

**AVC** Holdings

Leading provider of B2B and B2C services to  
the online gaming and sports betting markets



**Preliminary Results Presentation**

**April 2012**

- Key Messages
- Financial graphs
- 2011 Financial Summary
- Strategic Objectives
- Financial Results
- Operations
  - B2C
  - B2B
  - Discontinued
- Dividend Policy
- Regulatory and Legal Outlook
- 2012 Outlook



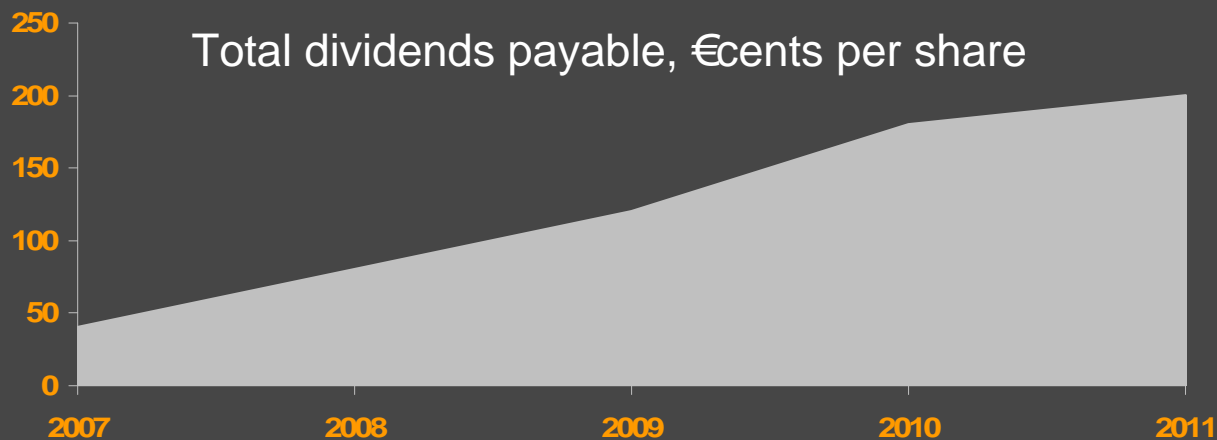
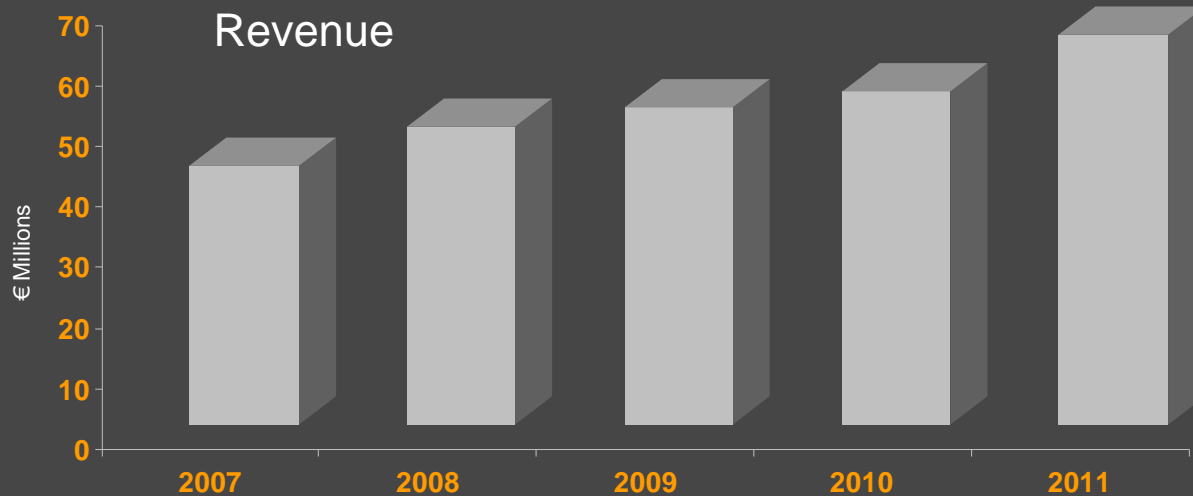
# Key Messages

- Fifth successive year of revenue growth
- EBITDA in line with market expectations
- Dividend AHEAD of market expectations and 10% increase on last year
- Introduction of quarterly dividend payments in 2013
- Successful transition away from pure B2C markets with the Group now providing B2B services
- 57% increase in average daily revenues compared to 2011\*

\*113 days to 22 April 2012



# Key financial graphs



# 2011 Financial Summary

- 17% increase in revenues to €64.3 million (2010: €54.9 million)
- 10% rise in final dividend at 11 €cents per share (2010: 10 €cents per share) providing a total dividend of 21 €cents per share for 2011
- Clean EBITDA €10.0 million (2010: €12.2 million)
- Profit before tax €0.1 million (2010: €4.1 million) due to substantial planned investments in B2C marketing and TV campaigns



# Strategic Objectives

- Continue to pay not less than 75% of cash flow to shareholders as dividends
- Continue to grow our B2C businesses in particular our Latin American business
- Examine other opportunities to provide B2B services

# Financial Results: Revenues 1

	2011	2010
B2C Sports margin	15.0%	13.8%
	€million	€million
B2C Sports	10.6	8.7
B2C Gaming	47.6	46.2
<b>B2C Total</b>	<b>58.2</b>	<b>54.9</b>
B2B	6.1	-
<b>TOTAL REVENUES</b>	<b>64.3</b>	<b>54.9</b>



# Financial Results: Revenues 2

<b>B2C - by product</b>	<b>2011</b>	<b>2010</b>	<b>change</b>	<b>% change</b>
Sports NGR	10.6	8.7	1.9	22%
Casino & Bingo	44.7	41.8	2.9	7%
Poker	2.9	4.4	(1.5)	-34%
	<hr/> 58.2	<hr/> 54.9	<hr/> 3.3	<hr/> 6%

<b>B2C - by brand</b>	<b>2011</b>	<b>2010</b>	<b>change</b>	<b>% change</b>
CasinoClub	29.4	27.5	1.9	7%
Betboo	8.8	5.2	3.6	69%
Betaland	20.0	22.2	(2.2)	-10%
	<hr/> 58.2	<hr/> 54.9	<hr/> 3.3	<hr/> 6%





# Financial Results: Clean EBITDA

	2011	2010
	€million	€million
CasinoClub	12.2	13.9
Betboo	(1.1)	(0.2)
	<hr/>	<hr/>
	11.1	13.7
Betaland	1.6	1.9
	<hr/>	<hr/>
B2C Clean EBITDA	12.7	15.6
B2B	0.7	(0.7)
Central	(3.4)	(2.7)
	<hr/>	<hr/>
	<b>10.0</b>	<b>12.2</b>



# Financial Results: P&L

	2011	2010
	€million	€million
Clean EBITDA	10.0	12.2
Boss legals	(0.3)	(0.6)
EPC transaction costs	(3.6)	-
Other exceptional items	-	(3.8)
<b>Cash from income statement</b>	<b>6.1</b>	<b>7.8</b>
<b>Non-cash items:</b>		
Provision against Italian deferred disposal proceeds*	(0.9)	-
Share option charges	(0.4)	(0.5)
Depreciation and amortisation	(2.3)	(2.1)
Deferred discount release (finance costs)	(2.4)	(1.1)
<b>Profit before tax</b>	<b>0.1</b>	<b>4.1</b>

\*Arising from the disposal of GVC Corporation S.p.A. in 2009



# Financial Results: Cashflow

	2011	2010
	€million	€million
Cash from income statement	6.1	7.8
Winzingo losses		(0.5)
Share option proceeds	0.4	-
Working capital movements	2.6	(2.2)
Taxes	(0.2)	0.5
Betboo earn-out	(0.7)	(0.3)
Capital expenditure	(1.6)	(1.1)
<b>Operating cashflows</b>	<b>6.6</b>	<b>4.2</b>



# B2C Operations: Betboo (Brazil)



	2011	2010
	€ millions	€ millions
Sports wagering revenue	24.4	13.4
Number of bets (in #)	1.8	0.6
Average bet size (in €)	13.8	23.7
Sports gross margin	2.6	0.8
Sports gross margin %	10.8%	5.7%
Sports NGR	2.2	0.3
Gaming NGR	6.6	4.9
Total NGR	8.8	5.2



# B2C Operations: Betboo (Brazil)



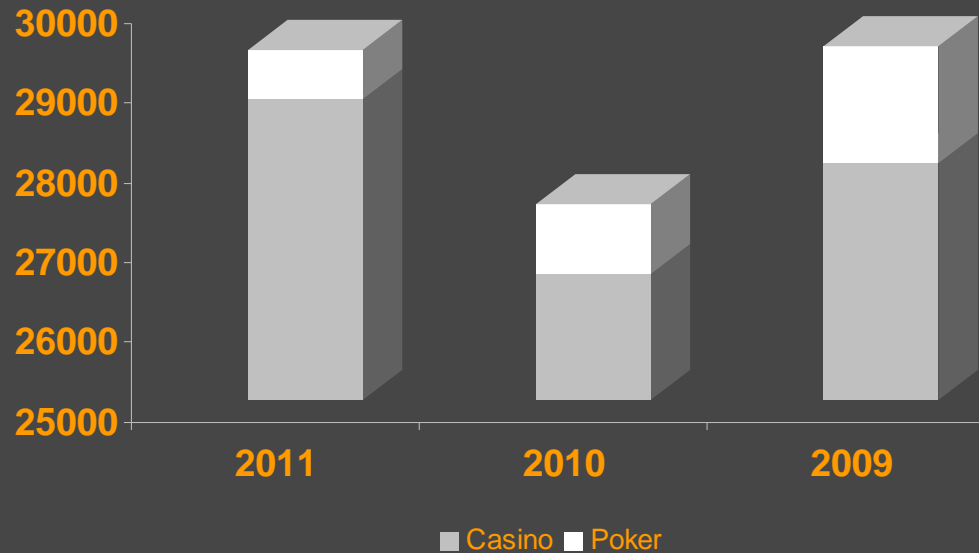
- Marketing investment continues to sustain growth
- Leading player in the Latam market
- Strengthened management team, founders retained in business until 2015
- New product planned – mobile, live dealer, improved in-play offer



# B2C Operations: CasinoClub (Germany)



## CasinoClub NGR



	2011	2010	2009
	€000's	€000's	€000's
<b>Casino NGR</b>	28,772	26,573	27,964
<b>Poker NGR</b>	627	877	1,469
<b>Total NGR</b>	29,398	27,450	29,434



# B2C Operations: CasinoClub (Germany)



- TV marketing campaign assisted recruitment and retention
- CasinoClub VIP remain loyal and high spending
- Focus continuing on CRM and VIP retention and reactivations
- Decreased poker NGR reflects industry trend



- Group's B2B division now trading and providing back-office support to East Pioneer Corporation B.V. ("EPC")
- EPC is the company which acquired the Superbahis business of Sportingbet plc on 21 November 2011
- Revenue per day during 2012 €56.1k to date
- Transaction costs of €3.6 million during the year
- 80 staff, > than €200k per month
- Aiming to add further support contracts to this portfolio over the next few years which will be revenue, profit and cash enhancing for the Group





# Discontinued Operations: Betaland



- Announced disposal of Betaland (subject to regulatory consent) on 10 April 2012, effective date 1 April 2012
- Betaland gaming revenues decreased by 16% in 2010
- Prospects for this business were limited, particularly from a cash generation perspective
- Disposal avoids significant closure costs and debtor default risk which GVC would have incurred



# Dividend Policy

- Not less than 75% of net cash generated
- 10% rise in final dividend and ahead of market expectations at 11 €cents per share (2010: 10 €cents per share) providing a total dividend of 21 €cents per share for 2011
- Move towards paying dividends quarterly from 2013 onwards
- Payment dates intended to be February, May, August and November



## Germany

- Continued division in Germany between the Schleswig-Holstein and the other 15 Länder
- The Board continues to monitor the regulatory situation in Germany and looks forward to a resolution that allows all gaming products to be offered at commercial rates of taxation

## Boss Media

- No material developments in the litigation with Boss Media
- Court or arbitration cases are proceeding in accordance with local court procedure



# 2012 Outlook\*

- 2012 has started well and the Board is cautiously optimistic that the Group is well placed for both medium and longer term growth
- 57% increase in daily revenues
- 165% increase in sports turnover in Brazil
- The Group's dividend policy reflects the Board's confidence for 2012



\*Excluding Betaland

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