

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 2010.

Interim Highlights

- Net Gaming Revenue ("NGR") increased by 8% to €28.1 million (H1-09 €26.0 million)
- Strong NGR performance for September 2010
- Dividend of €0.10 per share to be paid 28 October 2010
- Launch of new sportsbook in four additional languages planned for Q4-10
- Betboo growth encouraging and meeting management expectations; revenues up to €2.2 million (H1-09: €0)
- GVC's legal actions against Boss now scheduled for court hearings in Malta and Sweden

Commenting on the results, Kenneth Alexander, Chief Executive of Gaming VC, said:

"I am pleased to announce that we have increased NGR by 8%, despite the continued economic conditions. The growth of the South American business continues to accelerate. Our strategy of continuing to pay out a dividend to shareholders of 75% of the net cash generated and investing in new high-growth businesses whilst continuing to aggressively defend our high-margin, highly cash generative CasinoClub business remains intact."

- Ends -

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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 not and has never transacted wagering activity by players in the US. Further information on the Group is available at www.gamingvc.com.

CHIEF EXECUTIVE'S STATEMENT

Overview

The overall strategy of the Group remains that of investing in new high-growth businesses, continuing to aggressively defend its high-margin, highly cash generative CasinoClub brand, and returning 75% of net cash generated to shareholders by way of dividend. The Group's strategy is on track and the roll-out of its new businesses in line with its expectations.

GVC has now owned its South American brand, Betboo, for a year and continues to see the number of its customers increase, from around 1,400 active customers in January 2009 to around 4,200 in Q3-2010. Bingo remains the lead product, generating over 80% of the revenues and accounting for 50% of the customers, whilst the Group believes that sportsbook will over time present a better growth opportunity. Risk-management of sports-betting has moved to the Group's sports-betting hub in Malta which has resulted in a significant improvement in its margins.

The Group has today declared an interim dividend of €0.10 per share payable on 28 October 2010. This interim dividend is in addition to the special dividend of €0.50 per share paid in June 2010.

Financial Summary

As previously announced, the Group ceased to operate its loss-making Winzingo business during the first half of 2010, and thus the figures referred to below are for continuing operations, being, CasinoClub, Betaland, and Betboo.

Net Gaming Revenue ("NGR") rose 8% to €28.1 million (H1-09 €26.0 million, H2-09 €26.7 million). The Group's German-facing product, CasinoClub, saw revenues fall 9% to €13.7 million (H1-09 €15.1 million, H2-09 €14.6 million) in an extremely competitive marketplace. NGR from Betaland increased 12% to €12.2 million (H1-09 €10.9 million, H2-09 €9.9 million). NGR from Betboo was €2.2 million, €2.3 million from gaming (H2-09 €2.0 million), and €0.1 million loss from sportsbook (H2-09 €0.2 million gain). Both Betaland and Betboo are high growth brands, but earn a lower margin than CasinoClub.

The average hold for the six months from the Group's two sportsbooks (Betaland and Betpro) was 12.8% (H1-09: 16.3%).

In line with management's expectations, clean EBITDA from continuing operations was €6.6 million down from €9.0 million in H1-09 and €8.7 million in H2-09. The reduction reflects the planned

investment in its newer brands along with lower revenues and higher marketing costs in CasinoClub as previously announced.

A summary of the results by brand is shown in the table below:

All in €millions	NGR	Contribution	Margin	Clean Ebitda
H1-09				
- CasinoClub	15.1	10.6	70%	9.5
- Betaland	10.9	2.7	25%	1.1
- Central	-	-	-	(1.6)
	26.0	13.3	51%	9.0
H1-10				
- CasinoClub	13.7	8.5	62%	7.2
- Betaland	12.2	2.5	20%	1.0
- Betboo	2.2	0.9	45%	(0.3)
- New Sportsbook	-	-	-	(0.1)
- Central	-	-	-	(1.2)
	28.1	11.9	43%	6.6

Exceptional items

As previously announced exceptional costs were incurred on three principal items:

- The Group moved from Luxembourg to the Isle of Man during the half-year. This restructuring process is being augmented by another re-domiciliation at subsidiary level.
- GVC is in litigation with Boss Media both in Malta and in Sweden. GVC alleges infringement of its intellectual property rights. A court hearing is scheduled for 14 October 2010 in Malta.
- Cancelled share option and LTIP payments to executives.

As more fully explained in the Report of the Finance Director, the exceptional costs amounted to €3.3 million.

Boss Media

GVC has commenced legal proceedings against Boss Media. Two cases have already been scheduled for court hearings in Malta on 24 September 2010 and 14 October 2010. The Court on 24 September 2010 ruled in GVC's favour, confirming that the prohibitory injunction preventing Boss from terminating its services in Italy should remain in place until the court decision the merits of the case. The Group will continue to keep the market informed about the case developments. Further detail is set out in Note 20 of the Interim Results.

Strategy

The Group's strategy is:

- to continue to invest in retention marketing for CasinoClub, to protect revenues and to generate the profits to pay dividends and reinvest in developing brands.
- to nurture the Betaland brand (which operates with lower margins than CasinoClub) leading to an important source of profits.
- to develop Betboo, in both Latin America and other geographies. GVC owns the trading software for both sports and bingo and will provide the platform for the Group's new sportsbook to be launched with four additional language versions initially.
- to pay 75% of the net cash generated by way of dividends to its shareholders.

Regulatory

The regulatory environment in which the Group operates is explained in its AIM Admission Document dated 19 April 2010 and available on the Group's website (www.gamingvc.com). Since the date of that document, the European Court of Justice ("ECJ") has delivered several additional rulings for the gaming industry, and the regulatory landscape remains unclear.

Current Trading and Outlook

In the 26 days to 26 September 2010 NGR per brand was:

- CasinoClub: €76.1k (same level as at September 2009);
- Betaland: €82.3k (24% higher than September 2009);
- Betboo: €22.3k (42% higher than September 2009).

The average daily NGR by brand, Q1-2009 to Q3-2010* was:

€ millions	Q3-09	Q4-09	Q1-10	Q2-10	Q3-10*
CasinoClub	77.4	80.9	78.6	72.5	68.4
Betaland	39.5	68.5	68.1	66.9	63.5
Betboo	12.2	11.5	10.4	13.5	19.2
Total	129.1	160.9	157.1	152.9	151.1

* Based on period 1 July 2010 to 26 September 2010

Total average daily NGR has increased by 17% over Q3-09 and benefitted from the FIFA World Cup. All three brands are performing in line with management's expectations.

Payment of Dividend

A dividend of €0.10 per share will be paid on 28 October 2010 to shareholders on the register at the close of business on the record date of 8 October 2010. 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 8 October 2010 and will be announced via the Group's website.

We remain cautiously optimistic about our prospects for the rest of the year.

Kenneth Alexander

Chief Executive

28 September 2010

GROUP FINANCE DIRECTOR'S STATEMENT

The results for the first half of 2010 were in line with management expectations, and reflect:

- planned investment in growing businesses
- the cessation of Winzingo which gave rise to a loss of €0.4 million (shown as a loss from discontinued activities)
- exceptional items of €3.3 million
- lower revenues and increased marketing expenditure in CasinoClub

Net Gaming Revenue (“NGR”)

Revenues from sports were €4.7 million (H1-09: €4.9 million) derived from €31.1 million of wagers for Betaland (H1-09: €31.5 million) and a 16.1% hold together with €7.8 million of wagers for Betboo (H1-09: €0) and a zero hold. The sports risk-management operation of Betboo has been transferred to the Group's risk-management hub in Malta and this has led to a significant improvement in sports margins.

Revenues from gaming were €23.3 million (H1-09: €21.1 million), derived from: CasinoClub €13.7 million (H1-09: 15.1 million); Betaland €7.4 million (H1-09: €7.2 million) and Betboo, €2.2 million (H1-09: €0).

Gross Profits

Gross profit is calculated by deducting the costs of payment processing and software royalties from NGR. Gross profits amounted to €23.3 million (H1-09: €21.6 million). Gross profit ratios from each brand were: CasinoClub, 81% (H1-09: 80%); Betaland, 88% (H1-09: 87%); and Betboo, 69%.

Contribution

Contribution is calculated by deducting the costs of marketing and affiliate commissions from gross profit. Contribution was €11.9 million (H1-09: €13.3 million), derived from: CasinoClub, €8.5 million (H1-09: €10.6 million); Betaland, €2.5 million (H1-09: €2.7 million), and Betboo, €0.9 million (H1-09: €0).

Normal Operating Costs

Normal operating costs are operating costs before share option charges, exceptional items, depreciation and amortisation. Normal operating costs totalled €5.4 million (H1-09: €4.3 million), of which €1.3 million related to Betboo (H1-09 €0). Costs across other brands were €4.1 million (H1-

09: €4.3 million); split by brand, these costs are broken down as follows: CasinoClub, €1.3 million (H1-09 €1.1 million); Betaland, €1.5 million (H1-09 €1.7 million), and central costs and start-up costs for the new sports book of €1.3 million (H1-09: €1.6 million).

The Group has a number of foreign exchange exposures, some of which occur on translation and some on transactions. The principal foreign exchange exposures in any one year include around €1 million in Sterling costs, around €1.5 million in Israeli Shekels costs, around €2 million in US Dollar costs (principally from Betboo). Additionally around 90% of the income from Betboo is in Brazilian Real.

Within normal operating costs was an exchange difference of €0.1 million (H1-09: €0.1 million).

Exceptional Items

As announced on 27 January 2010, the Group agreed to cancel vested share options held by the executive directors and to make certain one-off discretionary payments to them to reflect their lack of participation up to that point in a Long-Term Incentive Plan. The impact of these arrangements was an exceptional charge in the period of €1.6 million.

The Group redomiciled from Luxembourg to the Isle of Man in May 2010. Along with this, GVC has moved one of its subsidiaries from Jersey to the Netherlands Antilles to mitigate withholding tax on around €17 million of trapped reserves. The costs of this combined restructuring have amounted to €1.2 million.

The Group is in litigation with Boss Media in Malta and in Sweden. The professional fees incurred so far in this dispute have amounted to €0.3 million. In addition, a further €0.3 million of certain other software costs have also been taken to exceptional items.

Share Option Charges

Share option charges, which are charged to the Income statement and then reversed in the Consolidated Statement of Changes to Equity amounted to €0.2 million (H1-09: €0.1 million). The charge reflects a new scheme adopted by shareholders on 24 May 2010. Under this scheme, the directors were granted a total of 1,675,000 shares at an exercise price of £2.13. Employees were granted 400,000 shares at an exercise price of €0.01 providing the share price reaches £3.00. A further 700,000 options were granted to a marketing partner at an exercise price of £1.50.

Depreciation and Amortisation, Property, Plant and Equipment and Intangible Assets

The Group acquired a total of €0.5 million of property, plant and equipment and intangible assets in the period (H1-09: €0.2 million). The depreciation charge in the period was €0.4 million (H1-09: 0.4 million). The amortisation charge, which includes the charge relating to the intangible assets acquired under the Betboo acquisition amounted to €0.7 million (H1-09: €0.1 million).

Financial Income and Expense

There was a net charge for the period of €0.5 million (H1-09: income, €0.1 million). This was principally due to the unwinding of the discount on the deferred consideration arising from the acquisition of Betboo, which amounted to €516k for the period, and €467k for the period from 1 July 2009 to 31 December 2009.

Taxation

Taxation is paid by the Group's Maltese subsidiary at the rate of 35% on taxable profits. Around 31% of the 35% can be reclaimed by the parent company, leaving a net charge of 4.17% for Malta. There is a timing delay between the payment of tax and the recovery of tax, but usually within a period of three months.

Earnings Per Share

Basic earnings per share ("EPS") were €0.031 (H1-09: €0.255). Basic EPS before exceptional items were €0.138 (H1-09: €0.265). The dilutive effect on EPS of share options is 5%, although only 400,000 of the 3.6 million shares under option are "in the money" based on the share price at market close on 24 September 2010, so the effective dilution is significantly less.

Cash at Bank and In Hand

Since 1 January 2010, the Group's funds were reduced in the period by the payment of €15.6 million by way of a special dividend. A summary of the movements in cash is shown below:

		€000's
Balance at bankers at 31 December 2009		19,195
Dividend paid		<u>(15,568)</u>
		3,627
Deduct: Purchase of tangible fixed assets	(318)	
Purchase of intangible fixed assets	<u>(143)</u>	
		(461)
Deduct: Taxation paid	(2,674)	
Add: Taxation recovered	<u>3,195</u>	
		521
Profit before tax	1,094	
Adjust for non-cash items	<u>1,767</u>	
Cash based profits (after exceptional items)		<u>2,861</u>
		6,548
Working capital movements		(1,539)
Balance at 30 June 2010		<u>5,009</u>

Cash at bank on 24 September 2010 was €6.1 million. Customer liabilities at 31 August 2010 were €1.9 million.

Richard Cooper
Group Finance Director
28 September 2010

CONSOLIDATED INCOME STATEMENT
For the six month period ended 30 June 2010

	Notes	Six months ended 30 June 2010 (Unaudited) €000's	Six months ended 30 June 2009 (Unaudited) €000's	Year ended 31 Dec 2009 (Audited) €000's
Net Gaming Revenue	3	28,057	25,953	52,632
Cost of sales		(4,724)	(4,344)	(9,103)
Gross profits	3	23,333	21,609	43,529
Marketing and affiliate costs		(11,400)	(8,307)	(16,592)
Contribution	3	11,933	13,302	26,937
Operating costs (as below)	4	(9,918)	(5,128)	(12,487)
Other operating costs		(5,359)	(4,303)	(9,287)
Share option charges		(189)	(88)	(213)
Exceptional items	4.2	(3,308)	(316)	(1,538)
Depreciation and amortisation		(1,062)	(421)	(1,449)
Operating profit		2,015	8,174	14,450
Financial income		5	54	64
Financial expense		(516)	-	(472)
Profit before tax		1,504	8,228	14,042
Taxation charge	6	(114)	(168)	(372)
Profit after taxation from continuing operations		1,390	8,060	13,670
Loss after taxation from discontinued operations	7	(410)	(117)	(216)
Profit after taxation		980	7,943	13,454
Earnings per share		€	€	€
Basic				
Profit from continuing operations		0.044	0.259	0.439
Loss from discontinued operations		(0.013)	(0.004)	(0.007)
Total	8.1	0.031	0.255	0.432
Diluted				
Profit from continuing operations		0.042	0.255	0.431
Loss from discontinued operations		(0.012)	(0.004)	(0.007)
Total	8.2	0.030	0.251	0.424

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six month period ended 30 June 2010

	Six month period ended 30 June 2010 (Unaudited) €000's	Six month period ended 30 June 2009 (Unaudited) €000's	Year ended 31 Dec 2009 (Audited) €000's
Profit and total comprehensive income for the period	<u>980</u>	<u>7,943</u>	<u>13,454</u>

CONSOLIDATED BALANCE SHEET
As at 30 June 2010

		30 June 2010 (Unaudited) €000's	30 June 2009 (Unaudited) €000's	31 Dec 2009 (Audited) €000's
Non-current assets				
Property, plant and equipment	9	1,042	1,356	1,099
Intangible assets	9	62,638	55,871	63,182
Deferred tax asset	6	224	5	53
Total non-current assets		<u>63,904</u>	<u>57,232</u>	<u>64,334</u>
Current assets				
Receivables and prepayments	10	7,745	4,516	5,727
Taxation reclaimable	6	847	2,001	3,195
Cash and cash equivalents	11	5,009	20,788	19,195
Total current assets		<u>13,601</u>	<u>27,305</u>	<u>28,117</u>
Liabilities				
Trade and other payables	12	(7,318)	(4,712)	(6,554)
Income taxes payable	6	(1,128)	(1,205)	(2,670)
Other taxes payable	13	(151)	(186)	(52)
Total current liabilities		<u>(8,597)</u>	<u>(6,103)</u>	<u>(9,276)</u>
Net current assets		5,004	21,202	18,841
Long Term Liabilities				
Deferred consideration on Betboo		(5,870)	-	(5,354)
Deferred tax liability	6	-	(22)	-
Total long term liabilities		<u>(5,870)</u>	<u>(22)</u>	<u>(5,354)</u>
Total net assets		63,038	78,412	77,821
As represented by:				
Equity				
Issued share capital	15	311	38,608	38,608
Merger reserve		40,407	-	-
Share premium		-	8,748	8,748
Retained earnings		22,320	31,056	30,465
Total equity attributable to equity holders of the parent		63,038	78,412	77,821

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six month period ended 30 June 2010

Attributable to equity holders of the parent company	Share Capital €000's	Merger Reserve €000's	Share Premium €000's	Retained earnings €000's	Total €000's
Changes in equity to 30 June 2009					
Balance at 1 Jan 2009	38,608	-	13,832	24,168	76,608
Share option charges	-	-	-	88	88
Dividend paid	-	-	(5,084)	(1,143)	(6,227)
Transactions with owners	38,608	-	8,748	23,113	70,469
Profit and total comprehensive income	-	-	-	7,943	7,943
Balance as at 30 June 2009	38,608	-	8,748	31,056	78,412
Changes in equity to 31 December 2009					
Balance at 1 July 2009	38,608	-	8,748	31,056	78,412
Share option charges	-	-	-	125	125
Dividend paid	-	-	-	(6,227)	(6,227)
Transactions with owners	38,608	-	8,748	24,954	72,310
Profit and total comprehensive income	-	-	-	5,511	5,511
Balance at 31 Dec 2009	38,608	-	8,748	30,465	77,821
Changes in equity to 30 June 2010					
Balance at 1 Jan 2010	38,608	-	8,748	30,465	77,821
Transfers to merger reserve	(38,297)	55,975	(8,748)	(8,930)	-
Share option charges	-	-	-	(195)	(195)
Dividend paid	-	(15,568)	-	-	(15,568)
Transactions with owners	311	40,407	-	21,340	62,058
Profit and total comprehensive income	-	-	-	980	980
Balance at 30 June 2010	311	40,407	-	22,320	63,038

Retained Earnings

	Income statement €000's	Share option reserve €000's	Retained earnings €000's
Balance at 1 January 2010	27,486	2,979	30,465
Transfer to merger reserve	(8,930)	-	(8,930)
Share option charge for period	-	189	189
Share option cancelled & bought out	-	(384)	(384)
Result for period	980	-	980
Balance at 30 June 2010	19,536	2,784	22,320

CONSOLIDATED STATEMENT OF CASHFLOWS
For the six months ended 30 June 2010

	Six months ended 30 June 2010 (Unaudited) €000's	Six month Period ended 30 June 2009 (Unaudited) €000's	Year ended 31 Dec 2009 (Audited) €000's
Cash flows from operating activities			
Cash receipts from customers	27,528	30,766	54,963
Cash paid to suppliers and employees	(25,956)	(21,145)	(36,730)
Taxes paid (note 6)	521	(1,305)	(1,304)
Net cash from operating activities	2,093	8,316	16,929
Cash flows from investing activities			
Interest received	5	63	72
Acquisition of business	-	-	(3,140)
Disposal of business	-	-	(295)
Acquisition of property, plant & equipment (note 9)	(318)	(169)	(441)
Acquisition of intangible assets (note 9)	(143)	(62)	(135)
Net cash from investing activities	(456)	(168)	(3,939)
Cash flows from financing activities			
Interest paid	-	-	(5)
Dividend paid	(15,568)	(6,227)	(12,454)
Net cash from financing activities	(15,568)	(6,227)	(12,459)
Net increase in cash and cash equivalents	(13,931)	1,921	531
Cash and cash equivalents at beginning of the period	19,195	18,834	18,834
Effect of exchange rate fluctuations on cash held	(255)	33	(170)
Cash and cash equivalents at end of the period	5,009	20,788	19,195

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

GVC Holdings PLC is a company registered in the Isle of Man on 5 January 2010. It is the successor company of Gaming VC Holdings S.A. The group accounts are presented reflecting the results of the group on a continuing basis. As a consequence, the results for the group at 31 December 2009 and 30 June 2009 comprise the results of Gaming VC Holdings S.A.

These interim condensed consolidated financial statements are for the six months ended 30 June 2010. 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 2009.

The comparative figures for the year ended 31 December 2009 are extracted from Gaming VC Holdings S.A.'s consolidated financial statements, which are available on the company's website. An unmodified audit opinion was issued on these consolidated financial statements.

1.1 Significant accounting policies

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

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2009. 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.

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 for continuing operations. This is included below:

	Notes	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Sports revenue		4,728	4,866	9,246
Gaming revenue		23,329	21,087	43,386
Net Gaming Revenue ("NGR")	3	28,057	25,953	52,632
Cost of sales		(4,724)	(4,344)	(9,103)
Gross profit		23,333	21,609	43,529
Gross profit %		83%	83%	83%
Marketing and revenue shares		(11,400)	(8,307)	(16,592)
Contribution	3.2	11,933	13,302	26,937
Contribution margin		43%	51%	51%
Operating costs				
Staff	4.1	(2,419)	(2,228)	(4,276)
Professional fees		(446)	(602)	(919)
Technology		(608)	(674)	(1,457)
Office, travel, other		(646)	(697)	(1,275)
Third party service costs		(1,126)	-	(1,186)
FX differences		(114)	(102)	(174)
		(5,359)	(4,303)	(9,287)
Clean EBITDA		6,574	8,999	17,650
Exceptional items	4.2	(3,308)	(316)	(1,538)
Share Option charges		(189)	(88)	(213)
EBITDA		3,077	8,595	15,899
Depreciation		(375)	(351)	(709)
Amortisation		(687)	(70)	(740)
OPERATING PROFIT		2,015	8,174	14,450
Financial income		5	54	64
Unwinding of discount on Deferred consideration		(516)	-	(467)
Other financial expense		-	-	(5)
PROFIT BEFORE TAX		1,504	8,228	14,042
Taxation	6	(114)	(168)	(372)
PROFIT AFTER TAX		1,390	8,060	13,670

3 GEOGRAPHIC AND SEGMENTAL REPORTING

3.1 NGR by geographic location of customers

	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Germany	10,617	11,890	23,052
Austria	1,911	1,791	3,566
Italy	12,215	10,894	21,018
Spain	-	-	-
Latin America	2,162	-	2,180
Other	1,152	1,378	2,816
	28,057	25,953	52,632

3.2 Reporting by segment

Six months ended 30 June 2010, in €000's

	Casino club	Betaland	Betboo	Betboo Europe	Central	Total Continuing Operations
NGR	13,678	12,216	2,163	-	-	28,057
Cost of sales	(2,605)	(1,452)	(667)	-	-	(4,724)
Gross profits	11,073	10,764	1,496	-	-	23,333
Marketing & revenue shares	(2,587)	(8,284)	(529)	-	-	(11,400)
Contribution	8,486	2,480	967	-	-	11,933
Direct costs	(1,282)	(1,451)	(1,285)	(74)	(1,267)	(5,359)
Clean EBITDA	7,204	1,029	(318)	(74)	(1,267)	6,574
Exceptional items	(403)	-	(157)	-	(2,748)	(3,308)
Share option charges	-	-	-	-	(189)	(189)
EBITDA	6,801	1,029	(475)	(74)	(4,204)	3,077
Depreciation & Amortisation	(231)	(213)	(618)	-	-	(1,062)
Financial income & expense	-	-	(516)	-	5	(511)
Profit before tax	6,570	816	(1,609)	(74)	(4,199)	1,504
Tax	(498)	(62)	122	6	318	(114)
Profit after tax	6,072	754	(1,487)	(68)	(3,881)	1,390

Six months ended 30 June 2009, in €000's

	Casino club	Betaland	Betboo	Central	Total Continuing Operations
NGR	15,060	10,893	-	-	25,953
Cost of sales	(2,945)	(1,399)	-	-	(4,344)
Gross profits	12,115	9,494	-	-	21,609
Marketing & revenue shares	(1,541)	(6,766)	-	-	(8,307)
Contribution	10,574	2,728	-	-	13,302
Direct costs	(1,059)	(1,671)	-	(1,573)	(4,303)
Clean EBITDA	9,515	1,057	-	(1,573)	8,999
Exceptional items	(168)	(148)	-	-	(316)
Share option charges	-	-	-	(88)	(88)
EBITDA	9,347	909	-	(1,661)	8,595
Depreciation & Amortisation	(174)	(247)	-	-	(421)
Financial income & expense	-	-	-	54	54
Profit before tax	9,173	662	-	(1,607)	8,228
Tax	(188)	(14)	-	34	(168)
Profit after tax	8,985	648	-	(1,573)	8,060

Year ended 31 December 2009, in €000's

	Casino club	Betaland	Betboo	Central	Total Continuing Operations
NGR	29,626	20,826	2,180	-	52,632
Cost of sales	(5,741)	(2,852)	(510)	-	(9,103)
Gross profits	23,885	17,974	1,670	-	43,529
Marketing & revenue shares	(3,245)	(13,052)	(295)	-	(16,592)
Contribution	20,640	4,922	1,375	-	26,937
Direct costs	(2,241)	(3,181)	(1,272)	(2,593)	(9,287)
Clean EBITDA	18,399	1,741	103	(2,593)	17,650
Exceptional items	(420)	(1,003)	-	(115)	(1,538)
Share option charges	-	-	-	(213)	(213)
EBITDA	17,979	738	103	(2,921)	15,899
Depreciation & Amortisation	(367)	(475)	(607)	-	(1,449)
Financial income & expense	-	-	(472)	64	(408)
Profit before tax	17,612	263	(976)	(2,857)	14,042
Tax	(483)	-	34	77	(372)
Profit after tax	17,129	263	(942)	(2,780)	13,670

3.3 Reporting by quarter

	CasinoClub €000's	Betaland €000's	Betboo €000's	TOTAL €000's
Q1-'08	10,092	3,221	-	13,313
Q2-'08	9,618	3,153	-	12,771
Q3-'08	9,269	2,819	-	12,088
Q4-'08	7,496	4,163	-	11,659
Total 2008	36,475	13,356	-	49,831
Q1-'09	8,020	6,613	-	14,633
Q2-'09	7,039	4,281	-	11,320
Q3-'09	7,124	3,634	1,126	11,884
Q4-'09	7,443	6,298	1,054	14,795
Total 2009	29,626	20,826	2,180	52,632
Q1-'10	7,077	6,126	933	14,136
Q2-'10	6,601	6,090	1,230	13,921
Half year 2010	13,678	12,216	2,163	28,057

4. OPERATING COSTS

	Notes	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Other operating costs	4.1	5,359	4,303	9,287
Share option charges		189	88	213
Exceptional items	4.2	3,308	316	1,538
Depreciation		375	351	709
Amortisation		687	70	740
		9,918	5,128	12,487

4.1 Other operating costs

	Notes	Six month ended 30 June 2010 €000's	Six month ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Personnel expenditure (excluding share option charge)	4.1.1	2,419	2,228	4,276
Betboo support costs		1,126	-	1,186
Technology costs	4.1.3	608	674	1,457
Professional fees		445	602	919
Office running expenses and other expenditure		647	697	1,275
Foreign exchange differences		114	102	174
		5,359	4,303	9,287

4.1.1 Personnel expenditure (excluding share option charges)

	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Directors remuneration (see note 4.1.2)	586	368	1,519
Other wages and salaries	1,348	1,234	2,092
	1,934	1,602	3,611
Amounts paid to long term contractors	299	496	452
Compulsory social security contributions	109	94	169
Pension allowances	77	36	44
	2,419	2,228	4,276

	At 30 June 2010 Number	At 30 June 2009 Number	At 31 Dec 2009 Number
Number of personnel			
With employment contracts or service contracts	78	66	60
Contractors	5	6	7
	83	72	67

4.1.2 Directors remuneration

Included in wages and salaries are amounts paid to the directors for services during the year:

	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Exceptional item – compensation			
- share options	450	-	-
- LTIP	1,127	-	-
	1,577	-	-
Directors remuneration (included within wages and salaries)	586	368	1,519
Total directors remuneration	2,163	368	1,519

The directors who served throughout the period were: Lee Feldman, Kenneth Alexander, Nigel Blythe-Tinker, Richard Cooper, Karl Diacono. These individuals served as directors for both Gaming VC Holdings SA and since 5 January 2010 GVC Holdings PLC.

4.1.3 Technology costs

	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Gaming costs	491	564	1,202
Infrastructure costs	117	110	255
	608	674	1,457

4.2 Exceptional items

The Group incurred expenditure on exceptional items. These are items which are both exceptional in size and nature, and in the judgement of the directors need to be disclosed for the user to obtain a proper understanding of the financial information.

	Six months ended 30 June 2010 <u>€000's</u>	Six months ended 30 June 2009 <u>€000's</u>	Year ended 31 Dec 2009 <u>€000's</u>
Boss dispute (a)	266	-	-
Re-domiciliation & other restructuring (b)	1,171	-	-
Options cancelled (c)	450	-	-
LTIP compensation (d)	1,127	-	-
Software costs(e)	294	-	-
Disposal of GVC Corporation SpA (f)	-	33	1,005
Termination costs related to consultants (g)	-	283	283
Abnormal individual jackpot win (h)	-	-	250
	3,308	316	1,538

- (a) The Group is in a number of legal disputes with Boss Media (see note 20). The legal costs incurred by the Group relating to these disputes has been taken as an exceptional item.
- (b) The Group moved its holding company from Luxembourg to the Isle of Man in May 2010 following an Extraordinary General Meeting. This move also involved a full re-admission of the shares to AIM. The Group is also moving one of its subsidiaries to another jurisdiction. The cost of this restructuring has been taken as an exceptional item.
- (c) On 27 January 2010, the Group announced that it was cancelling the vested share options relating to K Alexander and R Cooper and settling them in cash as a consequence. The total value of the cash compensation was €833,526 (£721,000), of which €449,848 has been taken to the income statement as an exceptional item, and the balance to retained earnings, representing the fair value of the options cancelled measured at the date of cancellation.
- (d) On 27 January 2010, the Group announced that it had agreed to make one-off discretionary payments to Kenneth Alexander and Richard Cooper in addition to their normal performance-based bonus payments, in recognition of their importance to the business and their lack of participation up to that date in a Long-Term Incentive Plan. The total amount of this compensation, which has been taken as an exceptional item, was €1,127,168.
- (e) During the period, the Group incurred costs for both professional fees and technology costs relating to certain software suppliers. These costs have been taken to exceptional items as the Directors consider them both unusual in nature and of significant size to warrant separate disclosure.
- (f) The Group entered into an agreement to dispose of GVC Corporation SpA, its licensed Italian subsidiary, to local management for a nominal sum. The exceptional item recognises the legal costs incurred in this process together with the write-off of the investment held and the net assets parted with at the time of the sale, being 31 August 2009.
- (g) The Group terminated the contracts with certain long-term senior contractors during the year ended 31 December 2009 and has recognised the settlements as exceptional items, being the extension of the restructuring work the group has undertaken.
- (h) There was a significant winner of a jackpot during the year ended 31 December 2009. A single player won €309k on a game known as "Roman Empire." In accordance with the group's policy, the amount withdrawn by the customer (in this case €250k) has been treated as an exceptional item.

5. FINANCIAL INCOME AND FINANCIAL EXPENSES

	Six months ended 30 June 2010 <u>€000's</u>	Six months ended 30 June 2009 <u>€000's</u>	Year ended 31 Dec 2009 <u>€000's</u>
Financial income – interest income	5	54	64
Financial expense			
- Interest payable	-	(2)	(5)
- Unwinding of discount on deferred consideration	(516)	-	(467)
	<u>(516)</u>	<u>(2)</u>	<u>(472)</u>

6. TAXATION

6.1 Recognised in the Income Statement

	Six months ended 30 June 2010 <u>€000's</u>	Six months ended 30 June 2009 <u>€000's</u>	Year ended 31 Dec 2009 <u>€000's</u>
Current tax expense			
Current period	<u>285</u>	<u>140</u>	<u>414</u>
Deferred tax expense			
Origination and reversal of temporary differences	<u>(171)</u>	<u>28</u>	<u>(42)</u>
Total income tax expense in income statement	<u>114</u>	<u>168</u>	<u>372</u>

A deferred tax asset was recognised as the Group considers that it is more probable than not that future taxable profits will be available against which the asset could be utilised.

6.2 Amounts recognised in the Balance Sheet

	<u>Corporation Tax</u>		<u>Deferred Tax</u>		<u>Total</u>
	<u>€000's</u> Payable	<u>€000's</u> Receivable	<u>€000's</u> Asset	<u>€000's</u> Liability	<u>€000</u>
At 1 January 2009	(2,982)	2,611	11	-	(360)
Paid/(received) during six months to 30 June 2009	2,956	(1,651)	-	-	1,305
(Charge)/credit in income statement to six months to 30 June 2009	(1,179)	1,041	(6)	(22)	(166)
Balances at 30 June 2009	<u>(1,205)</u>	<u>2,001</u>	<u>5</u>	<u>(22)</u>	<u>779</u>
Paid/(received) during six months to 31 December 2009	-	(1)	-	-	(1)
(Charge)/credit in income statement	(1,465)	1,195	48	22	(200)
Balances at 31 December 2009	<u>(2,670)</u>	<u>3,195</u>	<u>53</u>	<u>-</u>	<u>578</u>
Paid/(received) during six months to 30 June 2010	2,674	(3,195)	-	-	(521)
(Charge)/credit in income statement for six months to 30 June 2010	(1,132)	847	171	-	(114)
Balances at 30 June 2010	<u>(1,128)</u>	<u>847</u>	<u>224</u>	<u>-</u>	<u>(57)</u>

7. DISCONTINUED OPERATIONS

The group discontinued its Spanish-facing bingo brand, Winzingo, in April as it had been loss-making and the Board could see no significant change to this position. The results from Winzingo are shown below:

	Six months ended 30 June 2010 €000's	Six months ended 30 June 2009 €000's	Year ended 31 Dec 2009 €000's
Net Gaming Revenue	354	556	1,326
Cost of Sales	(72)	(134)	(330)
Gross Profit	282	422	996
Marketing and revenue shares	(241)	(187)	(489)
Contribution	41	235	507
Direct costs	(451)	(354)	(729)
EBITDA	(410)	(119)	(222)
Depreciation and Amortisation	-	-	-
Financial income and expense	-	-	-
Loss before tax	(410)	(119)	(222)
Taxation	-	2	6
Loss after tax	(410)	(117)	(216)

8. EARNINGS PER SHARE

8.1 Basic earnings per share and Basic earnings per share before exceptional items

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 Dec 2009
Basic earnings per share (in €)	0.031	0.255	0.432
Basic earnings per share before exceptional items (in €)	0.138	0.265	0.482

Basic earnings per share has been calculated by taking the profit attributable to ordinary shareholders, €980k (2009 interim: €7,943k, full year 2009: €13,454k) and dividing by the weighted average number of shares in issue, 31,135,762 (2009 interim: 31,135,762, full year: 31,135,762).

Basic earnings per share before exceptional items has been calculated by taking the profit attributable to ordinary shareholders of €980k, (2009 interim: €7,943k, full year 2009: €13,454k) adding back the cost of exceptional items of €3,308k (2009 interim: €316k, full year 2009: €1,538k), and dividing by the weighted average number of shares in issue, 31,135,762 (2009 interim: 31,135,762, full year 2009: 31,135,762).

8.2 Diluted earnings per share and Diluted earnings per share before exceptional items

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 Dec 2009
Diluted earnings per share (in €)	0.030	0.251	0.424
Diluted earnings per share before exceptional items (in €)	0.130	0.261	0.473

Diluted earnings per share has been calculated by taking the profit attributable to ordinary shareholders, €980k (2009 interim €7,943k, full year €13,454k) and dividing by the weighted average number of shares in issue as diluted by share options, 32,915,352, (2009 interim: 31,670,028 full year: 31,707,094).

Diluted earnings per share before exceptional items has been calculated by taking the profit attributable to ordinary shareholders of €980k, (2009 interim: €7,943k, full year €13,454k) adding back the cost of exceptional items of €3,308k (2009 interim: €316k full year: €1,538k), and dividing by the weighted average number of shares in issue, as diluted by share options, (2009 interim: 31,670,028, full year: 31,707,094).

Diluted number of shares

	Six months ended 30 June 2010	Six months ended 30 June 2009	Year ended 31 Dec 2009
Weighted average number of ordinary shares at end of the year	31,135,762	31,135,762	31,135,762
Effect of share options in issue	1,779,590	534,266	571,332
Weighted average number of ordinary shares (diluted) during the period	32,915,352	31,670,028	31,707,094

9. NON-CURRENT ASSETS

	Property Plant & Equipment €000's	Intangible assets €000's	TOTAL €000's
Balance at 1 January 2009	1,538	55,879	57,417
Additions	169	62	231
Net depreciation/amortisation charged in the period	(351)	(70)	(421)
Balance at 30 June 2009	1,356	55,871	57,227
Additions	272	8,206	8,478
Disposals	(320)	(313)	(633)
Depreciation/amortisation charged in the period	(358)	(670)	(1,028)
Eliminated on disposals	149	88	237
Balance at 31 December 2009	1,099	63,182	64,281
Additions	318	143	461
Depreciation/amortisation charged in the period	(375)	(687)	(1,062)
Balance at 30 June 2010	1,042	62,638	63,680

10. RECEIVABLES AND PREPAYMENTS

	At 30 June 2010 €000's	At 30 June 2009 €000's	At 31 Dec 2009 €000's
Trade Receivables	5,788	3,523	4,600
Winzingo loan	-	-	83
Assets for resale	-	360	-
Other receivables	589	-	381
Loans and receivables	6,377	3,883	5,064
Prepayments	1,368	633	663
	7,745	4,516	5,727

Trade receivables includes funds held by third party collection agencies as of 30 June 2010 amounting to €3.09 million, which corresponds to the revenue generated over the last 3 weeks of the 6 month period ended 30 June 2010. Prepayments include payments as at 30 June 2010 for goods or services which will be consumed after 1 July 2010.

11. CASH AND CASH EQUIVALENTS

	At 30 June 2010 €000's	At 30 June 2009 €000's	At 31 Dec 2009 €000's
Cash and cash equivalents			
Bank balances	5,009	20,788	19,195
Treasury deposits held with banks	-	-	-
	5,009	20,788	19,195
<u>Comprising:</u>			
Own funds	2,707	19,751	17,580
Customer balances (note 12)	2,302	1,037	1,615
	5,009	20,788	19,195
Amount per share represented by own funds	€0.087	€0.634	€0.564

12. TRADE AND OTHER PAYABLES

	At 30 June 2010	At 30 June 2009	At 31 Dec 2009
	€000's	€000's	€000's
Balances with customers	2,302	1,037	1,615
Other trade payables	1,982	1,182	1,121
Total trade payables	4,284	2,219	2,736
Accruals	3,034	2,493	3,818
	7,318	4,712	6,554

The fair value of open bets at 30 June 2010 and prior period ends is not material.

13. OTHER TAXATION PAYABLE

	At 30 June 2010	At 30 June 2009	At 31 Dec 2009
	€000's	€000's	€000's
Social security and other similar taxes	110	152	24
Betting taxes and similar	41	34	28
	151	186	52

14. TOTAL ASSETS BY SEGMENT

€000's	Casino Club	Betaland	Winzingo	Betboo	Unallocated costs	Total
Total assets at 31 December 2009	56,907	4,037	265	8,420	22,822	92,451
Movement in period	997	6,285	(265)	(134)	(21,829)	(14,946)
Total assets at 30 June 2010	57,904	10,322	-	8,286	993	77,505

The main movement in gross assets during the six months ended 30 June 2010 was the payment of a special dividend of €15,567,881.

15. SHARE CAPITAL

15.1 Redomiciliation from Luxembourg to Isle of Man

On 24 May 2010 shareholders of Gaming VC Holdings S.A., approved a redomiciliation to Luxembourg which resulted, *pari passu*, in shareholders holding shares with a nominal value of €0.01 in GVC Holdings PLC. As a result of this transaction, GVC Holdings PLC acquired all the assets and liabilities of Gaming VC Holdings S.A.

Arising from this transaction was the creation of a Merger Reserve, which is distributable. The various transfers into this reserve are more fully shown in the Consolidated Statement Of Changes in Equity.

The total number of shares in issue remains unchanged at 31,135,762.

15.2 Capital management policies and procedures

The Group's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return to shareholders and benefits to other stakeholders by pricing services commensurately with the level of risk, and maintaining an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may issue new shares, return capital to shareholders, limit the amount of dividends paid, or sell assets.

Total equity employed at 30 June 2010 was €63.0 million (December 2009: €77.8 million, June 2009: €78.4 million).

16. DIVIDENDS

After the balance sheet date, but up to the date on which these financial statements were approved, the following dividends were proposed by the directors.

	At 30 Jun 2010 €000's	At 30 Jun 2009 €000's	At 31 Dec 2009 €000's
Total amount	3,113	NIL	NIL
Amount per qualifying share	€0.10	NIL	NIL

17. SHARE OPTIONS UNDER ISSUE

	At 30 Jun 2010	At 30 Jun 2009	At 31 Dec 2009
Directors			
- old scheme	525,000	1,650,000	1,650,000
- new scheme	1,675,000	-	-
	<u>2,200,000</u>	<u>1,650,000</u>	<u>1,650,000</u>
Other individuals			
- old scheme	304,590	556,859	304,590
- new scheme	1,100,000	-	-
	<u>1,404,590</u>	<u>556,859</u>	<u>304,590</u>
Combined			
- old scheme	829,590	2,206,859	1,954,590
- new scheme	2,775,000	-	-
	<u>3,604,590</u>	<u>2,206,859</u>	<u>1,954,590</u>

18 RELATED PARTIES

18.1 Identity of related parties

The Group has a related party relationship with its subsidiaries and with its directors and executive officers.

18.2 Transactions with key management personnel

The Group's key management personnel are considered to be the directors as shown in note 4.1.2. Directors of the Company and their immediate relatives control 112,000 of the voting shares of the Company (0.36%).

Nigel Blythe-Tinker is the non-executive chairman of Pentasia Limited, a leading recruiter in the field of internet gaming. During the six months ended 30 June 2010, Pentasia Limited provided recruitment services to various members of the group to a value of €79,923 (2009 Year: €67,566).

Karl Diacono is the Chief Executive Officer of Fenlex Limited, a corporate service provider incorporated in Malta. During the six months ended 30 June 2010, Fenlex Limited received €22,917 from the group in relation to Company secretarial matters arising in Malta (2009 Year: €52,780).

Richard Cooper and his wife are the shareholders of Rousset Capital Limited, a company incorporated in the United Kingdom. During the six months ended 30 June 2010, Rousset Capital Limited provided conference and meeting room services amounting to €12,487 (2009 Year: €14,354).

The Directors are satisfied that all of the above arrangements were at arm's-length commercial rates.

19. CONTINGENT LIABILITIES

The group, through its trading websites, offers progressive jackpots on slot machines.

Betaland progressive jackpots

The progressive jackpot fund in which the Betaland site participates is part of a network scheme; that is to say, it is built up based on the gaming activity of every player from every operator in the network. At the end of each month, each operator pays into the central fund the amount added into it as calculated from the play of their own customers and receives back from the fund the value of jackpots won by their own customers (less a deduction to re-seed the jackpot to its starting value). If Gaming VC customers never win such a jackpot, Gaming VC still has to pay into the fund, but it has the peace of mind that if one of their customers does win a substantial jackpot then Gaming VC does not have to carry that cost itself; it is basically an insurance policy but one which provides a strong revenue-generating tool in the jackpot games themselves.

Casino Club progressive jackpots

Unlike Betaland, CasinoClub does not participate in the network progressive jackpot scheme; instead, it offers an equivalent system in which only its own customers participate. This means that CasinoClub make no contributions to the central fund as it builds up (since they are the only operator in the scheme, this would serve no purpose) and, should a CasinoClub customer win the progressive jackpot, there is no central fund to cover the payout so the cost of this would be taken directly to the Income Statement in the period in which it would be won.

Across 42 games, the total of the available jackpots at 30 June 2010 was €7.3m (31 December 2009: €6.5m). The single largest jackpot amounted to €2.4m (2009: €2.2m) from the slots game "Aladdin's Lamp."

There was a significant winner of a jackpot during the year ended 31 December 2009. A single player won €308,999.08 on a game known as "Roman Empire." In accordance with the group's policy, the amount withdrawn by the customer (in this case €250,000) has been treated as an exceptional item (see note 4.2).

20. LITIGATION WITH BOSS MEDIA

The Group has two principal disputes with Boss Media – both of which were disclosed in the AIM Admission Document dated 19 April 2010. Costs incurred on these cases are expensed as incurred and disclosed as an exceptional item. Funds required to be deposited to the courts as a bond or similar are shown within prepayments. The agreements in dispute may be terminated in accordance with their terms on or after 30 June 2012 by Boss giving twelve months notice of termination.

Dispute involving Gaming VC Corporation and Boss Media AB and Boss Media Malta Casino Limited

A dispute has arisen in relation to the Software Licence Agreement dated 27 March 2009 entered into between Boss Media Malta Casino Limited ("Boss Media Malta Casino") and Gaming VC Corporation Limited ("Gaming VC"). Boss Media Malta Casino's obligations under the Boss Media Malta Casino Software Licence Agreement are guaranteed by its parent company, Boss Media AB ("Boss Media"). The Boss Media Malta Casino Software Licence Agreement is governed by the laws of Malta and is subject to the jurisdiction of the Courts of Malta.

In 2008, GTECH (a company incorporated and registered in the United States) acquired control of Boss Media and Boss Media Malta Casino. GTECH also owns St. Minver Limited (a company incorporated and registered in Gibraltar). St. Minver Limited has a licence from the Gibraltar Gaming Authority to offer online games on the internet. St. Minver Limited offers games on the internet on behalf of clients under this licence. In 2006, Lottomatica S.p.A. (a company incorporated and registered in Italy) acquired GTECH.

The background to the dispute is that certain third parties have obtained unauthorised access to Gaming VC Corporation's customer database and have been unlawfully targeting Gaming VC Corporation's customers, thereby causing Gaming VC Corporation very substantial damage. Gaming VC Corporation alleges that employees and/or representatives of Boss Media Malta Casino, Boss Media and/or St. Minver Limited have been involved in this unauthorised activity.

Gaming VC Corporation has instructed Fenech & Fenech Advocates in Malta. Court proceedings were issued on 20 April 2010 in Malta by Gaming VC Corporation. Substantial damages have been claimed. Boss Media Malta Casino has issued a Reply, in which it denies the claim and challenges the jurisdiction of the Maltese Courts. A preliminary hearing is scheduled to take place in Malta on 14 October 2010.

In addition, Boss Media has issued an Arbitration Request in Sweden against GVC Corporation BV, a company incorporated and registered in the Netherlands Antilles, in accordance with the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC"). In its Request, Boss Media is seeking declaratory relief that it has not breached its confidentiality obligations set out in a Software Licence Agreement dated 21 December 2004 entered into between Boss Media and GVC Corporation BV, which was the predecessor agreement to the Software Licence Agreement dated 27 March 2009 referred to above.

GVC Corporation BV has issued a Response to the Arbitration Request, in which it challenges the jurisdiction of the SCC. The parties have each appointed an arbitrator. The parties and the SCC have now agreed the appointment of a third arbitrator who will act as the chairman to the Arbitral Tribunal. The chairman has now been appointed, and, the SCC has recently referred the Arbitration Request to the Arbitral Tribunal.

Notice of Termination of Italian operations of Gaming VC Corporation of Malta from Boss Media

A judicial protest was filed in Malta by Gaming VC Corporation Limited ("Gaming VC Corporation") on 21 January 2010 refuting a notice of termination sent by Boss Media Malta Casino Limited and Boss Media Malta Poker Limited (together "Boss") to terminate the services provided by Boss to Gaming VC Corporation by which Gaming VC Corporation offers a number of games in Italy using the Boss platform.

The judicial protest was filed on the grounds that the termination letters do not fulfil the termination requirements as set out in the licence agreements currently existing between Boss and Gaming VC Corporation dated 27 March 2009 and should therefore be considered invalid. Gaming VC Corporation, by means of the judicial process, is requesting Boss to withdraw its notice of termination and, in the event that such notice of termination is not withdrawn, Gaming VC Corporation will sue for damages.

A prohibitory injunction preventing Boss from terminating its services in Italy was granted in June 2010 by the Maltese Courts. Gaming VC proceeded to file the relative claim and a hearing took place on 24 September 2010, and the court ruled that the prohibitory injunction will remain in place until the hearing takes place and the court decides on the merits of the case.

21. SUBSEQUENT EVENTS

There have been no subsequent events between 30 June 2010 and the date of the signing of these accounts that merit inclusion.

- Ends -