



Press Release

22 September 2014

GVC Holdings PLC

(“GVC” or the “Group”)

Interim Results and Q3 Trading Update

GVC Holdings PLC (AIM:GVC), the multinational sports betting and gaming group, today announces its Interim Results for the six-months ended 30 June 2014 together with its quarterly dividend and a special dividend.

Dividend

- Quarterly dividend of 12.5 €cents (2013: 10.5 €cents)
- Additional special dividend of 2.5 €cents (2013: nil)
- Total quarterly dividend is 15 €cents, up 43% on same quarter last year (2013: 10.5 €cents)
- Cumulative dividends payable in calendar year 2014, 55 €cents. Total up 96% over prior year (2013: 28 €cents)

Financial highlights

- Wagers up 38% to €694 million (H1-2013: €502 million)
- Sports margin 9.9% (H1-2013: 10.3%)
- Net Gaming Revenue (“NGR”) up 44% to €105 million (H1-2013: €73 million)
- Contribution up 25% to €57 million (H1-2013: €46 million)
- Clean EBITDA up 26% to €22.4 million (H1-2013: €17.8 million)
- Strong start to Q3-2014: trading per day, at €628k is 20% higher than Q3-2013 (€523k)

Operational metrics

- A leading operator of in-play markets with over 4,000 concurrent markets
- A market leading sports-trading team generating 10% margin
- Current number of active customers up 22% on prior year
- New depositing customers, 56k in Q3-2014, up 30% on Q3-2013

- Deposits up 22% on Q3-2013
- Enhancement of mobile product and sportsbook planned for 2015
- In-play generating 70% of sports gross margin
- Mobile generating 22% of sportsbook revenues

Commenting on the results, Kenneth Alexander, Chief Executive of GVC Holdings plc, said: "GVC operates in numerous markets in both casino and sports betting and as a group is well diversified and highly cash generative. GVC is now in a very strong position with exciting growth prospects as we continue to develop our market leading in-house sportsbook and mobile platform. The Group remains highly confident for the outcome of this current financial year and this confidence is reflected in the enhanced dividend that we have announced today."

- Ends -

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About GVC Holdings PLC

GVC Holdings PLC is a multinational sports betting and gaming group. Its core brands are CasinoClub, Betboo and Sportingbet. The Group has over 600 employees and is headquartered in the Isle of Man and is licensed in Malta, Germany, Denmark, UK, South Africa, Italy, Alderney and the Dutch Caribbean.

Further information on the Group is available at www.gvc-plc.com

Chief Executive's Report

The Group has had an excellent 2014 so far, with a very strong performance during the World Cup, which has built on the success of the complete restructuring of the Sportingbet business that GVC acquired in 2013.

The Board is delighted to announce today a second special dividend in this year, this time allowing our shareholders to participate in GVC's successful World Cup performance during which, customer acquisition accelerated, sports margins were strong and systems proved very robust.

During 2014 the Group has declared a dividend of 11.5 €cents per share ("€cps") in January 2014, 16.0 (12.5+3.5) €cps in April 2014, 12.5 €cps in July 2014 and now 15 €cps (12.5+2.5) in September 2014, bringing the total dividend declarations to 55 €cps for the year to date, and being 96% higher than in 2013 despite an additional 30 million shares in issue.

GVC's commitment to highly cash generative markets does not however come at the expense of investing in the future. GVC will continue to invest and develop its in-house sportsbook and mobile technology to maximise the Group's growth prospects and generate the cash crucial to its aggressive dividend policy.

The Group's Latam business continues to grow impressively and remains the market leader in Latam for sports betting. Furthermore, the Group demonstrated its commitment to widening its geographical offering by the 15% investment in the Scandinavian start-up venture, Betit, who in the short space of time since its launch has captured meaningful market share in the Scandinavian online casino market across its brands.

GVC's relentless focus on the customer journey is applied across all markets and the Group's customer facing teams are incentivised to deliver a positive experience to our customers.

| KPI summary €000's | Sports wagers per day | Sports NGR per day | Gaming NGR per day | Total NGR per day |
|-------------------------------|--------------------------|-----------------------|-----------------------|----------------------|
| Q1-2013 | 1,894 | 209 | 185 | 394 |
| Q2-2013 | 3,637 | 275 | 273 | 548 |
| H1-2013 | 2,771 | 242 | 229 | 472 |
| Q3-2013 | 3,335 | 267 | 256 | 523 |
| Q4-2013 | 3,926 | 244 | 285 | 529 |
| H2-2013 | 3,631 | 255 | 271 | 526 |

| | | | | |
|---------------------|--------------|------------|------------|------------|
| Q1-2014 | 3,765 | 278 | 281 | 559 |
| Q2-2014 | 3,907 | 296 | 306 | 602 |
| H1-2014 | 3,836 | 287 | 293 | 580 |
| YoY increase | 38.4% | 19% | 27% | 23% |
| Q3-2014* | 3,894 | 325 | 303 | 628 |
| YoY increase | 17% | 22% | 18% | 20% |

* to midnight Thursday 18 September 2014

¶ based on pro-forma revenues

Both sports wagers and NGR per day have increased quarter on quarter and NGR per day is now averaging €628k.

The relative mix between sports NGR and other revenues has remained relatively static at just under 50% (H1-2013: 51%; H2-2013: 49%), but in-play now amounts to 70% of wagering, and mobile was around 22% up from a low base of 8% in H1-2013 before GVC started investing in it.

Operationally, current trading across all measures is at least 20% higher than in 2013:

- Deposit values were up 22% in Q3-2013;
- Active and new depositing customers were up 30% on the same period last year.

Platform ability

Under GVC's tenure, the Sportsbook platform has been developed to give significantly greater latency, response time and volume capability. In the last quarter the uptime has been 99.999%, handling over 4,000 concurrent events, more than 100% higher than the same period in 2013. The number of sports bets placed per day during Q2-2014 averaged 212,000 up 27% on Q2-2013 which averaged 167,000.

Dividend

The quarterly and special dividend totalling 15 €cent per share will be payable on Monday 3 November 2014 to shareholders on the register ("the record date") on Friday 10 October 2014. The shares will go "ex-dividend" on Thursday 9 October 2014.

Outlook

The Board remains highly confident for 2014 and this confidence is expressed in the enhanced dividend declared today. We look forward to providing further trading updates in December 2014 and January 2015.

Kenneth Alexander**Chief Executive**

22 September 2014

Group Finance Director's Report

I start my report by summarising the business model of the Group and expressing this into "figures per day." This accords with our preferred KPI disclosures. Section 2 of my report summarises the primary Financial Statements along with a short explanation behind material movements in the figures.

SECTION 1: Summary of business model based upon H1-2014

(Subject to roundings)

| €000's | Total | Per Day H1-2014 |
|---------------------------------------|---------------|--------------------|
| Wagers per day | 694,320 | 3,836 |
| Sports margin % | 9.9% | - |
| Gross margin | 68,744 | 380 |
| Add-on revenue less all bonuses | <u>21,187</u> | <u>116</u> |
| Sportsbook revenue | 89,931 | 496 |
| CasinoClub revenue | <u>15,135</u> | <u>84</u> |
| Total revenue | 105,066 | 580 |
| EBITDA margin | <u>21.3%</u> | <u>-</u> |
| EBITDA | 22,355 | |
| Non-P&L outflows* | (4,040) | |
| Net cashflow available for other uses | <u>18,315</u> | |
| Dividends paid in period | 16,755 | |
| % of available cashflow distributed | 91% | |

*the principal component of this were funds paid in pursuance of the Betboo earn-out

SECTION 2: Summary of financial disclosures

(In € millions)

| | H1-2014 | H1-2013 |
|--|----------------|----------------|
| INCOME STATEMENT EXTRACTS | | |
| Sports wagers | 694.3 | 501.5 |
| Pro-forma revenue | 105.1 | 85.3 |
| Total revenue | 105.1 | 73.2 |
| Contribution | 56.7 | 45.6 |
| Other operating costs | (34.3) | (27.8) |
| Clean EBITDA | 22.4 | 17.8 |
| Non-cash operating costs | (1.9) | (2.0) |
| Exceptional items | - | (13.8) |
| Financial income | 0.0 | 0.8 |
| Financial expense | (0.9) | (0.9) |
| Profit before tax | 19.6 | 1.9 |
| Key ratios | | |
| <i>Contribution margin (contribution/pro-forma revenue)</i> | <i>54.0%</i> | <i>53.4%</i> |
| <i>Clean EBITDA margin (clean EBITDA/proforma revenue)</i> | <i>21.3%</i> | <i>20.9%</i> |
| BALANCE SHEET EXTRACTS | 30.6.14 | 30.6.13 |
| Non-current assets | 156.9 | 152.5 |
| Net current assets before loans and leases | 1.4 | 7.6 |
| Loan from William Hill | (8.1) | (7.3) |
| Finance leases | (1.7) | - |
| Betboo deferred consideration | (4.8) | (10.6) |
| Total net assets | 143.7 | 142.2 |
| CASHFLOW EXTRACTS | H1-2014 | H1-2013 |
| Clean EBITDA | 22.4 | 17.8 |
| Exceptional items, contribution and costs relating to the acquisition of Sportingbet | - | (13.8) |
| Contribution from William Hill to the acquisition of Sportingbet | - | 42.6 |
| Loan from William Hill | - | 8.0 |
| Working capital movements including liabilities pursuant to the acquisition | (0.8) | (28.3) |
| Betboo earn-out payments | (3.1) | (2.5) |
| Purchase of non-current assets | (0.2) | - |
| Trade investment in Betit (including costs) | (3.6) | - |
| Finance lease payments | (0.5) | - |
| Net corporate tax payments | (0.2) | (0.1) |
| Share option subscriptions | - | 0.2 |
| Cash at start of period | 18.8 | 6.6 |
| Dividends | (16.8) | (2.2) |
| Cash at end of period | 16.0 | 28.3 |

Group revenues at €105.1 million were 43.6% ahead of the same period last year.

Contribution at €56.7 million rose by 24.5%. The **contribution margin** was 54%. This reflects the investments made ahead of and during the World Cup, particularly in Latin America where the Group raised marketing expenditure by €4.5 million in this one region alone.

Clean EBITDA rose €4.6 million, 25.6% or 7.5 ¢cents per share to €22.4 million.

Non-cash items of operating expenditure (share option charges, depreciation and amortisation) fell to €1.9 million from €2.0 million.

Exceptional items H1-2014: €zero. H1-2013 reflected restructuring costs following the Sportingbet acquisition.

Financial income. The credit in H1-2013 is attributable to a one-off imputed interest credit on the interest-free loan from William Hill, drawn-down in H1-2013. It is a non-cash item.

Net current assets before betting tax accruals and loan instruments, have fallen due a higher value of dividend paid during the period (€16.8 million in H1-2014 compared to €2.2 million in H1-2013).

Betting tax accruals have naturally increased substantially as GVC is paying betting taxes in six markets, where local taxes are levied.

William Hill loan. This has remained static in underlying terms, but a strengthening in GBP since 30 June 2014 (1.25, up from 1.17 at 30 June 2013) has increased the liability as measured in Euros.

Cashflow. The key points on the Group's cashflow are:

- 15% stake in Betit, €3.5 million plus associated costs
- A modest amount repayable to finance lease houses (€0.5 million; H1-2012 €nil) in furtherance to acquisitions of computer hardware for the Group's growing data centers.
- Continuation of working capital absorption as the Group grows.

Share capital

The Group issued 216,513 shares to employees and consultants between 30 June 2013 and 30 June 2014. On 1 July 2014, a further 343,053 shares were issued to third parties following their underwriting commitments pursuant to the Sportingbet acquisition in 2013.

As announced on 2 June 2014, the Company granted a total of 3,100,000 nil cost share options; 2,100,000 to directors and 1,000,000 to senior executives. The awards will vest in full and become exercisable on the share price being equal to or exceeding £6.00 per share for a continuous period of 90 calendar days at any time from 30 May 2014.

During H1-2014, 26,667 share options at an exercise price of €1.26 were exercised and the resulting cash receipt was translated into Euros as €41,187 which when rounded is reported in the above analysis as €0.0k.

Richard Cooper

Group Finance Director

22 September 2014

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2014

| | Notes | Six months ended 30 June 2014 (Unaudited) €000's | Six months ended 30 June 2013* (Unaudited) €000's | Year ended 31 Dec 2013* (Audited) €000's |
|-------------------------------|-------|--|---|--|
| Revenue | 2 | 105,066 | 73,182 | 169,959 |
| Variable costs | | (48,344) | (27,632) | (67,328) |
| Contribution | 2 | 56,722 | 45,550 | 102,631 |
| Operating costs | 3 | (36,263) | (43,542) | (88,513) |
| Analysed as: | | | | |
| Other operating costs | 3 | (34,367) | (27,750) | (64,332) |
| Share based payments | | (124) | (224) | (730) |
| Exceptional items | 3.1 | - | (13,797) | (19,711) |
| Depreciation and amortisation | | (1,772) | (1,771) | (3,740) |
| Operating profit | | 20,459 | 2,008 | 14,118 |
| Financial income | | 8 | 785 | 813 |
| Financial expense | | (855) | (934) | (1,917) |
| Profit before tax | | 19,612 | 1,859 | 13,014 |
| Taxation charge | 5 | (447) | (316) | (711) |
| Profit after tax | | 19,165 | 1,543 | 12,303 |
| Earnings per share | | € | € | € |
| Basic | | | | |
| Total | 6 | 0.315 | 0.032 | 0.225 |
| Diluted | | | | |
| Total | 6 | 0.291 | 0.031 | 0.220 |

*restated – see note 13 for details

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2014

| | | Six months ended 30 June 2014 (Unaudited) €000's | Six months ended 30 June 2013 (Unaudited) €000's | Year ended 31 Dec 2013 (Audited) €000's |
|---|--|--|--|---|
| Profit for the period | | 19,165 | 1,543 | 12,303 |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Exchange differences on translation of foreign operations | | - | 123 | 359 |
| Profit and total comprehensive income for the period | | 19,165 | 1,666 | 12,662 |

CONSOLIDATED BALANCE SHEET

As at 30 June 2014

| | | 30 June 2014 (Unaudited) €000's | 30 June 2013* (Unaudited) €000's | 31 Dec 2013 (Audited) €000's |
|--|----|--|---|---------------------------------------|
| Assets | | | | |
| Property, plant and equipment | | 864 | 649 | 918 |
| Intangible assets | | 152,360 | 151,874 | 153,850 |
| Investments | 12 | 3,649 | - | - |
| Total non-current assets | | 156,873 | 152,523 | 154,768 |
| Receivables and prepayments | 7 | 24,237 | 23,527 | 23,579 |
| Income taxes reclaimable | | 3,881 | 1,582 | 1,877 |
| Other tax reclaimable | | 201 | - | 306 |
| Cash and cash equivalents | 8 | 15,995 | 28,298 | 18,808 |
| Total current assets | | 44,314 | 53,407 | 44,570 |
| Current liabilities | | | | |
| Trade and other payables | 9 | (26,225) | (28,968) | (24,089) |
| Balances with customers | | (13,060) | (13,807) | (13,298) |
| Income taxes payable | | (4,946) | (2,351) | (2,722) |
| Other taxation liabilities | | (2,344) | (671) | (4,182) |
| Total current liabilities | | (46,575) | (45,797) | (44,291) |
| Current assets less current liabilities | | (2,261) | 7,610 | 279 |
| Long term liabilities | | | | |
| Interest bearing loans and borrowings | | (747) | - | (1,221) |
| Non-interest bearing loan | 10 | (5,352) | (7,306) | (5,148) |
| Deferred consideration on Betboo | | (4,842) | (10,601) | (7,582) |
| Total net assets | | 143,671 | 142,226 | 141,096 |
| Capital and reserves | | | | |
| Issued share capital | 11 | 609 | 607 | 609 |
| Merger reserve | | 40,407 | 40,407 | 40,407 |
| Share premium | | 84,571 | 84,397 | 84,530 |
| Translation reserve | | 359 | 123 | 359 |
| Retained earnings | | 17,725 | 16,692 | 15,191 |
| Total equity attributable to equity holders of the parent | | 143,671 | 142,226 | 141,096 |

*restated – see note 13 for details

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2014

Attributable to equity holders of the parent company:

| | Share Capital €000's | Merger Reserve €000's | Share Premium €000's | Translation reserve €000's | Retained Earnings €000's | Total €000's |
|--|----------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------------|-------------------------|
| Balance at 1 January 2013 | 316 | 40,407 | 611 | - | 17,137 | 58,471 |
| Share option charges | - | - | - | - | 230 | 230 |
| Lapsed share options | - | - | - | - | (6) | (6) |
| Share options exercised | 1 | - | 158 | - | - | 159 |
| Issue of share capital for the acquisition of Sportingbet PLC | 290 | - | 83,628 | - | - | 83,918 |
| Dividend paid | - | - | - | - | (2,212) | (2,212) |
| Transactions with owners | 291 | - | 83,786 | - | (1,988) | 82,089 |
| Profit and total comprehensive income | - | - | - | 123 | 1,543 | 1,666 |
| Balance as at 30 June 2013 | 607 | 40,407 | 84,397 | 123 | 16,692 | 142,226 |
| Balance at 1 July 2013 | 607 | 40,407 | 84,397 | 123 | 16,692 | 142,226 |
| Share option charges | - | - | - | - | 506 | 506 |
| Share options exercised | 2 | - | 133 | - | - | 135 |
| Dividend paid | - | - | - | - | (12,767) | (12,767) |
| Transactions with owners | 2 | - | 133 | - | (12,261) | (12,126) |
| Profit and total comprehensive income | - | - | - | 236 | 10,760 | 10,996 |
| Balance as at 31 December 2013 | 609 | 40,407 | 84,530 | 359 | 15,191 | 141,096 |
| Balance at 1 January 2014 | 609 | 40,407 | 84,530 | 359 | 15,191 | 141,096 |
| Share option charges | - | - | - | - | 124 | 124 |
| Share options exercised | - | - | 41 | - | - | 41 |
| Dividend paid | - | - | - | - | (16,755) | (16,755) |
| Transactions with owners | - | - | 41 | - | (16,631) | (16,590) |
| Profit and total comprehensive income | - | - | - | - | 19,165 | 19,165 |
| Balance as at 30 June 2014 | 609 | 40,407 | 84,571 | 359 | 17,725 | 143,671 |

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 at the time of distribution.

CONSOLIDATED STATEMENT OF CASHFLOWS

for the six months ended 30 June 2014

| | Six months ended 30 June 2014 (Unaudited) €000's | Six months ended 30 June 2013 (Unaudited) €000's | Year ended 31 Dec 2013 (Audited) €000's |
|---|---|---|--|
| Cash flows from operating activities | | | |
| Cash receipts from customers | 106,316 | 85,022 | 173,885 |
| Cash paid to suppliers and employees | (84,685) | (100,106) | (181,592) |
| Corporate taxes recovered | - | - | 1,143 |
| Corporate taxes paid | (220) | (89) | (1,580) |
| Net cash from operating activities | 21,411 | (15,173) | (8,144) |
| Cash flows from investing activities | | | |
| Interest received | 8 | 5 | 33 |
| Acquisition earn-out payments | (3,140) | (2,541) | (6,378) |
| Investment in Betit (note 12) | (3,649) | - | - |
| Acquisition of Sportingbet (note 12.2) | - | 64,792 | 64,755 |
| Non-interest bearing loan | - | 8,020 | 8,020 |
| Acquisition of property, plant and equipment | (229) | - | (37) |
| Acquisition of intangible assets | - | - | (4) |
| Net cash from investing activities | (7,010) | 70,276 | 66,389 |
| Cash flows from financing activities | | | |
| Proceeds from issue of share capital | 41 | 159 | 294 |
| Repayment of borrowings (note 12.2) | - | (31,384) | (31,384) |
| Finance lease payments | (500) | - | - |
| Dividend paid | (16,755) | (2,212) | (14,979) |
| Net cash from financing activities | (17,214) | (33,437) | (46,069) |
| Net (decrease)/increase in cash and cash equivalents | (2,813) | 21,666 | 12,176 |
| Cash and cash equivalents at beginning of the period | 18,808 | 6,632 | 6,632 |
| Cash and cash equivalents at end of the period | 15,995 | 28,298 | 18,808 |

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2014

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. (incorporated on 30 November 2004 and listed on AIM on 21 December 2004) and took the assets of Gaming VC Holdings S.A. on 21 May 2010 after the formal approval by shareholders to re-domicile the Group. The consolidated financial statements of the Group for the interim period ended 30 June 2014 comprise the Company and its subsidiaries (together referred to as the 'Group').

These interim condensed consolidated financial statements are for the six months ended 30 June 2014. 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 2013.

The comparative figures for the year ended 31 December 2013 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.

2. Reporting by Segment and detail of Income and Expenditure Account

Six months ended 30 June 2014

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|------------------------------------|---|---|---|
| STATEMENT OF TURNOVER | | | |
| Sports wagers | 694,320 | 501,481 | 1,169,505 |
| <i>Sports margin</i> | 9.9% | 10.3% | 9.6% |
| Gross margin | 68,744 | 51,664 | 112,081 |
| Sports NGR | 52,034 | 43,858 | 90,823 |
| Gaming NGR | 53,032 | 41,490 | 91,302 |
| | 105,066 | 85,348 | 182,125 |
| Revenue recognised by GVC | 105,066 | 73,182 | 169,959 |
| Revenue recognised by B2B partners | - | 12,166 | 12,166 |
| | 105,066 | 85,348 | 182,125 |
| SEGMENTAL REPORTING | | | |
| Total revenue (notes 2.2) | 105,066 | 73,182 | 169,959 |
| Variable costs | (48,344) | (27,632) | (67,328) |
| Contribution | 56,722 | 45,550 | 102,631 |
| <i>Contribution margin</i> | 54% | 62% | 60% |
| Other operating costs (note 3) | | | |
| Personnel expenditure | (20,667) | (14,441) | (32,507) |
| Costs other than personnel | (13,660) | (12,840) | (29,891) |
| Sub-total of costs | (34,327) | (27,281) | (62,398) |
| Foreign exchange differences | (40) | (469) | (1,934) |
| Clean EBITDA | 22,355 | 17,800 | 38,299 |
| Exceptional items | - | (13,797) | (19,711) |
| Share option charges | (124) | (224) | (730) |
| EBITDA | 22,231 | 3,779 | 17,858 |
| Depreciation and amortisation | (1,772) | (1,771) | (3,740) |
| Financial income (note 4) | 8 | 785 | 813 |
| Financial expense (note 4) | (855) | (934) | (1,917) |
| Profit before tax | 19,612 | 1,859 | 13,014 |
| Taxation | (447) | (316) | (711) |
| Profit after tax | 19,165 | 1,543 | 12,303 |
| Total assets | 201,187 | 205,930 | 199,338 |
| Total liabilities | (57,516) | (63,704) | (58,242) |

2.2 Performance by quarter

| | Number of Sports wagers (000s) | Value of Sports wagers €000's | Sports margin % | Sports NGR €000's | Gaming NGR €000's | Total pro-forma revenue €000's | Total Revenue €000's | Contribution €000's |
|----------------|--------------------------------|-------------------------------|-----------------|-------------------|-------------------|--------------------------------|----------------------|---------------------|
| Q1-2013 | 18,656 | 170,476 | 12.5% | 18,825 | 16,666 | 35,491 | 23,325 | 15,521 |
| Q2-2013 | 15,235 | 331,005 | 9.2% | 25,033 | 24,824 | 49,857 | 49,857 | 30,029 |
| H1-2013 | 33,891 | 501,481 | 10.3% | 43,858 | 41,490 | 85,348 | 73,182 | 45,550 |
| Q3-2013 | 15,475 | 306,803 | 9.9% | 24,555 | 23,585 | 48,140 | 48,140 | 29,116 |
| Q4-2013 | 19,676 | 361,221 | 8.4% | 22,410 | 26,227 | 48,637 | 48,637 | 27,965 |
| H2-2013 | 35,151 | 668,024 | 9.0% | 46,965 | 49,812 | 96,777 | 96,777 | 57,081 |
| FY-2013 | 69,042 | 1,169,505 | 9.6% | 90,823 | 91,302 | 182,125 | 169,959 | 102,631 |
| Q1-2014 | 19,896 | 338,805 | 10.0% | 25,068 | 25,248 | 50,316 | 50,316 | 27,585 |
| Q2-2014 | 19,298 | 355,515 | 9.8% | 26,966 | 27,784 | 54,750 | 54,750 | 29,137 |
| H1-2014 | 39,194 | 694,320 | 9.9% | 52,034 | 53,032 | 105,066 | 105,066 | 56,722 |

3. OPERATING COSTS

| | Notes | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|---|-------|--------------------------------------|--------------------------------------|-------------------------------|
| Wages and salaries | | 16,801 | 11,205 | 24,776 |
| Amounts paid to long term contractors | | 1,703 | 1,563 | 3,763 |
| Compulsory social security contributions | | 1,107 | 854 | 1,794 |
| Compulsory pension contributions | | 313 | 379 | 751 |
| Health and other benefits | | 351 | 221 | 701 |
| Recruitment and training | | 392 | 219 | 722 |
| Personnel expenditure (excluding share option charges) | | 20,667 | 14,441 | 32,507 |
| Professional fees | | 1,637 | 943 | 2,523 |
| Technology costs | | 10,170 | 8,121 | 19,795 |
| Office, travel and other costs | | 1,853 | 2,242 | 5,146 |
| Third party service costs | | - | 1,534 | 2,427 |
| Costs other than personnel | | 13,660 | 12,840 | 29,891 |
| Foreign exchange losses | | 40 | 469 | 1,934 |
| Total of Other operating costs | | 34,367 | 27,750 | 64,332 |
| Share option charges | | 124 | 224 | 730 |
| Exceptional items | 3.1 | - | 13,797 | 19,711 |
| Depreciation | | 282 | 184 | 504 |
| Amortisation | | 1,490 | 1,587 | 3,236 |
| | | 36,263 | 43,542 | 88,513 |

3.1 Exceptional Items

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

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|--|---|---|---|
| Costs arising on the acquisition of Sportingbet PLC | | | |
| - Total professional fees arising on the acquisition of Sportingbet PLC | - | 6,268 | 6,398 |
| - Underwriting | - | 810 | 810 |
| - Stamp duty and stock exchange fees | - | 639 | 639 |
| - Other costs, net of the economic benefit arising from the management of the Sportingbet Spanish business | - | 133 | (8) |
| | - | 7,850 | 7,839 |
| Redundancies, retentions and similar | - | 5,134 | 9,017 |
| Contract buyouts | - | 813 | 2,855 |
| | - | 13,797 | 19,711 |

4. FINANCIAL INCOME AND EXPENSES

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|--|---|---|---|
| Financial income | | | |
| - Discount on non-interest bearing loan | - | 780 | 780 |
| - Interest receivable | 8 | 5 | 33 |
| | 8 | 785 | 813 |
| Financial expense | | | |
| - Unwinding of discount on non-interest bearing loan | (119) | (66) | (186) |
| - Unrealised foreign exchange loss on revaluation of non-interest bearing loan | (306) | - | - |
| - Unwinding of discount on deferred consideration | (400) | (859) | (1,677) |
| - Finance lease interest | (26) | - | (43) |
| - Other expense | (4) | (9) | (11) |
| | (855) | (934) | (1,917) |

Note:

The impact on cash of the financial income expenses in the six months ending 30 June 2014 was an outflow of €22k (H1-2013: €4k).

5. TAXATION

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|---|---|---|---|
| Current tax expense | | | |
| Current year | 447 | 222 | 524 |
| Prior year | - | 11 | 104 |
| | 447 | 233 | 628 |
| Deferred tax | | | |
| Origination and reversal of temporary differences | - | 83 | 83 |
| Total income tax expense in income statement | 447 | 316 | 711 |

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 year and dividing by the weighted average number of shares in issue.

| | Six months ended 30 June 2014 | Six months ended 30 June 2013 | Year ended 31 Dec 2013 |
|--|--|---|---------------------------------|
| Profit for the period attributable to ordinary shareholders | 19,165,000 | 1,543,000 | 12,303,000 |
| Weighted average number of shares | 60,912,801 | 48,296,772 | 54,586,391 |
| Basic earnings per share (in €) | 0.315 | 0.032 | 0.225 |
| Exceptional items | - | 13,797,000 | 19,711,000 |
| Profit for the year attributable to ordinary shareholders before exceptional items | 19,165,000 | 15,340,000 | 32,014,000 |
| Basic earnings per before exceptional items (in €) | 0.315 | 0.318 | 0.586 |

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.

| | Six months ended 30 June 2014 | Six months ended 30 June 2013 | Year ended 31 Dec 2013 |
|--|--|---|---------------------------------|
| Profit for the period attributable to ordinary shareholders | 19,165,000 | 1,543,000 | 12,303,000 |
| Weighted average number of shares | 60,912,801 | 48,296,772 | 54,586,391 |
| Effect of dilutive share options | 4,876,210 | 1,273,738 | 1,419,914 |
| Weighted average number of dilutive shares | 65,789,011 | 49,570,510 | 56,006,305 |
| Diluted earnings per share (in €) | 0.291 | 0.031 | 0.220 |
| Exceptional items | - | 13,797,000 | 19,711,000 |
| Profit for the year attributable to ordinary shareholders before exceptional items | 19,165,000 | 15,340,000 | 32,014,000 |
| Diluted earnings per share before exceptional items (in €) | 0.291 | 0.309 | 0.572 |

7. RECEIVABLES AND PREPAYMENTS

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|----------------------------------|---|---|---|
| Balances with payment processors | 17,156 | 16,983 | 18,270 |
| Trade receivables | 138 | 344 | 274 |
| Other receivables | 1,189 | 4,047 | 1,341 |
| Total receivables | 18,483 | 21,374 | 19,885 |
| Prepayments | 5,754 | 2,153 | 3,694 |
| | 24,237 | 23,527 | 23,579 |

Payment processor debtor days

| | | | |
|-----------------------------------|----------------|---------|---------|
| - On revenue per income statement | 30 days | 42 days | 39 days |
| - On pro-forma revenue | 30 days | 36 days | 37 days |

Payment processor balances described as receivables are funds held by third party collection agencies subject to collection after one month, or balances used to make refunds to players.

8. CASH AND CASH EQUIVALENTS

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|-------------------------|---|---|---|
| Balances with customers | 13,060 | 13,807 | 13,298 |
| Other cash | 2,935 | 14,491 | 5,510 |
| | 15,995 | 28,298 | 18,808 |

9. TRADE AND OTHER PAYABLES

| | Six months ended 30 June 2014 €000's | Six months ended 30 June 2013 €000's | Year ended 31 Dec 2013 €000's |
|---|---|---|---|
| Other trade payables | 10,581 | 9,511 | 9,586 |
| Finance leases | 945 | - | 945 |
| Non-interest-bearing loan from William Hill PLC (see note 10) | 2,735 | - | 2,514 |
| Accruals | 11,964 | 19,457 | 11,044 |
| | 26,225 | 28,968 | 24,089 |

10. NON INTEREST-BEARING LOAN

As part of the Group's acquisition of Sportingbet PLC, a credit facility was made available to the Group by William Hill PLC to fund working capital.

The principal amount, together with the prevailing exchange rate between the £ and the € and the resultant balance, expressed in € is shown below:

| | 30 June 2014 | 30 June 2013 | 31 Dec 2013 |
|-----------------------------------|-------------------------|-----------------|----------------|
| Principal amount in £ | 6,862 | 6,862 | 6,862 |
| Prevailing exchange rate | 1.2477 | 1.1687 | 1.2031 |
| Principal amount expressed in € | 8,562 | 8,020 | 8,256 |
| Repayment profile (base currency) | | | |
| By 31 December 2014 | 2,287 | 2,287 | 2,287 |
| By 31 December 2015 | 2,287 | 2,287 | 2,287 |
| By 30 June 2016 | 2,288 | 2,288 | 2,288 |
| | 6,862 | 6,862 | 6,862 |

IAS 39 Financial Instruments: Recognition and Measurement, states that all loans and receivables should initially be measured at their fair value. The loan has therefore been discounted at a rate of 4% and will be unwound over the period of the loan.

The facility is repayable in three instalments and should GVC declare dividends in excess of 58 ¢cents per share, William Hill are entitled to receive an accelerated repayment equal to the excess of the actual dividend over 58 ¢cents per share. The instalments as well as the impact of the discount are shown below:

| | Amount in Euro's | | |
|---------------------------------------|------------------|----------------------------------|--|
| | Total €000's | Current liabilities €000's | Non- current liabilities €000's |
| Loan balance on initial recognition | 8,020 | | |
| Revaluation at 30 June exchange rate | 542 | | |
| | 8,562 | | |
| Discount on recognition of the loan | (780) | (424) | (356) |
| Unwinding of discount at 30 June 2014 | 305 | 305 | - |
| Loan balance at 30 June 2014 | 8,087 | 2,735 | 5,352 |
| Future discount | 475 | 119 | 356 |
| | 8,562 | 2,854 | 5,708 |

11. SHARE CAPITAL

| | Number of shares |
|--|------------------|
| At 1 January 2014 | 60,906,760 |
| Shares issued pursuant to the exercise of options by Directors (admitted to trading on 21 May 2014) | 26,667 |
| At 30 June 2014 | 60,933,427 |
| Shares issued pursuant to the exercise of options by third parties** (admitted to trading on 1 July 2014) | 343,053 |
| At 1 July 2014 | 61,276,480 |

Share options currently in issue are:

Directors and Executives:

| | |
|------------|------------|
| 1,600,000* | at £2.13 |
| 1,600,000* | at £1.5479 |
| 3,100,000 | at €0.01 |
| 6,300,000 | 61,276,480 |

Provided to third parties following underwriting commitments made at the time of the acquisition:

| | |
|-----------|-----------|
| 156,947** | at £2.335 |
|-----------|-----------|

* These share options attract a dividend credit payable by way of bonuses and through the payroll.

**These share options have the exercise price reduced by the value of any dividends declared up to the point of exercise.

12. ACQUISITIONS

12.1 TRADE INVESTMENT IN BETIT SECURITIES LIMITED

The Group announced on 14 May 2014 that it had paid €3.5 million for a 15% stake in Betit Holdings Limited ("Betit").

The Group has a call option to acquire the balance of the outstanding shares. The call option can be exercised no earlier than 1 July 2017 and no later than 30 September 2017, and would be subject to further LGA clearance and the AIM Rules (principally the rules on a Reverse Takeover if applicable). The minimum call option price is €70 million, and the actual price would be determined by the mix of revenues between regulated and non-regulated markets and certain multiples attaching thereto which at our current multiple levels would lead to the transaction being accretive for shareholders.

If the Group decides not to exercise its call option then Betit may require the Group to acquire its shares in Betit at a price determined by the mix of revenues between regulated and non-

regulated markets and certain multiples thereof (but absent any floor on the price). Completion of this purchase would be subject to certain conditions including the Group's ability to raise the necessary financing. Should the Group fail to raise the required financing, Betit Securities Limited may acquire the Group's shares in Betit for nominal consideration.

The Group, as a 15% shareholder in Betit, does not have the power to govern the financial and operating policies of the company. On this basis the Group will not be consolidating the results of the company into the Group's financial statements and has recognised the investment as a non-current asset at cost. This in accordance with IFRS 10 (Consolidated Financial Statements). A review of the accounting treatment of the investment will be carried out in the full year accounts made up to the 31 December 2014.

12.2 Acquisition of Sportingbet plc

Sportingbet plc was acquired on 19 March 2013. During the period ended 30 June 2013, a total of €15,108k of costs were incurred, defrayed by €1,311k of gain from the disposal (to William Hill plc) of the Sportingbet Spanish business.

The acquisition balance sheet of Sportingbet plc, for IFRS accounting purposes, included the contribution made from William Hill (£36.5 million @FX rate of 1.1661). In more conventional terms the acquisition arrangements looked like:

| | Total €000's | Other assets €000's | Cash & debt €000's |
|--------------------------------|-----------------|------------------------|-----------------------|
| Current assets | 43,929 | 21,700 | 22,229* |
| Current liabilities | (93,537) | (62,153) | (31,384) |
| Net balance sheet deficit | (49,608) | (40,453) | (9,155) |
| Contribution from William Hill | 42,563 | - | 42,563* |
| | (7,045) | (40,453) | 33,408 |

* reported in the acquisition balance sheet as a combined figure €66,834k as subsequently restated to exclude the cash associated with the Spanish business (€2,042k) and thus netting to €64,792k reported in the acquisition balance sheet as "Bank borrowings and similar".

13. RESTATEMENTS

The Group has made three modest restatements to the 30 June 2013 interim financial statement chiefly due to clarification of accounting treatments associated with the acquisition of Sportingbet plc in March 2013.

13.1 Restatements in Statement of Consolidated Income

| Six months ended 30 June 2013 | Reference | Original €000's | Restatements €000's | Restated €000's |
|--|-----------|--------------------|------------------------|--------------------|
| Revenue | a | 72,335 | 847 | 73,182 |
| Cost of sales | a | (26,785) | (847) | (27,632) |
| Contribution | | 45,550 | - | 45,550 |
| Other expenditure | | (29,745) | - | (29,745) |
| Exceptional items | b | (15,108) | 1,311 | (13,797) |
| Income from assets available for re-sale | b | 1,311 | (1,311) | - |
| Financial income | c | 5 | 780 | 785 |
| Financial expense | d | (868) | (66) | (934) |
| Profit before tax | | 1,145 | 714 | 1,859 |
| Taxation | | (316) | - | (316) |
| Profit after tax | | 829 | 714 | 1,543 |

| Year ended 31 December 2013 | Reference | Original €000's | Restatements €000's | Restated €000's |
|-----------------------------|-----------|--------------------|------------------------|--------------------|
| Revenue | <i>a</i> | 168,407 | 1,552 | 169,959 |
| Cost of sales | <i>a</i> | (65,776) | (1,552) | (67,238) |
| Contribution | | <u>102,631</u> | <u>-</u> | <u>102,631</u> |

13.2 Restatements in Consolidated Balance Sheet

| | Reference | Original €000's | Restatements €000's | Restated €000's |
|----------------------------------|------------|--------------------|------------------------|--------------------|
| Intangible assets | <i>e</i> | 146,968 | 4,906 | 151,874 |
| Non-interest bearing loan | <i>c+d</i> | (8,020) | 714 | (7,306) |
| All other assets and liabilities | | <u>(2,342)</u> | <u>-</u> | <u>(2,342)</u> |
| | | <u>136,606</u> | <u>5,620</u> | <u>142,226</u> |

13.3 Restatement to the Consolidated Statement of cashflows

| | Reference | Original €000's | Restatements €000's | Restated €000's |
|---|-----------|--------------------|------------------------|--------------------|
| Cash paid to suppliers & employers | | (102,148) | 2,042 | (100,106) |
| Acquisition of Sportingbet | <i>b</i> | 66,834 | (2,042) | 64,792 |
| All other cashflows | | <u>63,612</u> | <u>-</u> | <u>63,612</u> |
| Cash and cash equivalent at end of period | | <u>28,298</u> | <u>-</u> | <u>28,298</u> |

- a. Represents income from customers previously netted-off with cost of sales.
- b. Represents a reclassification of the contribution from the Sportingbet Spanish business, which, at the time of the 2013 interim financial statements was an asset for resale, and was sold after the period end, thus disclosed within exceptional items. The cash movement is the cash acquired with the business.
- c. Represents the imputed value of interest (under IAS 39) on the interest-free loan from William Hill plc
- d. Represents the pro-rata release of the above interest.
- e. Retranslation of shares using the price on the first day of post-acquisition trading as opposed to the price on the day on which the shares were suspended.

$$[(£2.48 - £2.335) \times 29,018,075 \times \text{FX rate of } 1.1661 = €4,906\text{k}]$$

14. SUBSEQUENT EVENTS

There have been no subsequent events between 30 June 2014 and the date of the signing of these accounts that merit inclusion.

- Ends -