Gaming VC Holdings SA

Annual accounts for the year ended 31 December 2006
(with report of the Commissaire thereon)

KPMG

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To the Shareholders of
Gaming VC Holdings S.A.
73, Côte d'Eich
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REPORT OF THE COMMISSAIRE

We have audited the accompanying annual accounts of Gaming VC Holdings S.A., which comprise the balance sheet as at December 31, 2006, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Board of directors' responsibility for the annual accounts

The board of directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Commissaire

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted by the Institut des Réviseurs d'Entreprises. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the Commissaire, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the Commissaire considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the annual accounts. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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TVA LU 20379877
Capital 25 000 €
R.C.S. Luxembourg B 103590

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Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of Gaming VC Holdings S.A. as of December 31, 2006, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Luxembourg, April 18, 2007

KPMG Audit S.à r.l.
Réviseurs d'Entreprises

Ph. Meyer

Balance sheet

As at 31 December 2006

In euro	*Note*	**2006**	2005
ASSETS			
Formation expenses	2.3	**6,765,272**	9,051,697
Fixed assets			
Financial assets			
Shares in affiliated undertakings	3.1	**63,453,914**	105,000,000
Current assets			
Debtors becoming due within one year			
Amounts owed by affiliated undertakings	4	**1,195,074**	541,980
Cash at bank		**1,278,795**	262,111
		2,473,869	804,091
Prepayments		**7,495**	–
		72,700,550	114,855,788
LIABILITIES			
Capital and reserves	5		
Subscribed capital		**38,608,345**	38,608,345
Share premium account		**65,922,370**	78,953,651
Legal reserve		**322,279**	–
Loss brought forward		**–**	(97,429)
(Loss)/Profit for the year		**(38,144,782)**	6,542,994
Interim dividends	6	**(6,016,425)**	(9,559,303)
		60,691,787	114,448,258
Creditors			
Amounts owed to affiliated undertakings becoming payable after more than one year	8	**9,500,000**	–
Amounts owed to affiliated undertakings becoming due and payable within one year	8	**1,159,385**	297,401
Other creditors due and payable within one year	9	**1,349,378**	110,129
		12,008,763	407,530
		72,700,550	114,855,788

The accompanying notes form an integral part of these annual accounts.

Profit and loss account

For the year ended 31 December 2006

In euro	*Note*	**Year ended 31 December 2006**	Year ended 31 December 2005
CHARGES			
External charges		**718,135**	155,348
Value adjustment in respect of formation expenses	2.3	**2,286,426**	2,286,426
Other operating charges		**600,880**	571,368
Value adjustment in respect of financial fixed assets	3.1	**41,546,086**	–
Interest payable and similar charges		**193,255**	3,167
Profit for the year		**–**	6,542,994
		45,344,782	9,559,303
INCOME			
Income from affiliated undertakings		**7,200,000**	9,559,303
Loss for the year		**38,144,782**	–
		45,344,782	9,559,303

The accompanying notes form an integral part of these annual accounts.

Notes to the annual accounts

For the year ended 31 December 2006

1 General

Gaming VC Holdings S.A. (the ''Company'') was incorporated under the laws of Luxembourg on 30 November 2004 under the legal form of a ''Société Anonyme''.

The Company is established for an unlimited period.

The registered office of the Company is at 73, Côte d'Eich, L-1450 Luxembourg and the Company is registered with the Register of Commerce of Luxembourg under the section B number 104348.

The purpose of the Company is the acquisition of ownership interests, in Luxembourg or abroad, in any form whatsoever, and the management of such ownership interests. The Company may in particular acquire by subscription, purchase, and exchange or in any manner any stock, shares and other securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever.

The Company may participate in establishment, development of any financial, industrial or commercial enterprises.

The Company may also borrow in any form and proceed to the issue of notes, bonds and debentures, and any kind of debt and/or equity securities. The Company may lend funds including the proceeds of any borrowings and/or issues of debt securities to its subsidiaries, affiliated companies or to any other group company. It may also give guarantees and grant security interests in favour of third parties to secure its obligations or the obligations of its subsidiaries, affiliated companies or any other group company. The Company may further mortgage, pledge, transfer, encumber or otherwise hypothecate all or some of its assets.

The Company may also acquire and exploit all patents and all other ancillary property rights which are reasonable and necessary for the exploitation of such patents.

On 21 December, 2004, the Company raised GBP 81 (EUR 117.5) million through the subscription by Collins Stewart of Ordinary Shares, and their placing with institutional and other investors at 420 pence per share (''the Placing''). The Placing was subject to Admission of the Company on the Alternative Investment Market (''AIM'') in London.

The Company's financial year begins on the first day of January and terminates on the last day of December.

The Company prepares consolidated financial statements. Copies of the consolidated financial statements are available at the parent company's registered office.

2 Significant accounting policies

2.1 *Basis of presentation*

The annual accounts of the Company are prepared in accordance with current Luxembourg legal and regulatory requirements.

2.2 *Basis of conversion for items originally expressed in foreign currency*

The Company maintains its accounting records in euro (''EUR'') and the balance sheet and profit and loss account are expressed in this currency.

Income and charges are translated at the exchange rates ruling at the transaction date.

Fixed assets are valued using historical exchange rates.

Other current assets and liabilities expressed in foreign currencies are translated into euro at the rates of exchange in effect at the balance sheet date.

Realised exchange gains and losses and unrealised exchange losses are recognised in the profit and loss account.

2.3 *Formation expenses*

Expenses relating to the creation or extension of the Company are recorded as formation expenses.

Formation expenses are amortised on a straight-line basis at an annual rate of 20%.

2.4 *Valuation of financial fixed assets*

Financial assets are valued in the accounts at cost. Value adjustments are made in respect of financial fixed assets to recognise a durable reduction in the value of the investments, such reduction being determined and made for each investment individually.

2.5 *Debtors*

Debtors are stated at their nominal value. Value adjustments are recorded at the end of the financial year if the net realisable value is lower than the book value.

2.6 *Creditors*

Creditors are stated at their nominal value.

3 Financial assets

3.1 *Shares in affiliated undertakings*

Financial assets represent shares in the following undertakings:

	Acquisition cost EUR	Value adjustment EUR	Net book value EUR	Shareholders' equity(*) EUR	Result for the year(*) EUR
Metioche Holding Limited Cyprus, 100%	105,000,000	(41,546,086)	63,453,914	63,535,573	(34,264,467)

* The figures are taken from the annual accounts as at 31 December 2006. The shareholder's equity includes the result for the year as well as the interim dividend paid in 2006.

As at 31 December 2006, the company decided to record a value adjustment on its shares in Metioche Holding Limited for an amount of EUR 41,546,086 in order to reflect the durable reduction in the value of this investment.

4 Amounts owed by affiliated undertakings

This amount corresponds to operational charges primarily due from GVC Corporation BV relating to employee share options. In addition, there are costs due from Gaming VC (Jersey) Limited, a subsidiary of the Group Gaming VC, relating to the acquisition of intangible assets by this subsidiary.

5 Capital and reserves

Capital fluctuations during the period are illustrated in the table below.

	Number of shares issued	Share value EUR	Total Value EUR
At 31 December 2005	31,135,762	1.24	38,608,344.88
At 31 December 2006	**31,135,762**	**1.24**	**38,608,344.88**

The reduction in share premium account during the year reflects the payment of EUR 13,031,281 as dividend during the year.

6 Interim dividends

Based on the interim balance sheet of the Company as at 23 October 2006, the Board of Directors paid an interim dividend of an aggregate net amount of EUR 6,016,425 on 31 October 2006.

7 Legal reserve

Under Luxembourg law, the Company must appropriate annually at least 5% of its statutory net profits to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution.

8 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings becoming due and payable within one year mainly corresponds to costs incurred by the Company relating to external charges in 2006 which have been paid by various subsidiaries of the Group.

Amounts owed to affiliated undertakings becoming due and payable after more than one year corresponds to a loan granted by Gaming VC Corporation B.V. with maturity on 31 December 2009 and bearing interest at a rate per annum equal to EURIBOR +0.5%.

9 Other creditors

This amount mainly corresponds to costs incurred by the Company relating to external charges and withholding tax payable in relation with the interim dividends paid.

10 Personnel

There were no employees during the year.

11 Commitments and Contingencies

On 2 December 2004, the Group established a share option programme that entitles key management personnel and senior employees to purchase shares in the Group. On 21 December 2004, a grant was made to two non-executive directors and on 28 September 2005, a grant was made to other eligible individuals under the programme. On 23 January 2006, and 16 May 2006, grants were made to eligible individuals under the programme.

In accordance with these programmes, options are exercisable at the market price of the shares at the date of grant. Options vest and become exercisable as to one quarter on the first anniversary of the date of grant with the balance vesting and becoming exercisable in 36 equal monthly instalments over the subsequent three years.

As of 31 December, 2006, 1,063,898 share options were outstanding and no share options had been exercised under this programme.