions from bwin and Games labels, partially offset by higher B2B revenues from external customers, principally Borgata Hotel Casino and Spa in New Jersey. As a result oif the lower revenue, the Clean EBITDA loss increased by 11% to €10.7m (2014: €9.6m), partially mitigated by a reduction in operating costs.

Non-core

Total revenues grew by 44% to €34.7m (2014: €24.1m) primarily due to WPT, Kalixa and InterTrader. Growth at WPT was driven by a pan-Asian licensing deal with Ourgame, and subsequent to the period end, in July 2015 we announced a nine-year brand licensing deal for the use of 'bwin live' to Obiettivo2016, an Italian retail betting chain that is aiming to take a 15% share of Italian retail betting by the end of 2017. As well as leveraging the strength of our brands, these deals also enhance our live offering by driving new player sign-ups and offering customers new pay-out options.

Growth at Kalixa was driven by growth in third party processing volumes and the acquisition of PXP Solutions in May 2014. The growth at InterTrader was primarily driven by growth from its own licensed service, InterTrader Direct.

Clean EBITDA from non-core activities improved substantially to €2.1m which compares to an EBITDA loss of €8.4m in the same period last year. The primary drivers of this improvement were the Asian licensing deal referred to above, reduced operating losses in Win which was sold on 12 March 2015, and growth in third party revenues at Kalixa and InterTrader. The non-core disposals meant that this segment included non-recurring revenue of €14.3m and EBITDA of €2.0m in the first half of 2015.

Corporate

The loss at corporate increased marginally to €4.8m (2014: €4.6m) primarily due to reduced charges to other internal segments and foreign exchange movements.

Amortisation charges fell by 30% to €21.1m (2014: €30.0m), but the increased capital expenditure in our Studios business in 2014 meant that depreciation charges increased to €15.6m (2014: €11.4m). No impairment charges in the period (2014: €94.7m) together with a profit on disposal of assets held-for-sale of €5.0m, the release of a fair value liability created on completion of the merger between bwin and PartyGaming in 2011 of €4.9m and reduced reorganisation costs of €2.8m (2014: €3.5m), partially offset by a provision for retroactive taxes of €7.9m (2014: €nil), meant that the business overall returned to operating profit of €5.3m (2014: operating loss of €100.4m) and a reported profit after tax of €2.9m (2014: loss after tax of €94.0m).

Basic earnings per ordinary share was 0.4 € cents (2014: loss per share 11.4 € cents). Clean EPS was 2.3 € cents (2014: 3.0 € cents).

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

Reconciliation of Clean EBITDA to operating profit (loss)

Six months ended 30 June	**2015 €million**	2014 €million
Clean EBITDA	**47.3**	46.4
Exchange differences	**2.7**	(0.9)
Depreciation	**(15.6)**	(11.4)
Amortisation	**(21.1)**	(30.0)
Profit on disposal of assets held-for-sale	**5.0**	-
Retroactive taxes and associated charges	**(7.9)**	-
Share-based payments	**(4.8)**	(5.6)
Merger and acquisition expenses	**(2.4)**	(0.7)
Impairment losses	**-**	(94.7)
Reorganisation expenses	**(2.8)**	(3.5)
Release of acquisition fair value tax liability	**4.9**	-
Profit (loss) from operating activities	**5.3**	(100.4)

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

Revenue by product

Total revenue

Six months ended 30 June	2015 €million	2014 €million
Sports betting	**111.1**	127.4
Casino & Games	**98.4**	103.3
Poker	**33.9**	44.1
Bingo	**26.9**	26.7
Other	**26.2**	15.6
Total	**296.5**	317.1

Consolidated Key Performance Indicators

Six months ended 30 June	2015	2014	*Change*
Active player days (million)	**23.0**	29.5	*(22%)*
Daily average players (000s)	**127.1**	163.0	*(22%)*
Yield per active player day (€)	**11.5**	10.0	*15%*
New player sign-ups (000s)	**370.1**	485.8	*(24%)*
Average daily net revenue (€000)	**1,457.5**	1,634.3	*(11%)*

Active player days fell by 22% reflecting the absence of a major football tournament versus the prior year and the continued decline in poker. Yield per active player day increased by 15% with increases in all verticals with the exception of casino that was impacted by a lower gross win margin. New player sign-ups fell by 24% with sports betting down 36% due to the absence of the FIFA World Cup, and further declines in poker. However, new player sign-ups increased by 9% and 27% in casino and bingo respectively. The net impact of these movements, together with the introduction of VAT on certain online games in a number of EU countries, was that average daily net revenue decreased by 11% from €1,634,300 to €1,457,500.

A detailed review of 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	2015 €million	2014 €million	*Change*
Total stakes	**1,411.3**	1,352.9	*4%*
Gross win margin	***8.5%***	*10.3%*	*(17%)*
Gross revenue	**120.5**	139.6	*(14%)*
Bonuses and other fair value adjustments to revenue	**(11.7)**	(14.1)	*17%*
Net revenue	**108.8**	125.5	*(13%)*
Other revenue	**2.3**	1.9	*21%*
Total revenue	**111.1**	127.4	*(13%)*
% of total revenue from nationally regulated and/or taxed markets*	***74%***	*70%*	*6%*
Cost of sales	**(27.1)**	(29.8)	*9%*
Gross profit	**84.0**	97.6	*(14%)*

**Austria, Belgium, France, Denmark, Germany, Italy, Spain and UK*

Sports betting - Key Performance Indicators

Six months ended 30 June	2015	2014	*Change*
Active player days (million)	**14.3**	19.0	*(25%)*
Daily average players (000s)	**79.0**	105.0	*(25%)*
Yield per active player day (€)	**7.6**	6.6	*15%*
New player sign-ups (000s)	**211.2**	328.7	*(36%)*
Average daily net revenue (€000)	**601.1**	693.4	*(13%)*

Betting volumes were up 4% despite strong volumes in the prior year because of the FIFA World Cup with particularly strong growth in mobile where betting volumes were up by 29%. However, due to a poor run of sporting results in the period, the gross win margin fell by 1.8 percentage points to 8.5% (2014: 10.3%). The net effect was that gross revenue was down 14% and whilst bonus costs fell from 1.0% to 0.8% of amounts wagered, net revenue was down 13% to €108.8m (2014: €125.5m)

The roll-out of our latest MS2 mobile sports application across a number of markets helped to drive betting volumes as outlined above. This fed through into a 27% increase in gross gaming revenue through mobile and touch devices that reached 48% of total sports betting GGR (2014: 33%).

Key objectives for 2015/16:
We are continuing to drive our mobile offering that features prominently in all of our forthcoming marketing campaigns that are focused on nationally regulated and/or taxed markets. Having chosen not to renew a number of our sponsorship commitments, we are redeploying this marketing spend into a series of CRM and digital marketing initiatives that are already beginning to improve player yields and player retention. We plan to launch into Greece and Romania before the end of the year with the exact timings dependent upon licencing and completing the requisite modifications to our product offering to comply with local licensing regulations.

Having delivered a 21% increase in other revenue in the first half of 2015, we are making good progress on securing additional and significant B2B customers for the sports betting platform as well as looking at ways we may be able to drive additional revenues through licensing of the bwin brand in certain markets. We expect to be in a position to confirm significant progress on these initiatives in the second half of 2015.

Casino & games

Six months ended 30 June	**2015 €million**	2014 €million	*Change*
Total stakes	**3,526.8**	3,397.3	*4%*
Gross win margin	***3.4%***	*3.6%*	*(6%)*
Gross revenue	**119.3**	124.0	*(4%)*
Bonuses and other fair value adjustments to revenue	**(23.5)**	(22.8)	*(3%)*
Net revenue	**95.8**	101.2	*(5%)*
Other revenue	**2.6**	2.1	*24%*
Total revenue	**98.4**	103.3	*(5%)*
% of total revenue from nationally regulated and/or taxed markets*	***29%***	*27%*	*7%*
Cost of sales	**(6.6)**	(6.1)	*(8%)*
Gross profit	**91.8**	97.2	*(6%)*

**Austria, Belgium, Denmark, Italy, Spain, UK and US (New Jersey)*

Casino & Games - Key Performance Indicators

Six months ended 30 June	**2015**	2014	*Change*
Active player days (million)	**3.4**	3.4	*0%*
Daily average players (000s)	**18.8**	18.8	*0%*
Yield per active player day (€)	**28.2**	29.8	*(5%)*
New player sign-ups (000s)	**27.4**	25.2	*9%*
Average daily net revenue (€000)	**529.3**	559.1	*(5%)*

Total stakes grew by 4% versus the prior year reflecting particularly strong growth through the mobile channel and further progress on driving the rates of cross-sell from sports betting. The roll-out of 45 new casino games on mobile, including our own Slider Blackjack and Slider Roulette games, prompted a 139% increase in betting turnover that increased gross gaming revenue through the mobile channel by 141%. Lower VIP activity coupled with an increase in the popularity of live dealer games, as well as higher cross-sell from sports whose players prefer lower hold games such as blackjack and roulette meant that the overall gross win margin for casino & games fell from 3.6% to 3.4%. The introduction of VAT on certain online gambling games in a number of EU countries from 1 January 2015 was also a factor in driving gross win margins lower with the result that gross gaming revenue fell by 4% to €119.3m (2014: €124.0m). Adjusting for the impact of VAT, net gaming revenue fell by 1% to €100.3m.

A focused marketing campaign in the UK meant that bonus costs increased but the result was a 9% increase in new player sign-ups and this should feed through into increased player activity in future periods. Our UK effort also helped to drive revenues from nationally regulated and/or taxed markets that increased by 3% in absolute terms while revenue from other markets fell by 7%, the result being that total net revenue fell by 5%. Other revenue benefited from a strong performance from our New Jersey partner's online casino that made good progress in the period. An 8% increase in cost of sales following the introduction of the point of consumption tax in the UK meant that gross profit fell by 6% to €91.8m (2014: €97.2m)

Key objectives for 2015/16:

We are continuing to expand our product portfolio that now has 291 games in total of which 49 are also on mobile. Having launched our online slots product in Spain in June, we hope to grow casino revenues there in the second half whilst continuing to grow our share of total casino revenue coming through mobile having reached 19% in the first six months of 2015 (2014: 8%).

Poker

Six months ended 30 June	2015 €million	2014 €million	Change
Gross revenue	**40.4**	49.7	*(19%)*
Bonuses and other fair value adjustments to revenue	**(8.0)**	(7.0)	*(14%)*
Net revenue	**32.4**	42.7	*(24%)*
Other revenue	**1.5**	1.4	*7%*
Total revenue	**33.9**	44.1	*(23%)*
% of total revenue from nationally regulated and/or taxed markets*	***44%***	*44%*	*0%*
Cost of sales	**(3.8)**	(5.1)	*25%*
Gross profit	**30.1**	39.0	*(23%)*

**Austria, Belgium, Denmark, France, Italy, Spain, UK and US (New Jersey)*

Poker - Key Performance Indicators

Six months ended 30 June	2015	2014	Change
Active player days (million)	**4.9**	6.7	*(27%)*
Daily average players (000s)	**27.1**	37.0	*(27%)*
Yield per active player day (€)	**6.6**	6.4	*3%*
New player sign-ups (000s)	**51.3**	68.6	*(25%)*
Average daily net revenue (€000)	**179.0**	235.9	*(24%)*

The challenges in European poker have continued with market declines in Italy, France and Spain that have each contributed to the continued decline in our own poker revenues. The introduction of VAT in a number of EU countries has also been a headwind since the start of 2015. However, we have started to see an improvement in the month-on-month trend, particularly in the UK where we grew new player sign-ups by 36% and active player days by 10% versus the same period in 2014.

Our presence on mobile is also improving and gross poker revenues through this channel have grown to approximately 9% of total poker revenue compared with 5% during the first six months of 2014.

Objectives for 2015/16:

We will continue to build upon partypoker's recent progress in the UK including focused promotional activity with a new partner and will also seek to slow the decline elsewhere with a series of mobile app push campaigns in conjunction with the usual step-up in targeted marketing initiatives at the start of the new football season.

Bingo

Six months ended 30 June	**2015 €million**	2014 €million	*Change*
Gross revenue	**60.1**	57.1	*5%*
Bonuses and other fair value adjustments to revenue	**(33.3)**	(30.7)	*(8%)*
Net revenue	**26.8**	26.4	*2%*
Other revenue	**0.1**	0.3	*(67%)*
Total revenue	**26.9**	26.7	*1%*
% of total revenue from nationally regulated and/or taxed markets*	***99%***	*97%*	*2%*
Cost of sales	**(4.5)**	(1.6)	*(181%)*
Gross profit	**22.4**	25.1	*(11%)*

** Italy, Spain and UK*

Bingo - Key Performance Indicators

Six months ended 30 June	**2015**	2014	*Change*
Active player days (million)	**2.4**	2.9	*(17%)*
Daily average players (000s)	**13.3**	16.0	*(17%)*
Yield per active player day (€)	**11.2**	9.1	*23%*
New player sign-ups (000s)	**80.2**	63.3	*27%*
Average daily net revenue (€000)	**148.1**	145.9	*2%*

Despite further declines in Italy and continued strong competition in the UK, we increased gross revenue by 5%, driven by a 10% increase in the UK that now represents over 90% of the total and which benefited from a favourable movement of Sterling against the Euro. The strength of our Foxy Bingo and Cheeky Bingo brands remain central to our success and were further supported during the period with a successful TV campaign in the UK resulting in a 27% increase in new player sign-ups. With a key area of focus being on more valuable players, overall active player days fell by 17% but average yield per active player day increased by 23%, resulting in a 2% increase in average daily revenue.

We have continued to make excellent progress on growing our mobile presence and gross gaming revenues through mobile increased to 33% of total bingo gross gaming revenue (2014: 21%).

Objectives for 2015/16:

We are continuing to drive our mobile and touch volumes with a particular focus on the UK.

Other revenue

Other revenue grew by 68% to €26.2m (2014: €15.6m), with a particularly strong performance by WPT following a licencing agreement in Asia. WPT was subsequently sold to Ourgame on 24 June 2015 for €32.7m. Other disposals completed during the period included Win, Gaming Realms, United Games and the majority of our investment in Winners. Non-recurring revenue associated with these disposals within this segment was €14.3m in 2015. Following these disposals, other revenue now comprises Kalixa, B2B services, InterTrader, software services and domain sales. Revenues grew in all areas with the exception of software services as these resources are redeployed to internal projects.

Cost of sales

Total Clean EBITDA cost of sales increased by 5% to €49.6m, largely driven by the introduction of the POCT from 1 December 2014, increased programming costs at WPT, partially offset by declines in gaming taxes elsewhere. Gaming taxes payable in nationally regulated markets account for the majority of cost of sales and totalled €41.8m (2014: €42.4m). Included within total cost of sales but outside of Clean EBITDA is €7.9m relating to a provision for retroactive penalties that may be levied on gaming operators that accepted online bets from players in Romania prior to being licensed. A joint complaint by the European Gaming and Betting Association, the Gibraltar Betting and Gaming Association and the Maltese Remote Gaming Council has been made to the European Commission in respect of the legislation that was enacted giving rise to these potential obligations.

Six months ended 30 June	2015 €million	2014 €million	Change
Gaming taxes	**41.8**	42.4	*1%*
Broadcasting costs	**5.6**	2.5	*(124%)*
Other	**2.2**	2.3	*4%*
Clean EBITDA cost of sales	**49.6**	47.2	*(5%)*
Retroactive taxes and associated charges	**7.9**	-	*n/a*
Total cost of sales	**57.5**	47.2	*(22%)*

Other operating income/expenses

Other operating income included one-off items of €4.9m relating to the release of a fair value tax liability set-up at the time of the merger between bwin and PartyGaming and a profit of €5.0m recorded on the disposal of certain non-core investments. Foreign exchange gains of €2.7m compare to a loss of €0.9m in the same period in 2014. Other operating expenses comprise merger and acquisition costs of €2.4m which includes €1.7m of advisory costs incurred relating to potential consolidation discussions.

Distribution expenses

Six months ended 30 June	2015 €million	2014 €million	Change	As a percentage of total revenue 2015	As a percentage of total revenue 2014
Customer acquisition and retention	**59.9**	70.1	*15%*	***20.2%***	*22.1%*
Affiliates	**11.5**	14.6	*21%*	***3.9%***	*4.6%*
Customer bad debts	**0.4**	2.3	*83%*	***0.1%***	*0.7%*
Third-party content	**14.0**	14.1	*1%*	***4.7%***	*4.4%*
Webhosting and technical services	**15.0**	14.8	*(1%)*	***5.1%***	*4.7%*
Clean EBITDA distribution expenses	**100.8**	115.9	*13%*	***34.0%***	*36.5%*
Reorganisation expenses	**0.3**	1.0	*70%*	***0.1%***	*0.3%*
Distribution expenses	**101.1**	116.9	*14%*	***34.1%***	*36.8%*

Customer acquisition and retention spend fell by 15% due to the absence of a major football tournament this year and the major marketing effort in the prior year around the FIFA World Cup. It also reflects a concerted effort to reduce marketing costs in New Jersey where despite an improvement in recent trends, the size of the market remains lower than previously expected. The marked reduction in affiliate costs reflects our continued focus on reducing our reliance on this channel, as well as lower poker revenue. Customer bad debts fell from 0.7% of revenue to 0.1% of revenue due to a reduction in the amount of chargebacks experienced during the period. Third-party content costs increased to 4.7% of revenue (2014: 4.4%) due to the addition of more third-party content to our casino offering that now includes games from WMS, IGT, Net Entertainment and Amaya.

Administrative expenses

Six months ended 30 June	2015 €million	2014 €million	Change	As a percentage of total revenue 2015	As a percentage of total revenue 2014
Transaction fees	**13.5**	13.7	*1%*	***4.6%***	*4.3%*
Staff costs	**54.8**	55.7	*2%*	***18.5%***	*17.6%*
Outsourced services	**8.7**	12.0	*28%*	***2.9%***	*3.8%*
Other overheads	**22.0**	26.4	*17%*	***7.4%***	*8.3%*
Clean EBITDA administrative expenses	**99.0**	107.8	*8%*	***33.4%***	*34.0%*
Depreciation	**15.6**	11.4	*(37%)*	***5.3%***	*3.6%*
Amortisation	**21.1**	30.0	*30%*	***7.1%***	*9.5%*
Impairment losses	**-**	94.7	*100%*	***n/a***	*29.9%*
Reorganisation expenses	**2.5**	2.5	*-%*	***0.8%***	*0.8%*
Administrative expenses before share based payments	**138.2**	246.4	*44%*	***46.6%***	*77.7%*
Share-based payments	**4.8**	5.6	*14%*	***1.6%***	*1.8%*
Administrative expenses	**143.0**	252.0	*43%*	***48.2%***	*79.6%*

We have continued to focus on reducing Clean EBITDA administration costs that have fallen across all categories in the period despite unfavourable foreign exchange movements. Transaction fees fell in line with reduced volumes across the Group, but increased as a percentage of revenue reflecting the additional third party processing volume of PXP. Staff costs were reduced by €0.9m on the back of our move to a label led structure, partially offset by foreign exchange movements, an increase in workforce performance-based incentive costs and the addition of the PXP workforce. Outsourced services and other overheads were reduced by €3.3m and €4.4m respectively reflecting the benefits of moving to a single technology platform in both France and Italy as well as our continued effort to reduce costs in these areas. The net result was that Clean EBITDA administrative expenses were reduced by €8.8m to €99.0m (2014: €107.8m).

The higher than normal capital expenditure in the Studios business in 2014 also meant that depreciation increased by €4.2m in the period to 5.3% of total revenue while the amortisation charge, that is almost entirely related to acquired intangibles, continued to fall to 7.1% of total revenue (2014: 9.5%). Comparable reorganisation expenses of €2.5m (2014: €2.5m) reflect the last significant expenditure on transitioning to our label-led set-up as the new structure is now largely complete.

Taxation

The current tax charge for the period is €3.7m (2014: €5.6m). After allowing for deferred tax credits primarily relating to the unwinding of provisions set up on acquisitions of €3.5m, the total tax charge for the period is €0.2m (2014: tax credit of €6.5m). There is no tax associated with other comprehensive income.

Net cash

	As at 30 June 2015 €million	As at 31 December 2014 €million
Cash and cash equivalents	**193.2**	162.9
Short-term investments	**14.7**	13.5
Loans and borrowings	**(62.2)**	(56.9)
Net cash	**145.7**	119.5
Payment service providers (less chargebacks)	**25.2**	31.2
Net cash including amounts held by processors	**170.9**	150.7
Less: Client liabilities and progressive prize pools	**(112.8)**	(116.1)
Net cash including amounts held by processors less client liabilities	**58.1**	34.6

Net cash (after deducting all customer liabilities but adding back net payment processor receivables) increased to €58.1m (31 December 2014: €34.6m) assisted by the disposal of non-core businesses and after payment of the final dividend of €21.7m.

Cashflow

Six months ended 30 June	2015 €million	2014 €million
Clean EBITDA	**47.3**	46.4
Exchange differences	**2.7**	(0.9)
Movements in working capital	**21.3**	12.1
Income taxes paid	**(4.7)**	(6.3)
Merger and acquisition costs	**(2.4)**	(0.7)
Reorganisation costs	**(2.8)**	(3.5)
Retroactive taxes and associated charges	**(7.9)**	-
Net cash inflow from operating activities	**53.5**	47.1
Issue of ordinary shares	**-**	0.6
Purchase of own shares	**(0.1)**	(0.2)
Dividends paid	**(21.7)**	(18.0)
Sale of property, plant and equipment	**-**	1.4
Acquisitions	**-**	(22.7)
Purchase of property, plant and equipment	**(18.6)**	(9.9)
Purchases of intangible assets	**(10.4)**	(11.2)
Repayment of loan from associates or joint ventures	**-**	1.5
Sale of assets held-for-sale	**30.5**	-
Sale of available-for-sale investments	**4.4**	-
(Increase) decrease in short term investments	**(1.2)**	1.9
Other	**(1.3)**	(0.1)
Net cash inflow (outflow)	**35.1**	(9.6)

Cash generated in the period improved substantially year-on-year from an outflow of €9.6m to an inflow of €35.1m. This was primarily due to the fact that last year was impacted by the acquisition of PXP Solutions in May 2014 (€22.7m) whereas the first half of 2015 benefitted from the sale of certain non-core assets that generated net cash proceeds of €34.9m. Operating cashflow increased by 14% to €53.5m (2014: €47.1m). Dividend payments of €21.7m (2014: €18.0m) reflected a higher payout on the previous year together with a weaker Euro whilst capital expenditure (including intangibles) rose to €29.0m (2014: €21.1m) due to increased investment in our Studios business.

Principal risks

There are a number of potential risks and uncertainties which could have a material impact on the Group's performance over the course 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 seek to manage them are set out below:

1. Technology

The Group's customer offer includes products operated using different labels and gaming licences, the majority of which are driven by the Group's proprietary technology.

2013 saw the completion of the dotcom player migration project and during 2014 our customer base in France was migrated successfully onto our target technology platform. The migration of our Italian customers to the target platform represents the last of our integration projects following the Merger and was completed in March 2015.

The fact that with the exception of bingo, the vast majority of our customer base is already supported by our target platform, highlights how important our technology is to the Group. In an industry where service reliability and integrity are key differentiating factors, our continual commitment to providing a reliable, safe, secure, compliant and continuous service has been our focus this year.

A Group-wide initiative on achieving close to 100% system availability was introduced and we have made significant progress in ensuring our customer facing systems are available for 24 hours a day, 7 days a week. This is monitored and overseen by the IT Committee.

Other technology-related risks, such as our continuing operations in the event of a natural or man-made disaster, have been addressed with a substantial investment during 2014 and both the Group's disaster recovery and business continuity solutions have been updated and tested during the past 12 months.

With continuous shifts in how consumers choose and are able to access our services (via different devices and/or channels), the process of maintaining and improving our technology will become more complex. As mentioned elsewhere, the Group's key focus in 2015 is to improve our customer experience through an expanded mobile offer across all products as well as high levels of availability.

2. Regulation

Focusing on nationally regulated and/or taxed markets safeguards our gaming revenues from potential national legislation threatening to prohibit or restrict one or more of the products that we offer, or online gaming entirely. There are potential risks to the operations and financial position of the Group from all markets where regulation is not clearly defined or adopted, especially in relation to EU legislation and associated cases.

To manage this risk, the Group continues to engage (either directly or indirectly) with national governments and regulators on to-be regulated markets. The Group's Compliance and Regulatory Affairs team keeps abreast of the regulatory landscape and report to the Audit & Risk Committee on any developments. However, it should be noted that most of the risks in relation to the regulatory landscape are outside of our direct control.

Operating in nationally regulated and/or taxed markets necessitates that we comply with the required rules and protocols. Currently, the Group holds licences for and offers real money gambling in 11 different territories, each with their own unique licence obligations. The need to sometimes develop bespoke technological, operational and promotional offers in each market requires significant investment. The Group is committed to meeting its licence obligations and monitors its compliance with regulatory requirements by performing reviews of its licenced operations on a periodic basis with the results reported to the Audit and Risk Committee. The Group's licenced entities are subject to a series of external audits by regulators and industry specialists to ensure that policies and procedures are being followed as intended.

3. Taxation

As outlined above the Group's strategic focus is to operate in nationally regulated and/or taxed markets. 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.

Group companies operate only where they are incorporated, domiciled or registered. The multi-location set up of the Group gives rise to transfer pricing risk, mitigated by the fact that all intra-group transactions are documented and take place on commercial terms agreed with input from the Group's professional advisors.

During 2014, a detailed review on the transfer pricing arrangements was conducted on behalf of the Audit and Risk Committee. The Group Director of Tax routinely holds workshops with senior management and business unit leaders during the course of the year.

On 1 January 2015, new VAT rules came into force across the EU impacting several areas of the digital economy. Gambling has typically been exempt from VAT but falls within the rules for VAT on electronically supplied services. Under EU law, Member States have the ability to apply VAT to gambling subject to certain limitations and conditions, and tax may be due depending on where customers are located and how Member States implement any exemption. Whilst substantial uncertainty remains, in the light of the new rules the Group is now filing for, and paying VAT, in certain EU Member States. It is possible that VAT could be payable in other EU Member States.

4. Shift to a new label-led approach

In 2014, the Group announced a fundamental shift in its operations away from a product-led approach (sports betting, casino & games, poker and bingo) towards one driven by label (bwin labels, Games labels, Studios, Non-core and Corporate) effective from 1 January 2015.

Whilst this shift to a new approach created some uncertainty for employees, continuous support through regular communications via location-driven 'Town Halls', webinars through the Group's intranet and one-on-one 'question and answer' sessions with Human Resource teams have each helped to maintain a transparent and continuous channel of communication that has aided this transition.

Having business units and labels resourced across various locations does give rise to specific location risks as well as decentralisation risks; however this new approach has allowed the creation of teams dedicated to specific labels rather than products enabling faster decision-making, an improved customer offer and better service.

The Group's corporate functions continue to be administered from the corporate centre covering areas such as procurement, financial reporting, budgeting, legal and HR services, with appropriate service levels in place to provide each business unit with a benchmark of service quality. The 2015 Internal Audit Plan as approved by the Audit and Risk Committee ('ARC') reflects this new operational set-up and findings of all reviews will be communicated to the ARC during the year ahead.

5. 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 are designed with the aim of minimising the Group's exposure to the Eurozone economic risk and preserving our ability to operate if such events arise.

The functional currency of 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 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.

6. Transaction Risk

Whilst the Company remains in in discussions regarding industry consolidation, several additional areas of risk may affect the Group's financial performance. These risks relate primarily to the retention of key people, the ability to attract new talent, the need to continue to focus on day-to-day operational activities and the protection of company assets. Other risk factors may also become relevant should uncertainty over the outcome of such discussions continue for a lengthy period.

Any period of uncertainty regarding the future ownership of the Group may increase the likelihood that certain of the risks above have an impact on the Group's financial performance. However, management has taken several mitigating actions to reduce their impact and likelihood. The Audit and Risk Committee are fully aware of the risks as well as the mitigating actions in place and management have committed to work within the transaction framework to help reduce the potential impact of such risks.

By order of the Board of Directors
Martin Weigold
Chief Financial Officer

28 August 2015

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 2014.

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

28 August 2015

Financial information (unaudited)

Condensed consolidated statement of comprehensive income

Six months ended 30 June	Notes	2015 €million	2014 €million
Continuing operations			
Net revenue		**263.8**	295.8
Other revenue		**32.7**	21.3
Total revenue	2	**296.5**	317.1
Cost of sales		**(57.5)**	(47.2)
Gross profit		**239.0**	269.9
Other operating income		**12.8**	0.2
Other operating expense		**(2.4)**	(1.6)
Administrative expenses		**(143.0)**	(252.0)
Distribution expenses		**(101.1)**	(116.9)
Clean EBITDA		**47.3**	46.4
Exchange gains (losses)		**2.7**	(0.9)
Completed and in process merger and acquisition costs		**(2.4)**	(0.7)
Amortisation		**(21.1)**	(30.0)
Depreciation		**(15.6)**	(11.4)
Profit on disposal of assets held-for-sale		**5.0**	-
Impairment losses		**-**	(94.7)
Retroactive taxes and associated charges		**(7.9)**	-
Release of acquisition fair value tax liability		**4.9**	-
Share-based payments		**(4.8)**	(5.6)
Reorganisation costs		**(2.8)**	(3.5)
Profit (Loss) from operating activities		**5.3**	(100.4)
Finance income		**0.9**	0.5
Finance expense		**(2.8)**	(1.4)
Share of (loss) profit of associates and joint ventures		**(0.3)**	0.8
Profit (Loss) before tax		**3.1**	(100.5)
Tax (charge) credit	**3**	**(0.2)**	6.5
Profit (Loss) after tax and for the period		**2.9**	(94.0)
Other comprehensive income (expense):			
Items that will or may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations, net of tax		**4.2**	5.2
Change in fair value of available-for-sale investments		**(0.6)**	2.9
Total comprehensive income (expense) for the period		**6.5**	(85.9)
Profit (loss) for the period attributable to:			
Equity holders of the parent		**3.6**	(92.8)
Non-controlling interests		**(0.7)**	(1.2)
		2.9	(94.0)
Total comprehensive income (expense) for the period attributable to:			
Equity holders of the parent		**7.2**	(84.7)
Non-controlling interests		**(0.7)**	(1.2)
		6.5	(85.9)
Profit (Loss) per share (€ cents)			
Basic	4	**0.4**	(11.4)
Diluted	4	**0.4**	(11.4)

Condensed consolidated statement of financial position

	Notes	**As at 30 June 2015 €million**	As at 31 December 2014 €million
Non-current assets			
Intangible assets	5	**546.8**	545.1
Property, plant and equipment		**58.1**	55.9
Investments		**7.2**	11.0
Other receivables	6	**10.9**	10.6
		623.0	622.6
Current assets			
Assets held for sale		**4.0**	27.5
Trade and other receivables	6	**87.5**	87.5
Short-term investments		**14.7**	13.5
Cash and cash equivalents		**193.2**	162.9
		299.4	291.4
Total assets		**922.4**	914.0
Current liabilities			
Trade and other payables	7	**(94.4)**	(82.6)
Income and gaming taxes payable		**(40.4)**	(41.4)
Client liabilities and progressive prize pools		**(112.8)**	(116.1)
Provisions	9	**(16.2)**	-
Loans and borrowings	8	**-**	(31.8)
Liabilities held for sale		**-**	(7.4)
		(263.8)	(279.3)
Non-current liabilities			
Trade and other payables	7	**(14.0)**	(17.4)
Provisions	9	**(3.1)**	-
Loans and borrowings	8	**(62.2)**	(25.1)
Deferred tax	10	**(24.8)**	(27.2)
		(104.1)	(69.7)
Total liabilities		**(367.9)**	(349.0)
Total net assets		**554.5**	565.0
Equity			
Share capital		**0.1**	0.1
Share premium account		**3.0**	3.0
Own shares		**(2.2)**	(2.1)
Capital contribution reserve		**24.1**	24.1
Capital redemption reserve		**0.0**	0.0
Available-for-sale reserve		**1.6**	2.2
Retained earnings		**1,102.4**	1,115.7
Other reserve		**(573.7)**	(573.7)
Currency reserve		**6.9**	2.7
Equity attributable to equity holders of the parent		**562.2**	572.0
Non-controlling interests		**(7.7)**	(7.0)
Total Equity		**554.5**	565.0

Condensed consolidated statement of changes in equity

	As at 1 January 2014 €million	Other Issues of shares €million	Dividends paid €million	Purchase of shares €million	Total comprehensive income for the period €million	Other share-based payments €million	As at 30 June 2014 €million
Share capital	0.1	(0.0)	-	(0.0)	-	-	0.1
Share premium account	2.2	0.6	-	-	-	-	2.8
Own shares	(5.2)	3.0	-	(0.1)	-	-	(2.3)
Capital contribution reserve	24.1	-	-	-	-	-	24.1
Capital redemption reserve	0.0	-	-	-	-	-	0.0
Available-for-sale reserve	2.6	-	-	-	2.9	-	5.5
Retained earnings	1,240.5	(2.4)	(18.0)	(0.7)	(92.8)	5.6	1,132.2
Other reserve	(573.7)	-	-	-	-	-	(573.7)
Currency reserve	(8.2)	-	-	-	5.2	-	(3.0)
Total attributable to equity holders of the parent	682.4	1.2	(18.0)	(0.8)	(84.7)	5.6	585.7
Non-controlling interests	(4.8)	-	-	-	(1.2)	-	(6.0)
Total equity	677.6	1.2	(18.0)	(0.8)	(85.9)	5.6	579.7

	As at 1 July 2014 €million	Other Issues of shares €million	Dividends paid €million	Purchase of shares €million	Total comprehensive income for the period €million	Other share-based payments €million	As at 31 December 2014 €million
Share capital	0.1	(0.0)	-	(0.0)	-	-	0.1
Share premium account	2.8	0.2	-	-	-	-	3.0
Own shares	(2.3)	0.3	-	(0.1)	-	-	(2.1)
Capital contribution reserve	24.1	-	-	-	-	-	24.1
Capital redemption reserve	0.0	-	-	0.0	-	-	0.0
Available-for-sale reserve	5.5	-	-	-	(3.3)	-	2.2
Retained earnings	1,132.2	(0.3)	(19.8)	(1.3)	0.7	4.2	1,115.7
Other reserve	(573.7)	-	-	-	-	-	(573.7)
Currency reserve	(3.0)	-	-	-	5.7	-	2.7
Total attributable to equity holders of the parent	585.7	0.2	(19.8)	(1.4)	3.1	4.2	572.0
Non-controlling interests	(6.0)	-	-	-	(1.0)	-	(7.0)
Total equity	579.7	0.2	(19.8)	(1.4)	2.1	4.2	565.0

	As at 1 January 2015 €million	**Other Issues of shares €million**	**Dividends paid €million**	**Purchase of shares €million**	**Total comprehensive income for the period €million**	**Other share-based payments €million**	**As at 30 June 2015 €million**
Share capital	**0.1**	**(0.0)**	**-**	**-**	**-**	**-**	**0.1**
Share premium account	**3.0**	**0.0**	**-**	**-**	**-**	**-**	**3.0**
Own shares	**(2.1)**	**0.0**	**-**	**(0.1)**	**-**	**-**	**(2.2)**
Capital contribution reserve	**24.1**	**-**	**-**	**-**	**-**	**-**	**24.1**
Capital redemption reserve	**0.0**	**-**	**-**	**-**	**-**	**-**	**0.0**
Available-for-sale reserve	**2.2**	**-**	**-**	**-**	**(0.6)**	**-**	**1.6**
Retained earnings	**1,115.7**	**(0.0)**	**(21.7)**	**-**	**3.6**	**4.8**	**1,102.4**
Other reserve	**(573.7)**	**-**	**-**	**-**	**-**	**-**	**(573.7)**
Currency reserve	**2.7**	**-**	**-**	**-**	**4.2**	**-**	**6.9**
Total attributable to equity holders of the parent	**572.0**	**-**	**(21.7)**	**(0.1)**	**7.2**	**4.8**	**562.2**
Non-controlling interests	**(7.0)**	**-**	**-**	**-**	**(0.7)**	**-**	**(7.7)**
Total equity	**565.0**	**-**	**(21.7)**	**(0.1)**	**6.5**	**4.8**	**554.5**

Share premium is the amount subscribed for share capital in excess of nominal value.

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 period, 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	**2015 €million**	2014 €million
Profit (loss) for the period	**2.9**	(94.0)
Adjustments for:		
Depreciation of property, plant and equipment	**15.6**	11.4
Amortisation of intangibles	**21.1**	30.0
Impairment of goodwill	**-**	19.7
Impairment of intangible assets	**-**	75.0
Share of loss (profit) of associates	**0.3**	(0.8)
Profit arising on disposal of assets held-for-sale	**(5.0)**	-
Release of acquisition fair value tax liability	**(4.9)**	-
Interest expense	**2.8**	1.4
Interest income	**(0.9)**	(0.5)
Share-based payments	**4.8**	5.6
Income tax charge (credit)	**0.2**	(6.5)
Operating cashflows before movements in working capital and provisions	**36.9**	41.3
(Increase) Decrease in trade and other receivables	**(3.0)**	16.7
Increase (decrease) in trade and other payables	**16.4**	(4.6)
Increase in provisions	**7.9**	-
Cash generated from operations	**58.2**	53.4
Income taxes paid	**(4.7)**	(6.3)
Net cash inflow from operating activities	**53.5**	47.1
Investing activities		
Acquisition of subsidiaries and businesses (net of cash acquired)	**-**	(22.7)
Purchases of intangible assets	**(10.4)**	(11.2)
Purchases of property, plant and equipment	**(18.6)**	(9.9)
Purchase of investments	**(1.2)**	-
Sale of available-for-sale investments	**4.4**	-
Sale of property, plant and equipment	**-**	1.4
Sale of intangibles	**0.2**	-
Sale of assets held-for-sale net of cash disposed of	**30.5**	-
Interest received	**0.9**	0.5
Repayment of loan from joint venture	**-**	1.5
(Increase) decrease in short-term investments	**(1.2)**	1.9
Net cash generated by (used in) investing activities	**4.6**	(38.5)
Financing activities		
Issue of ordinary shares	**0.0**	0.6
Purchase of own shares	**(0.1)**	(0.2)
Dividends paid	**(21.7)**	(18.0)
Repayment of bank borrowings	**-**	(18.6)
New bank borrowings	**-**	18.4
Interest paid	**(1.2)**	(0.4)
Net cash used by financing activities	**(23.0)**	(18.2)
Net increase (decrease) in cash and cash equivalents	**35.1**	(9.6)
Exchange differences	**(4.8)**	2.2
Cash and cash equivalents at beginning of period	**162.9**	173.3
Cash and cash equivalents at end of period	**193.2**	165.9

Segregated cash**:** Included within cash and cash equivalents is €49.1m (2014: €30.8m) related to cash held in segregated accounts in certain regulated markets.

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 2015 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 2015.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2015, which were approved by the Board on 28 August 2015, do not comprise statutory accounts, and should be read in conjunction with the Annual Report for the year ended 31 December 2014. 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.

The unaudited interim condensed consolidated financial statements are prepared on the basis of the accounting policies stated in the Group's Annual Report 2014 which is available on the Group's website at www.bwinparty.com. In the current reporting period, the Group has adopted a number of revised Standards and Interpretations. However, none of these have had a material impact on the Group's reporting. In addition, the IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report was published. It is not expected that any of these will have a material impact on the Group.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim condensed consolidated financial statements.

2. Segment information

The Group's operations were historically segmented into the following reporting segments:

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

In order to improve operational performance the Group re-structured its operations. Following this restructure 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 2015 the Group's operations are segmented into the following reporting segments:

- **bwin labels** (including bwin, Gamebookers);
- **Games labels** (including partycasino, partypoker, Foxy Bingo, Gioco Digitale and the Group's US B2C operations);
- **Studios** – the Group's technology provided through arms-length B2B agreements with both internal and external customers;
- **Non-core** – includes Kalixa, as well as InterTrader and some smaller, non-core assets as well as assets disposed of in the period (World Poker Tour, Win (social gaming) and Winners); and
- **Corporate** – includes shared and corporate functions such as finance, legal and HR which are performed by the corporate centre and the costs associated with being a listed business.

Under the previous basis of segmental reporting, direct costs were allocated directly to each segment, and the remaining central costs were allocated pro rata to gross profit. Under the new basis only directly attributable costs sit in each business unit with a re-charge across business units where services are provided to another unit.

The new basis also aims to reflect more appropriately the fact that Studios now runs a fully-integrated and scaleable technology platform offering full gaming services and generating revenue from both internal and external customers.

The segmental analysis below also shows the prior year comparative on the new segmental basis of reporting in order to aid comparability.

Six months ended 30 June 2015 €million	bwin labels	Games labels	Studios	Non-core *	Corporate	Removal of inter-segmental revenue	Total
Net revenue	171.4	92.4	-	-	-	-	263.8
Other revenue (external)	0.5	0.2	6.6	24.8	0.6	-	32.7
Other revenue (internal)	-	-	32.0	9.9	17.6	(59.5)	-
Total revenue	171.9	92.6	38.6	34.7	18.2	(59.5)	296.5
Clean EBITDA	40.2	20.5	(10.7)	2.1	(4.8)	-	47.3

** Segment includes €14.3m of revenue relating to assets disposed of during the period*

2. Segment information (continued)

Six months ended 30 June 2014 €million	bwin labels	Games labels	Studios	Non-core	Corporate	Removal of inter-segmental revenue	Total
Net revenue	188.8	107.0	-	-	-	-	295.8
Other revenue (external)	0.1	0.2	6.6	14.4	-	-	21.3
Other revenue (internal)	-	-	36.6	9.7	19.5	(65.8)	-
Total revenue	188.9	107.2	43.2	24.1	19.5	(65.8)	317.1
Clean EBITDA	35.4	33.6	(9.6)	(8.4)	(4.6)	-	46.4

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	**2015 €million**	2014 €million
Germany	**71.2**	79.3
United Kingdom	**39.9**	35.9
Other	**185.4**	201.9
Total revenue	**296.5**	317.1

3. Tax

Analysis of tax charge

Six months ended 30 June	**2015 €million**	2014 €million
Current tax expense for the period	**3.7**	5.6
Deferred tax credit for the period	**(3.5)**	(12.1)
Income tax charge (credit) for the period	**0.2**	(6.5)

The current tax charge for the period is €3.7m (2014: €5.6m). After allowing for deferred tax credits primarily relating to the unwinding of provisions set up on acquisitions of €3.5m, the total tax charge for the period is €0.2m (2014: tax credit of €6.5m). There is no tax associated with other comprehensive income.

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

Six months ended 30 June	**2015 €million**	2014 €million
Profit (Loss) before tax	**3.1**	(100.5)
Tax at effective rate in Gibraltar at 10% (2014: 10%)	**0.3**	(10.1)
Effect of income not taxable and expenses not allowable for tax purposes	**1.2**	2.9
Effect of deferred tax on acquired intangibles and impairments	**(3.5)**	(12.1)
Effect of different tax rates applied in overseas jurisdictions	**2.2**	3.3
Effect of impairment not allowed for tax purposes	**-**	9.5
Total income tax charge (credit) for the period	**0.2**	(6.5)

The expenses not allowed for tax purposes are primarily amortisation of intangible assets. Income not taxable includes the release of the fair value tax liability and profits arising on disposal of subsidiary operations.

3. Tax (continued)

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 and/or impairment of certain acquired intangibles.

4. Earnings per Share ('EPS')

	2015	2014
Six months ended 30 June	**€ cents**	€ cents
Basic EPS	**0.4**	(11.4)
Diluted EPS	**0.4**	(11.4)*
Basic Clean EPS	**2.6**	3.0
Diluted Clean EPS	**2.5**	3.0

** 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.

Diluted earnings per share

Diluted 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, and adjusted for the number of potentially dilutive share options and contingently issuable instruments.

Six months ended 30 June	**2015**	2014
Basic EPS		
Basic profit (loss) (€million)	**3.6**	(92.8)
Weighted average number of ordinary shares (million)	**822.5**	810.5
Basic profit (loss) per ordinary share (€ cents)	**0.4**	(11.4)
Basic Clean EPS		
Clean earnings (€million)	**21.0**	24.6
Weighted average number of ordinary shares (million)	**822.5**	810.5
Adjusted earnings per ordinary share (€ cents)	**2.6**	3.0

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 exchange differences, reorganisation expenses, income or expenses that relate to exceptional items and non-cash charges relating to share-based payments. Management believes that this better reflects the underlying performance of the business and assists in providing a clearer view of the fundamental performance of the Group.

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

Clean net earnings excluding amortisation and impairments on acquisitions attributable to equity shareholders is derived as follows:

Six months ended 30 June	2015 €million	2014 €million
Profit (loss) for the purposes of basic and diluted earnings per share being profit (loss) attributable to equity holders of the parent	**3.6**	(92.8)
Reorganisation expenses	**2.8**	3.5
Merger and acquisition expenses	**2.4**	0.7
Retroactive taxes and associated charges	**7.9**	-
Exchange differences	**(2.7)**	0.9
Share-based payments	**4.8**	5.6
Profit on disposal of assets held-for-sale	**(5.0)**	-
Release of fair value tax liability	**(4.9)**	-
Amortisation on acquired intangible assets	**14.0**	24.1
- Effect of deferred tax release thereon	**(1.9)**	(3.8)
Impairments on acquired intangible assets and goodwill	**-**	94.7
- Effect of deferred tax release thereon	**-**	(8.3)
Clean earnings	**21.0**	24.6

Six months ended 30 June	2015 Number million	2014 Number million
Weighted average number of shares		
Number of shares in issue as at 1 January	**823.2**	813.9
Number of shares in issue as at 1 January held by the Employee Trust	**(1.9)**	(3.1)
Weighted average number of shares issued during the period	**1.2**	0.2
Weighted average number of shares purchased during the period	**-**	(0.5)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**822.5**	810.5
Effect of potential dilutive share options and contingently issuable shares	**17.2**	16.1
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**839.7**	826.6

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.

5. Intangible assets

	Goodwill €million	Acquired intangibles €million	Other intangibles €million	Total €million
Cost or valuation				
As at 1 January 2014	725.7	753.6	54.2	1,533.5
Acquired through business combinations	22.5	18.1	-	40.6
Additions	-	-	11.2	11.2
Exchange movements	3.0	(0.3)	(0.1)	2.6
As at 30 June 2014	751.2	771.4	65.3	1,587.9
Adjustment on consideration of prior business combinations	(0.5)	(0.1)	-	(0.6)
Additions	-	-	11.5	11.5
Disposals	-	-	(1.4)	(1.4)
Reclassification as assets held-for-sale	(8.4)	(13.9)	(7.7)	(30.0)
Exchange movements	4.6	3.9	0.3	8.8
As at 31 December 2014	746.9	761.3	68.0	1,576.2
Additions	**-**	**-**	**10.4**	**10.4**
Disposals		**-**	**(0.2)**	**(0.2)**
Exchange movements	**10.2**	**7.0**	**1.3**	**18.5**
As at 30 June 2015	**757.1**	**768.3**	**79.5**	**1,604.9**
Amortisation				
As at 1 January 2014	460.7	422.2	24.5	907.4
Charge for the period	-	24.1	5.9	30.0
Impairment	19.7	59.4	15.6	94.7
Exchange movements	-	(0.3)	(0.6)	(0.9)
As at 30 June 2014	480.4	505.4	45.4	1,031.2
Charge for the period	-	15.9	5.1	21.0
Impairment	-	-	1.2	1.2
Disposals	-	-	(1.4)	(1.4)
Reclassification as assets held-for-sale	(7.8)	(9.9)	(7.5)	(25.2)
Exchange movements	1.0	2.5	0.8	4.3
As at 31 December 2014	473.6	513.9	43.6	1,031.1
Charge for the period	**-**	**14.0**	**7.1**	**21.1**
Disposals	**-**	**-**	**-**	**-**
Exchange movements	**0.1**	**5.6**	**0.2**	**5.9**
As at 30 June 2015	**473.7**	**533.5**	**50.9**	**1,058.1**
Carrying amounts				
As at 30 June 2014	270.8	266.0	19.9	556.7
As at 31 December 2014	273.3	247.4	24.4	545.1
As at 30 June 2015	**283.4**	**234.8**	**28.6**	**546.8**

Acquired intangible assets primarily include customer lists, customer relationships, brands and software. 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.

5. Intangible assets (continued)

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.

The Group regularly monitors the carrying value of its intangible assets. A detailed review was undertaken at 31 December 2014 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. The review concluded that no impairments were required. The Board is not aware of any evidence of impairment during the current period and therefore no impairments have been recorded.

6. Trade and other receivables

	As at 30 June 2015 €million	As at 31 December 2014 €million
Payment service providers	**26.6**	32.4
Less: chargeback provision	**(1.4)**	(1.2)
Payment service providers – net	**25.2**	31.2
Prepayments	**20.9**	17.2
Derivative financial assets	**-**	1.9
Other receivables	**41.4**	37.2
Current assets	**87.5**	87.5
Contingent consideration	**10.9**	10.6
Non-current assets	**10.9**	10.6

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 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.

Contingent consideration relates to amounts receivable for the sale of Ongame and domain names. The non-discounted book values for these amounts are €13.0m (2014: €12.4m) due later than one year but not later than five years.

7. Trade and other payables

	As at 30 June 2015 €million	As at 31 December 2014 €million
Contingent consideration	**0.4**	0.2
Derivative financial liabilities	**1.2**	-
Other payables	**92.8**	82.4
Current liabilities	**94.4**	82.6
Contingent consideration	**4.4**	4.5
Other payables	**9.6**	12.9
Later than one year but not later than five years	**14.0**	17.4
Non-current liabilities	**14.0**	17.4

7. Trade and other payables (continued)

Deferred and contingent consideration relates to amounts payable in respect of previous acquisitions.

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 the contingent consideration are as follows:

	Contingent consideration		Other payables	
	As at 30 June 2015 €million	As at 31 December 2014 €million	**As at 30 June 2015 €million**	As at 31 December 2014 €million
Within one year	**0.5**	0.2	**93.0**	83.3
Later than one year but not later than five years	**5.5**	5.6	**10.2**	14.1
	6.0	5.8	**103.2**	97.4

8. Loans and borrowings

	As at 30 June 2015 €million	As at 31 December 2014 €million
Secured bank facilities	**-**	31.8
Current liabilities	**-**	31.8
Secured bank facilities	**62.2**	25.1
Later than one year but not later than five years	**62.2**	25.1
Non-current liabilities	**62.2**	25.1

Bank borrowings are recognised at fair value and subsequently carried at amortised cost based on their effective interest rate. The discount rate applied was 3.76% (31 December 2014: 5.26%).

In June 2015 the previous borrowing facilities were consolidated with the lender into a revolving credit facility including extending the maturity date. Principal terms and the debt repayment schedule of loans and borrowings before amortisation are as follows:

As at 30 June 2015	Total facility	Loan drawn down	Nominal rate	Year of maturity	Security
The Royal Bank of Scotland plc	£75 million	£45 million	3 months LIBOR plus 2.50%	2018	Floating charge over the assets of several of the Group's significant subsidiary undertakings

As at 31 December 2014	Total facility	Loan drawn down	Nominal rate	Year of maturity	Security
The Royal Bank of Scotland plc	£25 million	£25 million	3 months LIBOR plus 3.25%	2015	Floating charge over the assets of Cashcade Limited and its subsidiary undertakings
The Royal Bank of Scotland plc	£50 million	£20 million	3 months LIBOR plus 3.00%	2016	Floating charge over the assets of various of the Group's subsidiary undertakings

8. Loans and borrowings (continued)

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

	As at 30 June 2015 €million	As at 31 December 2014 €million
Within one year	**2.0**	34.3
Later than one year and not later than five years	**68.3**	26.6
	70.3	60.9

9. Provisions

	Retroactive taxes and associated charges €million	Onerous contracts €million	Total €million
As at 1 January 2015	-	-	-
Charged to the profit or loss	**7.9**	**8.3**	**16.2**
Current liabilities as at 30 June 2015	**7.9**	**8.3**	**16.2**
As at 1 January 2015	-	-	-
Charged to the profit or loss	-	**3.1**	**3.1**
Non-current liabilities at 30 June 2015	-	**3.1**	**3.1**

Onerous contracts relate to provisions made against the future costs of contracts where 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 are recognised at the Directors' best estimate based on their knowledge of the markets of the countries involved. The provision arose as a result of the disposal of WPT as per note 13.

As a result of ordinance being enacted within Romania, all gaming operators that have accepted online bets from players in Romania prior to being licensed to pay retroactive taxes. The provision for retroactive taxes has been recognised at the Director's best estimates although the terms of settlement for the associated charge are still uncertain.

The amounts due for provisions are recognised at fair value based on the above and carried at the best estimate of the provision. Due to the short-term nature of the provisions, no discounting has been applied.

10. Deferred tax

	€million
As at 1 January 2014	36.9
Exchange differences	0.1
Acquired through business combinations	3.5
Credited to condensed consolidated statement of comprehensive income	(3.8)
Credited on impairment of intangible fixed assets	(8.3)
As at 30 June 2014	28.4
Exchange differences	0.1
Credited to condensed consolidated statement of comprehensive income	(1.3)
As at 31 December 2014	27.2
Exchange differences	**0.2**
Charged to condensed consolidated statement of comprehensive income	**0.6**
Credited to condensed consolidated statement of comprehensive income	**(3.2)**
As at 30 June 2015	**24.8**

10. Deferred tax (continued)

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

11. 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 ongoing 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.

Indirect taxation

Group companies may be subject to VAT on transactions which have been treated as exempt supplies of gambling, 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 service provider is located. Revenues earned from customers located in any 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 or on its financial position. Where it is considered probable that a previously identified contingent liability will give rise to an actual outflow of funds, then a provision is made in respect of the relevant jurisdiction and period impacted. Where the likelihood of a liability arising is considered remote, or the possible contingency is not material to the financial position of the Group, the contingency is not recognised as a liability at the balance sheet date.

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 and Spain) aimed at preventing bwin.party from offering its services in these countries.

On 16 October 2014, the Portuguese Supreme Court confirmed a ruling of the Oporto Court of First Instance of September 2011 against Liga Portuguesa de Futebol Profissional (‘Liga’), bwin.party digital entertainment plc and bwin.party services (Gibraltar) Ltd (‘bwin.party’). In this initial ruling the first instance Court had (i) declared the (meanwhile already terminated) sponsorship agreement between bwin.party and the Liga as illegal, (ii) declared bwin.party's gaming offer and advertising measures as illegal in Portugal, (iii) prohibited bwin.party to exploit 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, payable to the Portuguese Casino Association (‘APC’) and (B) €50,000 for each infraction, payable to Santa Casa da Misericórdia de Lisboa, and (v) ordered the publishing of the ruling and the notification of Portuguese media organisations.
Following the initial first instance ruling, the Liga and bwin.party already took measures in order to comply with the decision. However, it cannot be ruled out that certain activities may still be considered as violation of the ruling.

In June 2012, APC initiated enforcement proceedings against the Liga and bwin.party, requesting the payment of pecuniary sanctions in the total amount of €6.35 million for the alleged violation of the first instance court judgment during the period between 24 September 2011 and 31 January 2012. The Liga and bwin.party remain firmly of the view that such enforcement action is without merit. In June 2012, the Oporto enforcement court dismissed APC's enforcement claim for lack of enforceability. APC filed an appeal against this decision, which the appellate enforcement court granted on 25 November 2014 and decided that pecuniary sanctions were enforceable at the time APC initiated the enforcement proceeding without assessing the enforcement case on its merits. On 29 May 2015, the Supreme Court rejected the appeal submitted by the Liga solely on formal admissibility grounds and the Liga subsequently filed a petition requesting that the case be presided over by a chamber of three judges of the Supreme Court. Despite the petition pending at the Supreme Court on the formal question of enforceability, the enforcement proceedings initiated by APC may be continued before the Oporto enforcement court, where the Liga and bwin.party will submit their defence arguments.

11. Contingent liabilities (continued)

In July 2012, the Spanish gaming operator Codere Apuestas S.A. ('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. The complaint filed by Codere seeks damages in the amount of approx. €25 million. On 10 July 2014, the Court issued the ruling dismissing Codere's claim and all of its petitions. On 16 October 2014, Codere filed an appeal against the ruling of first instance.

On 28 February 2014, bwin.party digital entertainment plc received a claim filed at the District Court of Limassol by Rodolfo Odoni against Nomato Investments Limited ('Nomato') and six other defendants, including bwin.party digital entertainment plc and BAW International Limited (now bwin.party services (Gibraltar) Limited). Among other things, Mr. Odoni seeks damages in the amount of €6.9 million or 30% of realised profits in Nomato since 29 June 2005 and a declaration that he holds 30% of the shares in Nomato. As the documents were not served to bwin.party digital entertainment plc and bwin.party services (Gibraltar) Limited in accordance with EU-Regulation 1393/2007/EC on the service of documents and not all documents had been translated into English, bwin.party refused to accept the service according to the rights granted under the EU-Regulation. Local counsel filed a conditional appearance to prevent a default judgment and an application to set aside service and/or strike out the action, which the court assessed in the oral hearing of 5 February 2015. The court has not yet set a date for its decision on the formal issues.

No provision has been made for contingent liabilities relating to the above detailed claims. The Directors do not consider that there are any other contingent liabilities requiring disclosure.

12. Related parties

Group

Transactions between 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	2015 €million	2014 €million
Short-term benefits	**3.0**	3.5
Share-based payments	**1.5**	1.9
Termination benefits	**-**	0.5
	4.5	5.9

An interest bearing loan to a former Board member of €3.1m was repaid during the period. The Group held an investment in a fund of €2.0m for whom this former Board member was a partner. The value of the fund remained flat in the period.

One director has a loan with the Group of €3.1m with interest accrued. The Group holds certain guarantees against this loan and believes the amounts to be fully recoverable.

One director has previously made a deposit into a customer account with InterTrader with a balance as at 30 June 2015 of €nil (2014: €2.3m). The director is a director and shareholder of a company that provides investment advisory services to a fund for which InterTrader Limited is the broker. InterTrader earned commissions of €16,200 (2014: €nil) in the period and the fund had a balance of €3,530,681 deposited with InterTrader as at 30 June 2015.

In 2014 and 2015 a furnished property was leased to two separate members of key management at an annual lease rental of €nil for which the fair rental value of the property was €42,100.

12. Related parties (continued)

Short-term interest free loans totalling €135,800 have been advanced to members of key management personnel. These amounts are being repaid on a short-term basis. The balance of loans outstanding at 30 June 2015 was €35,200 and is expected to be fully recoverable.

The Group purchased certain advertising services of €0.5m from a company that has a non-controlling interest in a Group subsidiary with amounts owed at 30 June 2015 of €0.2m.

The Group purchased certain customer services of €1.4m from an associate, with amounts owed at 30 June 2015 of €0.2m.

The Group purchased certain rights to broadcast licensed media of €1.8m from a joint venture, with amounts prepaid at 30 June 2015 of €2.6m.

13. Disposals during the period

On 24 June 2015, the Group sold the World Poker Tour ('WPT') business to Ourgame International Holdings ('Ourgame') for consideration of €31.8m in cash paid during the period and further working capital adjustments of €0.9m. This business had been carried within the balance sheet as held-for-sale.

The value of the underlying identifiable assets and liabilities sold, the sale consideration and the profit on disposal were as follows:

	€million
Non-current assets	
Intangible assets	4.4
Property, Plant and equipment	1.7
Current assets	
Trade and other receivables	20.4
Cash and cash equivalents	1.3
Current Liabilities	
Trade and other payables	(3.4)
Client liabilities and prize pools	(0.2)
Reserves	
Currency reserve reclassified to profit or loss	(8.2)
Net movement in assets	**16.0**
Net cash received	31.8
Working capital adjustment	0.9
Onerous contract arising on disposal	(11.4)
Fair value receivable	**21.3**
Profit on disposal	**5.3**

The group has disposed of certain other non-core assets during the period from those assets held-for-sale realising a loss of €0.3m.

14. Dividends

In line with our progressive dividend policy, the Board has declared a half year dividend of 1.92 pence per Ordinary share (2014: 1.89 pence) representing a 2% increase over the same period in 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 11 September 2015 (the 'Record Date'). It is expected that dividends will be paid on 9 October 2015. 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 18 September 2015. A separate announcement regarding the dividend payment has been issued today.

15. Events after the balance sheet date

On 8 July 2015 the Group acquired the 28% minority interest holding in its French subsidiary BES S.A.S for €8.9m following the exercise of a committed contractual option by the ex-minority holder.

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 2015 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 2015 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
28 August 2015

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

APPENDIX

Regulatory overview

Europe

There have been a number of developments at a European level over the past few months. As well as the launch of the European Commission's Digital Single Market strategy on 6 May 2015 and the publication by PWC of a study into the merits and benefits of enhanced administration cooperation between Member States[1], the 4th Anti-Money Laundering Directive came into force on 25 June 2015 and Member States will need to transpose the directive into national law by 26 June 2017.

On infringement proceedings, probably the most significant development from the industry's point of view was the European Commission's Pilot Letter that was sent to Germany (see below). It is not expected that there will be a further update on infringements until after the 2015 summer break.

The Swedish Government's reaction to being the first country to be referred to the Court of Justice of the European Union ('CJEU') was to initiate reform of its gambling framework. However, political turmoil has meant that a new framework is not expected to be in place until late 2017. Current estimates are that a ruling from the CJEU will not be made before 2016.

Germany (27% of net revenue in H1 2015)
Despite 1 July 2015 having marked the third anniversary of the Amended Interstate Treaty on Gambling coming into force, no sports betting licences have yet been issued and the regulatory process appears to be in a state of disarray. Having been informed that bwin.party was one of the 20 operators to be awarded a sports betting licence under the Amended Interstate Treaty, the licensing procedure remains on hold pending the outcome of a series of legal actions initiated by unsuccessful applicants that are seeking to challenge the selection of licencees by the Ministry of the Interior of Hesse. The Administrative Court of Wiesbaden voiced harsh criticism of the licensing process in several cases, finding that the licensing process was in fact illegal. The Hesse Ministry has appealed these cases.

The German Federal Court announced on 7 May 2015 that it would not be taking a decision on the legality of the system of prohibiting, subject to licences, online sports betting and casino under the Amended Interstate Treaty, but would rather rule on it in a case that is due to be heard during the fourth quarter of 2015. Furthermore, the German licensing procedure is again under scrutiny of the CJEU in a case referred from Sonthofen, in particular questioning the German licensing procedure's adherence to the transparency criteria under EU law. The oral hearing before the CJEU took place on 10 June 2015. The CJEU's Advocate General has announced to issue his Opinion on 17 September 2015. A decision in this case is not expected before the end of 2015/early 2016.

End of June 2015, further criticism to the Amended Interstate Treaty was added by the European Commission's Pilot Letter (the first step in a formal infringement procedure). In its Pilot Letter, the European Commission criticises the consistency of German legislation, the long duration of the licensing procedure and asks the German authorities how they intend to end the state monopoly that is currently still in force.

United Kingdom (13% of net revenue in H1 2015)
The Group has been operating under the new regulatory regime since the end of 2014 and we received our full licence in May 2015. Following the introduction of a so-called 'point of consumption tax' on 1 January 2015, a legal challenge to the compliance of the new tax with EU law has resulted in the High Court referring the case to the CJEU. There is no indication as yet on when this case might be heard.

Italy (8% of net revenue in H1 2015)
A process to revise the existing regulatory framework for gaming is currently underway. The so-called empowering act (*legge delega*), among other things, is expected to result in some restrictions on marketing but also a change to the current tax on turnover for sports betting and poker tournaments to a tax on gross gaming revenue which should prove to be beneficial for operators. Whilst the timing of such a change remains unclear, it is expected that the process for its implementation will resume later this year.

[1] http://ec.europa.eu/internal_market/gambling/docs/150220-executive-summary_en.pdf

France (5% of net revenue in H1 2015)
According to ARJEL, the French regulator, online sports betting gross gaming revenues in France grew 7% in the second quarter of 2015 to €63m (Q2 2014: €59m) while poker continued to decline by 2% to €56m[2]. The continued declines in poker have prompted calls for a number of changes to the current regulatory regime by ARJEL, including opening up the French poker market to allow pooling with other international markets and the introduction of measures to make it easier for ARJEL to block non-licensed operators from accessing French consumers. It is expected that a bill on eCommerce will be debated in the autumn of 2015 that will consider these and other amendments to the existing regulatory framework.

Spain (5% of net revenue in H1 2015)
According to data from the Spanish regulator[3], in terms of gross gaming revenue the total online gaming market grew by 26% in the first quarter of 2015 versus the same period the previous year. This was driven by sports betting that grew by 56%. Casino grew GGR by 39% while poker declined by 14% and bingo was broadly flat. A new decree on advertising, responsible gambling and supervision was issued by the regulator earlier this year for consultation and the industry is waiting to see the final version to see what impact, if any it may have on the shape and trajectory of the Spanish market.

Belgium (3% of net revenue in H1 2015)
bwin.party was one of seven operators approved to offer live dealer games in February 2015 by the Belgian authorities that are continuing to contest the basis of an infringement notice issued by the European Commission. What next steps might be taken on either side remains unclear.

Denmark (<1% of net revenue in H1 2015)
According to the latest figures from the Danish regulator[4], the market in Denmark is estimated to have grown by 13% in the second quarter of 2015. While sports betting grew by 6%, casino grew by 24% while poker was flat. Danske Spil, our local partner, remains the market leader.

As ever, there are a number of countries across the EU that are at various stages of transition in terms of their move to a regulatory framework for online gaming with several proposed regulations currently being considered. The exact details of such proposals and whether or not they can become law and when remains uncertain.

United States (New Jersey: 1% of net revenue in H1 2015)

New Jersey remains the largest regulated market in the US and during the first half of 2015 total gross gaming revenues grew by 14% to $72.0m. While casino revenues grew by 29%, poker revenues declined by 26% with the result that casino now represents approximately 82% of the total.

Elsewhere, in Pennsylvania, a bill containing very high tax rates and a large licensing fee, has attracted criticism from a number of operators who argue that such a regime would prove unworkable.

In California, while AB431 passed out of committee and also successfully was voted out of the Assembly Appropriations Committee, areas of disagreement remain on several issues including ‘bad actors’ as well as whether or not racetracks would be eligible to offer online poker.

In New York, an online poker bill has been introduced but is not expected to make much progress in the current legislative session. With a proposed 15% tax on gross gaming revenue, we are working with our partners to ensure that we are able to access this market should suitable legislation be enacted.

[2] http://www.arjel.fr/-Communiques-de-presse-.html
[3] https://www.ordenacionjuego.es/en/estudios-informes
[4] https://spillemyndigheden.dk/en/news/data-gambling-market-q2-2015

Glossary

'888'	888 Holdings plc
'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 labels'	Labels operated within the bwin segment including bwin and Gamebookers
'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 adjusted for exchange differences, reorganisation expenses, income or expenses that relate to exceptional items, and non-cash charges relating to impairments and share-based payments (see reconciliation of Clean EBITDA to operating profit/(loss) and reconciliation of Clean EPS to Basic EPS within this release)
'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
'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

'Games labels'	Labels operated within the Games segment including partycasino, partypoker, Foxy Bingo, Gioco Digitale and the Group's US B2C operations
'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
'gross gaming revenue' or 'GGR'	gross win added to rake
'Group' or 'bwin.party Group'	the Company and its consolidated subsidiaries and subsidiary undertakings
'GVC'	GVC Holdings PLC
'IAS'	International Accounting Standards
'IASB'	International Accounting Standards Board
'IFRS'	International Financial Reporting Standards
'InterTrader'	Our financial markets service, formerly known as PartyMarkets.com
'Kalixa'	The Group's payments business
'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
'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
'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 that was disposed of in June 2015
'yield per active player day'	net revenue in the period divided by the number of active player days in that period