

**GVC Holdings PLC**

("GVC" or the "Group")

**Interim Results**

GVC Holdings PLC (AIM:GVC), a leading online gaming company, today announces its interim results for the six months ended 30 June 2011.

**Interim Highlights**

- Betboo - rapid growth with Net Gaming Revenue ("NGR") up 140%
- 7% (€1.0 million) increase in revenue from core CasinoClub brand
- Group operating profit up 80% at €3.6 million
- Profit before tax increased to €2.5 million (H1-2010: €1.5 million)
- Interim dividend declared of 10€ cents (H1-2010: 10€ cents)
- Robust Q3 trading NGR 15% ahead of corresponding period last year

Commenting on the results, Kenneth Alexander, Chief Executive of GVC Holdings PLC, said:

"As previously announced, the Group is in discussions with Sportingbet PLC to acquire their Turkish language sportbook and gaming offering. In light of these discussions it would be inappropriate for GVC to comment on this potential transaction until it is either put to shareholders for their approval, or talks with Sportingbet cease.

"The Group's prospects are directly affected by the regulatory framework in the markets in which we operate and we continue to monitor regulatory developments closely. Trading remains encouraging against a backdrop of challenging economic conditions and we remain cautiously optimistic about our prospects for the rest of the year."

**- Ends -**

**For further information:**

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**About GVC Holdings PLC**

GVC Holdings is a leading online gaming company. The Group is incorporated in the Isle of Man and is licensed in Malta, and the Netherlands Antilles.

In December 2004, the shares of Gaming VC Holdings S.A., GVC's predecessor company, were admitted to the AIM market of the London Stock Exchange. The GVC Group has never transacted wagering activity by players in the US. Further information on the Group is available at [www.gamingvc.com](http://www.gamingvc.com).

## CHIEF EXECUTIVE'S STATEMENT

The Group's successes in H1-2011 include:

- Expansion of the Betboo brand as a result of increased marketing investment has seen Betboo NGR increase by 140% to €5.2 million (H1-2010: €2.2 million)
- Resilient performance by CasinoClub, the Group's core German casino with NGR increasing by 7% (€1.0 million) to €14.6 million (H1-2010: €13.6 million)
- Revision of the Betboo earn-out to spread the cash payments over a longer period
- Group operating profit up 80% to €3.6 million (H1-2010: €2.0 million)

As more fully reported in the Statement of the Group Finance Director, Group NGR increased 8% to €30.3 million (H1-2010: €28.0 million), and with the absence of exceptional costs experienced in H1-2010, operating profit at €3.6 million was 80% higher than H1-2010 (€2.0 million).

NGR per day	Q1-2010	Q2-2010	Q3-2010	Q4-2010	Q1-2011	Q2-2011	Q3-2011*
CasinoClub	79	73	68	82	82	80	81
Betaland	68	67	60	48	62	53	49
Betboo	10	14	18	16	24	34	45
	157	154	146	146	168	167	175

\*For the period from 1 July 2011 to 25 September 2011

### CasinoClub

The investments in marketing made by GVC over the last 18 months are bearing fruit, with revenue growing again, although at a lower contribution margin as more new business is being sourced through affiliates. Average daily revenues in H1-2011 were €81k (H1-2010: €76k, H2-2010: €75k). In the period from 1 July 2011 to 25 September 2011 average daily revenues were €81k (1 July 2010 to 25 September 2010: €70k).

### Betboo

GVC's emerging markets brand uses its own software for sports and Bingo and buys-in third-party software for casino and poker. An aggressive media campaign, including TV coverage, was launched in Q2-2011 in Brazil and the benefits of this are being seen with a significant increase in revenues. Average daily revenues in H1-2011 were €29k (H1-2010: €12k, H2-2010: €17k). In the period from 1 July 2011 to 25 September 2011 average daily revenues rose further to €45k. This represents a percentage increase of 150% compared to the corresponding period last year (1 July 2010 to 25 September 2010).

## **Betaland**

Despite the absence of the World Cup (summer 2010), Betaland continues to perform well generating average daily revenues in H1-2011 of €58k (H1-2010: €68k, H2-2010: €54k). In the period from 1 July 2011 to Sunday 25 September 2011, the average daily revenues were €49k (1 July 2010 to 25 September 2010: €64k which included the latter stages of the World Cup).

## **Outlook**

As shareholders will know, the Group is in discussions with Sportingbet PLC to acquire their Turkish language sportbook and gaming offering. In light of these discussions it would be inappropriate for GVC to comment on this potential transaction until it is either put to shareholders for their approval, or talks with Sportingbet cease.

The Group's prospects are directly affected by the regulatory framework in the markets in which we operate and we continue to monitor regulatory developments closely. Trading though remains encouraging against a backdrop of challenging economic conditions and we remain cautiously optimistic about our prospects for the rest of the year.

A dividend of 10€ cents per share will be paid on 4 November 2011 to shareholders on the register at the close of business on the record date of 7 October 2011. As has been normal practice, the dividend is declared in Euro and paid in Sterling. The foreign exchange transaction will take place in the week of 7 October 2011 and will be announced via the Group's website.

**Kenneth Alexander**

**Chief Executive**

29 September 2011

## GROUP FINANCE DIRECTOR'S STATEMENT

### Financial Highlights of H1

- Betboo - rapid growth with Net Gaming Revenue ("NGR") up 140%
- 7% (€1.0 million) increase in revenue from core CasinoClub brand
- Group operating profit up 80% at €3.6 million
- Profit before tax increased to €2.5 million (H1-2010: €1.5 million)
- Interim dividend declared of 10€ cents (H1-2010: 10€ cents)
- Robust Q3 trading NGR 15% ahead of corresponding period last year

### Summary of income statement

	<b>Six months ended 30 June 2011 €million</b>	Six months ended 30 June 2010 €million
Sports turnover	<b>49.3</b>	39.0
Group NGR	<b>30.3</b>	28.1
Contribution	<b>11.8</b>	11.7
Operating costs	<b>(6.6)</b>	(5.1)
Clean Ebitda	<b>5.2</b>	6.6
Exceptional items		
- Legal costs incurred on Boss dispute	<b>(0.2)</b>	(0.3)
- Other	<b>-</b>	(3.0)
Ebitda	<b>5.0</b>	3.3
Depreciation, amortisation, share option charges	<b>(1.4)</b>	(1.3)
Operating profit	<b>3.6</b>	2.0
Net financial expense	<b>(1.1)</b>	(0.5)
Profit before tax	<b>2.5</b>	1.5

The successful expansion of Betboo in South America and other emerging markets together with a recovery of revenues in our CasinoClub brand helped to offset the reduction in Betaland revenues which were boosted in 2010 by the FIFA World Cup.

### Group NGR

Betboo revenues increased by 140% to €5.2 million (H1-2010: €2.2 million) and CasinoClub revenues increased by 7% to €14.6 million (H1-2010: €13.7 million). In the case of Betaland, in the absence of the World Cup, sports turnover fell by 16% to €26.0 million, but a strong sports margin of 17% coupled with robust casino revenues saw NGR only fall by 14% to €10.5 million (H1-2010: €12.2 million).

## **Contribution**

The Group contribution margin fell slightly to 39% (H1-2010: 42%) reflecting planned marketing investments in both CasinoClub and Betboo.

## **Operating costs**

Operating costs (excluding non-cash items) increased by €1.5 million (30%) to €6.6 million, mainly as a result of resourcing up for the expansion of the Betboo brand.

## **EBITDA**

Clean EBITDA decreased to €5.2 million (H1-2010: €6.6 million) reflecting the lower contribution margin and increased operating costs as detailed above. In the absence of exceptional items (apart from some modest legal expenses incurred on the dispute with Boss Media), EBITDA increased by 56% to €4.8 million (H1-2010: €3.1 million).

The Group continues to incur legal costs as the dispute with Boss Media is continuing. These costs have been taken to the income statement as an exceptional item.

## **Net financial expense/Betboo earn-out**

The acquisition of Betboo in July 2009 carries with it deferred consideration. As announced in February this year, the terms of this earn-out, (capped at a maximum of US\$30 million) were changed to spread the payments over a longer period, from October 2012 to March 2015.

The change in the earn-out arrangements has resulted in some accounting changes too; the original assessment of the value of this business has increased from €12.1 million to €21.7 million; the deferred discount has changed from €4.1 million to €8.6 million; and therefore the charge in the income statement in the six months to June 2011 has increased from €0.5 million to €1.2 million. Ongoing, the charge for the current full year should be €2.4 million and €2.2 million for the full 2012 year.

## **Profits before tax**

Profits before taxation have increased by 65% to €2.5million (H1-2011, €1.5 million, with earnings per share up to 7.7 €cents per share (H1-2010 3.1 €cents)).

## Cash flow

Summary of movements in cash and cash equivalents

	<b>€million</b>
At 1 January 2011	<b>6.6</b>
Operating profit before non-cash items	<b>5.0</b>
Less: spent on property, plant and equipment and intangible fixed assets	<b>(1.0)</b>
Less: absorbed in working capital	<b>(1.7)</b>
Less: dividends	<b>(3.1)</b>
At 30 June 2011	<b>5.8</b>

Cash per share at 30 June 2011 was 12.1 €cents. As the business expands more of the Group's funds will be absorbed in to working capital including in particular payment processes. Since the period end, costs of around €0.7million have been incurred in professional fees associated with the potential acquisition of the Turkish language business of Sportingbet plc, and monthly payments of the Betboo earn-out have commenced.

**Richard Cooper**  
**Group Finance Director**  
29 September 2011

**CONSOLIDATED INCOME STATEMENT**  
For the six months ended 30 June 2011

	Notes	Six months ended 30 June 2011 (Unaudited) €000's	Six months ended 30 June 2010 (Unaudited) €000's	Year ended 31 Dec 2010 (Audited) €000's
<b>Net gaming revenue</b>	3	<b>30,282</b>	28,057	54,907
Cost of sales		<b>(5,936)</b>	(4,994)	(9,812)
<b>Gross profits</b>		<b>24,346</b>	23,063	45,095
Marketing and affiliate costs		<b>(12,517)</b>	(11,400)	(21,766)
<b>Contribution</b>	3	<b>11,829</b>	11,663	23,329
Operating costs (as below)	4	<b>(8,194)</b>	(9,648)	(18,171)
Other operating costs	4	<b>(6,613)</b>	(5,089)	(11,165)
Share option charges	4	<b>(225)</b>	(189)	(482)
Exceptional items	4	<b>(6,838)</b>	(5,278)	(11,647)
Depreciation and amortisation	4	<b>(189)</b>	(3,308)	(4,428)
		<b>(1,167)</b>	(1,062)	(2,096)
<b>Operating profit</b>		<b>3,635</b>	2,015	5,158
Financial income		<b>2</b>	5	8
Financial expense		<b>(1,150)</b>	(516)	(1,088)
<b>Profit before tax</b>		<b>2,487</b>	1,504	4,078
Taxation charge	5	<b>(83)</b>	(114)	(222)
<b>Profit after taxation from continuing operations</b>		<b>2,404</b>	1,390	3,856
Loss after taxation from discontinued operations		<b>-</b>	(410)	(411)
<b>Profit after tax</b>		<b>2,404</b>	980	3,445
<b>Earnings per share</b>		€	€	€
<b>Basic</b>				
Profit from continuing operations		0.077	0.044	0.124
Loss from discontinued operations		-	(0.013)	(0.013)
Total	6	<b>0.077</b>	0.031	0.111
<b>Diluted</b>				
Profit from continuing operations		0.076	0.042	0.121
Loss from discontinued operations		-	(0.012)	(0.013)
Total	6	<b>0.076</b>	0.030	0.108

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
For the six months ended 30 June 2011

	Six months ended 30 June 2011 (Unaudited) €000's	Six months ended 30 June 2010 (Unaudited) €000's	Year ended 31 Dec 2010 (Audited) €000's
Profit and total comprehensive income for the period	<b>2,404</b>	980	3,445

**CONSOLIDATED BALANCE SHEET**  
**As at 30 June 2011**

		<b>30 June 2011 (Unaudited) €000's</b>	30 June 2010 (Unaudited) €000's	31 Dec 2010 (Audited) €000's
	<b>Notes</b>			
<b>Assets</b>				
Property, plant and equipment		<b>229</b>	515	363
Intangible assets		<b>67,943</b>	63,165	62,927
Deferred tax asset		<b>38</b>	224	-
<b>Total non-current assets</b>		<b>68,210</b>	63,904	63,290
Receivables and prepayments	8	<b>7,311</b>	6,110	4,833
Income taxes reclaimable		<b>2,111</b>	847	1,356
Other tax reclaimable		<b>19</b>	-	19
Cash and cash equivalents	10	<b>5,799</b>	6,644	6,614
<b>Total current assets</b>		<b>15,240</b>	13,601	12,822
<b>Current liabilities</b>				
Trade and other payables	9	<b>(6,305)</b>	(7,318)	(5,469)
Income taxes payable		<b>(2,366)</b>	(1,128)	(1,525)
Other taxation liabilities		<b>(203)</b>	(151)	(264)
<b>Total current liabilities</b>		<b>(8,874)</b>	(8,597)	(7,258)
<b>Current assets less current liabilities</b>		<b>6,366</b>	5,004	5,564
<b>Long term liabilities</b>				
Deferred consideration on Betboo	7	<b>(12,375)</b>	(5,870)	(6,170)
<b>Total net assets</b>		<b>62,201</b>	63,038	62,684
<b>Capital and reserves</b>				
Issued share capital		<b>311</b>	311	311
Merger reserve		<b>40,407</b>	40,407	40,407
Retained earnings		<b>21,483</b>	22,320	21,966
<b>Total equity attributable to equity holders of the parent</b>		<b>62,201</b>	63,038	62,684

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2011**

**Attributable to equity holders of the parent company:**

	<b>Share Capital €000's</b>	<b>Merger Reserve €000's</b>	<b>Share Premium €000's</b>	<b>Retained Earnings €000's</b>	<b>Total €000's</b>
Balance at 1 January 2010	38,608	-	8,748	30,465	<b>77,821</b>
Transfer to merger reserve	(38,297)	55,975	(8,748)	(8,930)	-
Share option charges	-	-	-	188	<b>188</b>
Share options cancelled	-	-	-	(383)	<b>(383)</b>
Dividend paid	-	(15,568)	-	-	<b>(15,568)</b>
Transactions with owners	311	40,407	-	21,340	<b>62,058</b>
Profit and total comprehensive income	-	-	-	980	<b>980</b>
<b>Balance as at 30 June 2010</b>	<b>311</b>	<b>40,407</b>	<b>-</b>	<b>22,320</b>	<b>63,038</b>
Balance at 1 July 2010	311	40,407	-	22,320	<b>63,038</b>
Share option charges	-	-	-	294	<b>294</b>
Dividend paid	-	-	-	(3,113)	<b>(3,113)</b>
Transactions with owners	311	40,407	-	19,501	<b>60,219</b>
Profit and total comprehensive income	-	-	-	2,465	<b>2,465</b>
<b>Balance as at 31 December 2010</b>	<b>311</b>	<b>40,407</b>	<b>-</b>	<b>21,966</b>	<b>62,684</b>
Balance at 1 January 2011	311	40,407	-	21,966	<b>62,684</b>
Share option charges	-	-	-	225	<b>225</b>
Dividend paid	-	-	-	(3,112)	<b>(3,112)</b>
Transactions with owners	311	40,407	-	19,079	<b>59,797</b>
Profit and total comprehensive income	-	-	-	2,404	<b>2,404</b>
<b>Balance as at 31 December 2011</b>	<b>311</b>	<b>40,407</b>	<b>-</b>	<b>21,483</b>	<b>62,201</b>

All reserves of the Company are distributable, as under The Isle of Man Companies Act 2006 distributions are not governed by reserves but by the Directors undertaking an assessment of the Company's solvency.

**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**For the six months ended 30 June 2011**

	<b>Six months ended 30 June 2011 (Unaudited) €000's</b>	Six months ended 30 June 2010 (Unaudited) €000's	Year ended 31 Dec 2010 (Audited) €000's
<b>Cash flows from operating activities</b>			
Cash receipts from customers	<b>27,906</b>	27,363	53,771
Cash paid to suppliers and employees	<b>(24,579)</b>	(25,956)	(48,217)
Corporate taxes recovered	-	3,195	3,189
Corporate taxes paid	<b>(35)</b>	(2,674)	(2,664)
<b>Net cash from operating activities</b>	<b>3,292</b>	1,928	6,079
<b>Cash flows from investing activities</b>			
Interest received	<b>2</b>	5	8
Acquisition of business and earn out	-	-	(271)
Disposal of business	-	-	(411)
Acquisition of property, plant and equipment	<b>(81)</b>	(318)	(148)
Acquisition of intangible assets	<b>(915)</b>	(143)	(957)
<b>Net cash from investing activities</b>	<b>(994)</b>	(456)	(1,779)
<b>Cash flows from financing activities</b>			
Dividend paid	<b>(3,113)</b>	(15,568)	(18,681)
<b>Net cash from financing activities</b>	<b>(3,113)</b>	(15,568)	(18,681)
<b>Net decrease in cash and cash equivalents</b>	<b>(815)</b>	(14,096)	(14,381)
Cash and cash equivalents at beginning of the period	<b>6,614</b>	20,995	20,995
Effect of exchange rate fluctuations on cash held	-	(255)	-
<b>Cash and cash equivalents at end of the period</b>	<b>5,799</b>	6,644	6,614

## NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011

### 1. SIGNIFICANT ACCOUNTING POLICIES

GVC Holdings PLC is a company registered in The Isle of Man and was incorporated on 5 January 2010. It is the successor company of Gaming VC Holdings S.A. and took the assets of Gaming VC Holdings S.A. on 21 May 2010 after formal approval by the shareholders. As a consequence, the results of the Group for the year ended 31 December 2010 and the interim period ending 30 June 2010 comprise the results of Gaming VC Holdings S.A. GVC Holdings PLC has continued to apply the same accounting policies as Gaming VC Holdings S.A. The consolidated financial statements of the Group for the interim period ended 30 June 2011 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group's principal activities are that of operating online casinos, access to online poker rooms, online bingo, and online sports betting.

These interim condensed consolidated financial statements are for the six months ended 30 June 2011. They have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2010.

The comparative figures for the year ended 31 December 2010 are extracted from GVC Holdings PLC's consolidated financial statements, which are available on the company's website. An unmodified audit opinion was issued on these consolidated financial statements.

The financial statements are presented in the Euro, rounded to the nearest thousand. They are prepared on the historical cost basis.

These condensed interim consolidated financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual consolidated financial statements for the year ended 31 December 2010. The Directors have reviewed these accounting policies and consider that they remain applicable. The accounting policies have been applied consistently throughout the Group for the purposes of presentation of these condensed consolidated financial statements with the exception of Betboo and Emerging Markets, which both use the same software and platform so are now considered one segment.

### 2. ALTERNATIVE PRESENTATION OF CONSOLIDATED INCOME STATEMENT

To better aid shareholders and other interested parties, the Directors have prepared an alternative presentation of the Consolidated Income Statement. This is included below:

	Notes	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Sports revenue		5,938	4,728	8,712
Gaming revenue		24,344	23,329	46,195
<b>Net gaming revenue</b>	3	<b>30,282</b>	28,057	54,907
Cost of sales		(5,936)	(4,994)	(9,812)
<b>Gross profit</b>		<b>24,346</b>	23,063	45,095
Gross profit margin		80%	82%	82%
Marketing and affiliate costs		(12,517)	(11,400)	(21,766)
<b>Contribution</b>	3	<b>11,829</b>	11,663	23,329
Contribution margin		39%	42%	42%
<b>Operating costs</b>	4			
Staff costs		(3,616)	(2,547)	(5,677)
Professional fees		(437)	(446)	(884)
Technology costs		(397)	(252)	(667)

Office, travel, other		(745)	(604)	(1,363)
Third party service costs		(1,356)	(1,126)	(2,342)
Foreign exchange differences		(62)	(114)	(232)
		<b>(6,613)</b>	<b>(5,089)</b>	<b>(11,165)</b>
<b>Clean EBITDA</b>	3	<b>5,216</b>	6,574	12,164
Exceptional items	4	(189)	(3,308)	(4,428)
Share option charges	4	(225)	(189)	(482)
<b>EBITDA</b>		<b>4,802</b>	3,077	7,254
Depreciation	4	(215)	(215)	(459)
Amortisation	4	(952)	(847)	(1,637)
<b>Operating profit</b>		<b>3,635</b>	2,015	5,158
Financial income		2	5	8
Unwinding of discount on deferred consideration	7	(1,150)	(516)	(1,087)
Other financial expense		-	-	(1)
<b>Profit before tax</b>		<b>2,487</b>	1,504	4,078
Taxation charge	5	(83)	(114)	(222)
<b>Profit after tax from continuing operations</b>		<b>2,404</b>	1,390	3,856
Loss after taxation from discontinued operations		-	(410)	(411)
<b>Profit after tax</b>		<b>2,404</b>	980	3,445

### 3. SEGMENTAL REPORTING

Management currently identifies the Group's key brands as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segments operating results.

Management also monitors net gaming revenue ('NGR') by geographic location of its customers, monitoring performance by Europe and Latin America.

#### 3.1 Geographical Analysis

The Group's revenues from external customers are divided into the following geographic areas:

	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Europe	26,473	25,894	49,677
Latin America	3,809	2,163	5,230
<b>Total</b>	<b>30,282</b>	<b>28,057</b>	<b>54,907</b>

#### 3.2 NGR by Quarter

	CasinoClub €000's	Betaland €000's	Betboo €000's	Total €000's
Q1 - 09	7,945	6,540	-	14,485
Q2 - 09	6,991	4,221	-	11,212
Q3 - 09	7,084	3,581	1,126	11,791
Q4 - 09	7,415	6,191	1,054	14,660
<b>Total 2009</b>	<b>29,435</b>	<b>20,533</b>	<b>2,180</b>	<b>52,148</b>
Q1 - 10	7,078	6,125	933	14,136
Q2 - 10	6,601	6,090	1,230	13,921
Q3 - 10	6,241	5,563	1,621	13,425
Q4 - 10	7,530	4,449	1,446	13,425
<b>Total 2010</b>	<b>27,450</b>	<b>22,227</b>	<b>5,230</b>	<b>54,907</b>
Q1 - 11	7,357	5,623	2,134	15,114
Q2 - 11	7,275	4,832	3,061	15,168
<b>Total 2011</b>	<b>14,632</b>	<b>10,455</b>	<b>5,195</b>	<b>30,282</b>

### 3.3 Reporting by Segment

Six months ended 30 June 2011

	CasinoClub €000's	Betaland €000's	Betboo €000's	Central €000's	Total €000's
<b>Net gaming revenue</b>	<b>14,632</b>	<b>10,455</b>	<b>5,195</b>	-	<b>30,282</b>
Cost of sales	(3,038)	(1,608)	(1,290)	-	(5,936)
<b>Gross profit</b>	<b>11,594</b>	<b>8,847</b>	<b>3,905</b>	-	<b>24,346</b>
Marketing and affiliate costs	(4,224)	(6,567)	(1,726)	-	(12,517)
<b>Contribution</b>	<b>7,370</b>	<b>2,280</b>	<b>2,179</b>	-	<b>11,829</b>
<i>Contribution margin</i>	50%	22%	42%		
Operating costs	(1,518)	(1,301)	(2,268)	(1,526)	(6,613)
<b>Clean EBITDA</b>	<b>5,852</b>	<b>979</b>	<b>(89)</b>	<b>(1,526)</b>	<b>5,216</b>
<i>Clean EBITDA margin</i>	40%	9%	(2%)		
Exceptional items	(189)	-	-	-	(189)
Share option charges	-	-	-	(225)	(225)
<b>EBITDA</b>	<b>5,663</b>	<b>979</b>	<b>(89)</b>	<b>(1,751)</b>	<b>4,802</b>
Depreciation and amortisation	(297)	(123)	(747)	-	(1,167)
Financial income	-	2	-	-	2
Financial expense*	-	-	(1,150)	-	(1,150)
<b>Profit/(loss) before tax</b>	<b>5,366</b>	<b>858</b>	<b>(1,986)</b>	<b>(1,751)</b>	<b>2,487</b>
Taxation	(178)	(29)	66	58	(83)
<b>Profit/(loss) after tax from continuing operations</b>	<b>5,188</b>	<b>829</b>	<b>(1,920)</b>	<b>(1,693)</b>	<b>2,404</b>
<b>Total assets</b>	<b>57,948</b>	<b>5,029</b>	<b>14,649</b>	<b>5,823</b>	<b>83,449</b>

\* includes the unwinding of the discount on the deferred consideration arising from the acquisition of Betboo

Six months ended 30 June 2010

	CasinoClub €000's	Betaland €000's	Betboo €000's	Central €000's	Total €000's
Net gaming revenue	13,678	12,216	2,163	-	28,057
Cost of sales	(2,605)	(1,722)	(667)	-	(4,994)
Gross profit	11,073	10,494	1,496	-	23,063
Marketing and affiliate costs	(2,587)	(8,284)	(529)	-	(11,400)
Contribution	8,486	2,210	967	-	11,663
<i>Contribution margin</i>	62%	18%	45%		
Operating costs	(1,282)	(1,181)	(1,359)	(1,267)	(5,089)
Clean EBITDA	7,204	1,029	(392)	(1,267)	6,574
<i>Clean EBITDA margin</i>	53%	8%	(18%)		
Exceptional items	(403)	-	(157)	(2,748)	(3,308)
Share option charges	-	-	-	(189)	(189)
EBITDA	6,801	1,029	(549)	(4,204)	3,077
Depreciation and amortisation	(231)	(213)	(618)	-	(1,062)
Financial income	-	-	-	5	5
Financial expense*	-	-	(516)	-	(516)
Profit/(loss) before tax	6,570	816	(1,683)	(4,199)	1,504
Taxation	(498)	(62)	128	318	(114)
<b>Profit/(loss) after tax from continuing operations</b>	<b>6,072</b>	<b>754</b>	<b>(1,555)</b>	<b>(3,881)</b>	<b>1,390</b>
<b>Total assets</b>	<b>57,904</b>	<b>10,322</b>	<b>8,286</b>	<b>993</b>	<b>77,505</b>

\* includes the unwinding of the discount on the deferred consideration arising from the acquisition of Betboo

Year ended 31 December 2010

	CasinoClub €000's	Betaland €000's	Betboo €000's	Central €000's	Total €000's
Net gaming revenue	27,450	22,227	5,230	-	<b>54,907</b>
Cost of sales	(5,269)	(3,268)	(1,275)	-	<b>(9,812)</b>
Gross profit	22,181	18,959	3,955	-	<b>45,095</b>
Marketing and affiliate costs	(5,671)	(14,754)	(1,341)	-	<b>(21,766)</b>
Contribution	16,510	4,205	2,614	-	<b>23,329</b>
<i>Contribution margin</i>	60%	19%	50%		
Operating costs	(2,586)	(2,266)	(3,524)	(2,789)	<b>(11,165)</b>
Clean EBITDA	13,924	1,939	(910)	(2,789)	<b>12,164</b>
<i>Clean EBITDA margin</i>	51%	9%	(17%)		
Exceptional items	(1,021)	-	(202)	(3,205)	<b>(4,428)</b>
Share option charges	-	-	-	(482)	<b>(482)</b>
EBITDA	12,903	1,939	(1,112)	(6,476)	<b>7,254</b>
Depreciation and amortisation	(467)	(386)	(1,243)	-	<b>(2,096)</b>
Financial income	-	-	-	8	<b>8</b>
Financial expense*	-	-	(1,087)	(1)	<b>(1,088)</b>
Profit/(loss) before tax	12,436	1,553	(3,442)	(6,469)	<b>4,078</b>
Taxation	(691)	(82)	191	360	<b>(222)</b>
Profit/(loss) after tax from continuing operations	11,745	1,471	(3,251)	(6,109)	<b>3,856</b>
Total assets	57,781	4,392	7,700	6,239	<b>76,112</b>

\* includes the unwinding of the discount on the deferred consideration arising from the acquisition of Betboo

#### 4. OPERATING COSTS

	Notes	Six months ended 30 June 2011 (Unaudited) €000's	Six months ended 30 June 2010 (Unaudited) €000's	Year ended 31 Dec 2010 (Audited) €000's
Other operating costs	4.1	<b>6,838</b>	5,278	11,647
Exceptional items	4.2	<b>189</b>	3,308	4,428
Depreciation		<b>215</b>	215	459
Amortisation		<b>952</b>	847	1,637
		<b>8,194</b>	9,648	18,171

##### 4.1 Other Operating Costs

	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Other personnel expenditure (excluding share option charges)	<b>3,616</b>	2,547	5,677
Share option charges	<b>225</b>	189	482
Total personnel expenditure	<b>3,841</b>	2,736	6,159
Professional fees	<b>437</b>	446	884
Technology costs	<b>397</b>	252	667
Office, travel and other costs	<b>745</b>	604	1,363
Third party service costs (provided to Betboo by external providers)	<b>1,356</b>	1,126	2,342
Foreign exchange differences	<b>62</b>	114	232
	<b>6,838</b>	5,278	11,647

## 4.2 Exceptional Items

The Group incurred expenditure on exceptional items. These are items which are both exceptional in size and nature.

	<b>Six months ended 30 June 2011</b>	Six months ended 30 June 2010	Year ended 31 Dec 2010
	€000's	€000's	€000's
Legal fees arising on dispute with Boss Media	189	266	626
Re-domiciliation & other restructuring	-	1,171	1,628
Options cancelled	-	450	450
LTIP and similar compensation	-	1,127	1,127
Software costs	-	294	339
Abnormal individual jackpot win	-	-	258
	<b>189</b>	<b>3,308</b>	<b>4,428</b>

## 5. TAXATION

	<b>Six months ended 30 June 2011</b>	Six months ended 30 June 2010	Year ended 31 Dec 2010
	€000's	€000's	€000's
<b>Current tax expense</b>			
Current period	121	285	169
<b>Deferred tax</b>			
Origination and reversal of temporary differences	(38)	(171)	53
Total income tax expense in income statement	<b>83</b>	<b>114</b>	<b>222</b>

## 6. EARNINGS PER SHARE

### 6.1 Basic Earnings Per Share and Basic Earnings Per Share Before Exceptional Items

Basic earnings per share has been calculated by taking the profit attributable to ordinary shareholders and dividing by the weighted average number of shares in issue. Basic earnings per share from continuing operations before exceptional items has been calculated by taking the profit attributable to ordinary shareholders and adding back the cost of exceptional items in the period and dividing by the weighted average number of shares in issue.

	<b>Six months ended 30 June 2011</b>	Six months ended 30 June 2010	Year ended 31 Dec 2010
Profit for the period from continuing operations attributable to ordinary shareholders	<b>2,404,000</b>	1,390,000	3,856,000
Loss for the period from discontinued operations attributable to ordinary shareholders	-	(410,000)	(411,000)
Profit for the period attributable to ordinary shareholders	<b>2,404,000</b>	980,000	3,445,000
Weighted average number of shares	<b>31,135,762</b>	31,135,762	31,135,762
Profit from continuing operations (in €)	<b>0.077</b>	0.044	0.124
Loss from discontinuing operations (in €)	-	(0.013)	(0.013)
<b>Basic earnings per share (in €)</b>	<b>0.077</b>	<b>0.031</b>	<b>0.111</b>
Exceptional items	<b>189,000</b>	3,308,000	4,428,000
Profit for the period from continuing operations attributable to ordinary shareholders before exceptional items	<b>2,593,000</b>	4,698,000	8,284,000
<b>Basic earnings per share from continuing operations before exceptional items (in €)</b>	<b>0.083</b>	<b>0.151</b>	<b>0.266</b>

## 6.2 Diluted Earnings Per Share and Diluted Earnings Per Share Before Exceptional Items

Diluted earnings per share has been calculated by taking the profit attributable to ordinary shareholders and dividing by the weighted average number of shares in issue as diluted by share options. Diluted earnings per share from continuing operations before exceptional items has been calculated by taking the profit attributable to ordinary shareholders and adding back the cost of exceptional items and dividing by the weighted average number of shares in issue, as diluted by share options.

	<b>Six months ended 30 June 2011</b>	Six months ended 30 June 2010	Year ended 31 Dec 2010
Profit for the period from continuing operations attributable to ordinary shareholders	<b>2,404,000</b>	1,390,000	3,856,000
Loss for the period from discontinued operations attributable to ordinary shareholders	-	(410,000)	(411,000)
Profit for the period attributable to ordinary shareholders	<b>2,404,000</b>	980,000	3,445,000
Weighted average number of shares	<b>31,135,762</b>	31,135,762	31,135,762
Effect of dilutive share options	<b>498,633</b>	1,779,590	703,076
Weighted average number of dilutive shares	<b>31,634,395</b>	32,915,352	31,838,838
Profit from continuing operations (in €)	<b>0.076</b>	0.042	0.121
Loss from discontinuing operations (in €)	-	(0.012)	(0.013)
<b>Diluted earnings per share (in €)</b>	<b>0.076</b>	0.030	0.108
Exceptional items	<b>189,000</b>	3,308,000	4,428,000
Profit for the period from continuing operations attributable to ordinary shareholders before exceptional items	<b>2,593,000</b>	4,698,000	8,284,000
<b>Diluted earnings per share from continuing operations before exceptional items (in €)</b>	<b>0.082</b>	0.143	0.260

## 7. ACQUISITION OF BETBOO (revised earn out)

On 2 July 2009, the Group acquired the trade and assets of betboo.com, a leading South American internet gaming operator, offering, bingo, casino, poker and a sports betting product.

The terms of the acquisition were an upfront payment of US\$4 million (€3,040k) with the sellers able to earn up to a further US\$26 million depending on performance, being the sum of: one times the post tax profits for the year ended 30 June 2010; plus one times the post tax profits for the year ended 30 June 2011; and five times the post tax profits for the year ended 30 June 2012, subject to a maximum total consideration, including the initial consideration, of US\$30 million.

On 23 February 2011, the Group announced a change in the terms of the earn out. Under the new arrangements:

- From 1 July 2011 there will be 36 monthly payments of \$156,944.
- From 31 January 2012, there will be four annual payments equal to 25% of the Betboo NGR earned in the previous fiscal year.
- The total earn out cap remains at \$30 million.
- The exchange rate between the US Dollar and Euro has been fixed at 1 Euro = US\$ 1.4031.

Management originally estimated the deferred consideration payable to be €8,963k, and the discount to be €4,076k, resulting in the discounted value being €4,887k. The revised earn out results in the total deferred consideration increasing to €18,530k and the discount to €8,588k resulting in the new discounted value being €9,942.

The fair value of the revised earn out has been estimated using cash flow projections for the 4 years to 31 December 2014, and discounted using the estimated weighted average cost of capital of 21%.

The fair values of the intangible assets acquired in the transaction and the impact of the revised earn out, including the tax amortisation benefit, and their useful economic lives are as follows:

	Year ended 31 Dec 2010 €000's	Impact of the revised earn out €000's	Six months ended 30 June 2011 €000's
<b>Acquisition price of Betboo</b>			
- Initial consideration	3,040	-	3,040
- Acquisition costs	100	-	100
- Deferred consideration	8,963	9,567	18,530
Fair Value	12,103	9,567	21,670
Discount	(4,076)	(4,512)	(8,588)
<b>Net</b>	<b>8,027</b>	<b>5,055</b>	<b>13,082</b>

<b>Assets acquired at fair values</b>	Useful economic life			
- Trade name	4 years	696	-	696
- Customer list	4 years	1,704	-	1,704
- Software	4 years	2,455	-	2,455
- Goodwill	Indefinite	3,278	5,055	8,333
		8,133	5,055	13,188
Net current liabilities		(106)	-	(106)
<b>Net</b>		<b>8,027</b>	<b>5,055</b>	<b>13,082</b>

<b>Deferred consideration</b>			
Fair value of deferred consideration	(4,887)	(5,055)	(9,942)
Unwinding of discount charged to income statement (balance)	(1,554)	-	(2,704)
Advance of deferred consideration	271	-	271
<b>Net</b>	<b>(6,170)</b>	<b>(5,055)</b>	<b>(12,375)</b>

<b>Profit and loss account</b>			
Unwinding of discount - charge for the period	1,087	-	1,150
	1,087	-	1,150

## 8. RECEIVABLES AND PREPAYMENTS

	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Payment processor retention balances	677	799	863
Trade receivables	2,225	3,354	1,791
Other receivables	1,498	589	1,215
Loans and receivables	4,400	4,742	3,869
Prepayments	2,911	1,368	964
	<b>7,311</b>	<b>6,110</b>	<b>4,833</b>

Payment processor retention balances are funds held by third party collection agencies; these are recovered over a six month period.

## 9. TRADE AND OTHER PAYABLES

	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Balances with customers	2,041	2,302	1,679
Other trade payables	2,240	1,982	1,747
Total trade payables	4,281	4,284	3,426
Accruals	2,024	3,034	2,043
	<b>6,305</b>	<b>7,318</b>	<b>5,469</b>

## 10. CASH AND CASH EQUIVALENTS

	<b>Six months ended 30 June 2011 €000's</b>	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
<b>Cash and cash equivalents</b>			
Bank balances	<b>3,284</b>	5,009	4,875
Free balances at payment processors	<b>2,515</b>	1,635	1,739
	<b>5,799</b>	6,644	6,614
<b>Comprising:</b>			
Own funds	<b>3,758</b>	4,342	4,935
Customer balances (note 9)	<b>2,041</b>	2,302	1,679
	<b>5,799</b>	6,644	6,614
Amount per share represented by own funds (in €)	<b>0.121</b>	0.139	0.159

## 11. SUBSEQUENT EVENTS

Since the period end, costs of around €0.7 million have been incurred in professional fees associated with the potential acquisition of the Turkish language business of Sportingbet plc, and monthly payments of the Betboo earn-out have commenced.

There have been no other subsequent events between 30 June 2011 and the date of the signing of these accounts that merit inclusion.

- Ends -