



Press Release

19 September 2012

GVC Holdings PLC

(“GVC” or the “Group”)

Interim Results

GVC Holdings PLC (AIM:GVC), a leading provider of B2B and B2C services to the online gaming and sports betting markets, today announces its Interim Results for the six months ended 30 June 2012.

Highlights

- 50% increase in interim dividend to 15€cents per share (H1-2011: 10€cents) and ahead of market expectations
- €58 million returned to shareholders in the last 5 years, giving one of the highest returns in the industry
- 47% increase in Revenues to €29.1 million (H1-2011: €19.8 million)
- Industry leading sports margins continue to be delivered
- 78% increase in contribution to €17.0 million (H1-2011: €9.6 million)
- 105% increase in EBITDA to €7.9 million (H1-2011: €3.8 million)
- 138% increase in Operating Profit to €6.6 million (H1-2011: €2.8 million)
- 76% increase in diluted EPS to €0.134 (H1-2011: €0.076)

Commenting on the results, Kenneth Alexander, Chief Executive of GVC Holdings plc, said: “We have been delighted by the performance of both our B2C and B2B divisions in the first six months of this year, and our confidence in the future is represented by the significant increase in our dividend.”

- Ends -

For further information:

GVC Holdings PLC

Kenneth Alexander, Chief Executive Officer

Tel: +44 (0) 20 7398 7702

Richard Cooper, Group Finance Director

www.gvc-plc.com

Daniel Stewart & Company Plc

Tel: +44 (0) 20 7776 6550

David Hart / Paul Shackleton / Jamie Barklem

www.danielstewart.co.uk

Media enquiries:

Abchurch

Henry Harrison-Topham / Shabnam Bashir

Tel: +44 (0) 20 7398 7702

henry.ht@abchurch-group.com

www.abchurch-group.com

About GVC Holdings PLC

GVC Holdings PLC is a leading provider of B2B and B2C services to the online gaming and sports betting markets. The Group is headquartered in the Isle of Man and is licensed in Malta, and the Netherlands Antilles.

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

CHIEF EXECUTIVE'S STATEMENT

I am delighted to present these results, reflecting, for the first time, a full half-year for the Group's B2B division. GVC's investment in its B2C brands together with the successful delivery of the Group's B2B service to East Pioneer Corporation B.V. ("EPC") is now delivering considerable returns and to illustrate the Board's confidence the interim dividend has been increased by 50% to 15€cents per share.

For the benefit of shareholders and industry observers, GVC has within the notes to its interim statements, shown the underlying trading volumes across both B2B and B2C businesses. The Group's B2C brands include CasinoClub and Betboo. For the avoidance of doubt, the results of Betaland, disposed in April this year are shown as discontinued activities.

Underlying sports wagers increased to €256.3 million from €23.2 million. With a combined gross win of 11% the underlying sports turnover enjoyed by GVC and its B2B partner, East Pioneer Corporation BV amounted to €28.7 million (H1-2011: €23.3 million).

Total revenue rose by 47% to €29.1 million (H1-2011: €19.8 million). Revenue from B2B amounted to €9.9 million (H1-2011: €1.4 million). CasinoClub revenues were marginally lower at €14.1 million (H1-2011: €14.6 million), impacted by the industry-wide decline in poker revenues. Revenue at Betboo, our Latin American brand, rose by 33% to €5.0 million (H1-2011: €3.8 million).

Profit after taxation amounted to €5.2 million (H1-2011: €1.6 million) and that, combined with our confidence for the future allows us to declare an interim dividend of 15€cents per share (H1-2011: 10€cents). This will be paid on 2 November 2012 to shareholders on the register at the close of business on the record date of 5 October 2012.

Kenneth Alexander

Chief Executive

19 September 2012

GROUP FINANCE DIRECTOR'S STATEMENT

The Group's financial statements are prepared under IFRS. Additionally the Group presents an alternative presentation to show the underlying transaction volumes.

As shareholders will be aware, the Group's Betaland brand was disposed of in April 2012 and the results of this are thus shown as "discontinued activities."

REVENUE

Total revenue recognised by GVC was €29.1 million up 47% on the same period in 2011. B2C revenue amounted to €19.2m, an increase of 4%.

In €000's	H1-2012	H1-2011	% Change
CasinoClub	14,127	14,632	(3.5%)
Betboo Sports	1,167	820	42.3%
Betboo Gaming	3,882	2,989	29.9%
Total B2C revenue	19,176	18,441	4.0%
Total B2B revenue	9,932	1,387	616.0%
Total Revenue	29,108	19,828	46.8%

CasinoClub results comprised a robust casino offering and a declining poker product, and the Board is pleased that the casino held up well against a backdrop of economic uncertainty in Europe.

Betboo sports turnover increased by 147% to €21.7 million (H1-2011: €8.8 million). Betboo sports revenue increased by 42.3% from a lower hold of 8% (H1-2011: 11%) due to less favourable results in the Brazilian regional football leagues. The Board expects the margin to normalise by the end of 2012 to closer to 10%. Additionally in the period the Group provided a higher level of customer bonuses than in the previous years.

Betboo gaming rose by 29.9% with an increasing amount of its revenue from Casino as opposed to Bingo.

B2B revenue comprises both:

- i. a share of underlying revenues from the Superbahis brand, sold by Sportingbet plc to East Pioneer Corporation B.V in late November 2011, and
- ii. GVC's revenues in similar markets.

The combined revenues rose from €1.4 million to €9.9 million, and GVC's B2B share is after direct costs such as payment processing, software royalties, affiliate marketing and the revenue shares due to Sportingbet plc.

Contribution, if expressed as a percentage of underlying turnover of the B2B division, was 23% (H1-2011: 30%) compared to 51% for the B2C division (H1-2011: 49%).

OPERATING COSTS

With the continued investment in the B2C brands, operating costs in the B2C division increased to €5.6 million (H1-2011: €4.4 million).

The Group now has a sizable office in Dublin with around 60 staff. Operating costs in the B2B division reflect this staffing and establishment cost and have risen from €0.9 million to €3.8 million. The Group expects a modest increase to these costs in H2-2012.

Across the Group, staff costs amounted to 49% of total operating costs (before non-cash items) of €9.4 million (H1-2011: 51%) and increased 71% to €4.6 million largely due to increased headcount. The Group has around 145 staff across four core locations up from 79 staff in the same period last year.

Group-wide technology costs at €1.0 million (H1-2011: €0.2 million) also increased substantially due to increased infrastructure support and increased resilience in the Group's Betboo product.

Third-party service costs are largely associated with the out-sourced support from personnel and premises in GVC's Betboo brand. These costs increased to €1.9 million (H1-2011: €1.4 million) in the six months and are being kept under close review.

The Group has a variety of foreign exchange exposures which moved against it in the first half of 2012 costing €0.2 million. The Group does not hedge its foreign exchange exposures.

Depreciation and Amortisation at €1,236k was higher than the €1,043k incurred last year. The increase of nearly €200k was evenly split between B2C and B2B.

The charges for Depreciation and Amortisation were significantly higher than the actual cash outflow on fixed assets on which €464k was incurred (H1-2011: €996k).

There were no Exceptional charges in the period (H1-2011: €189k).

Share option charges were a credit for the period following the lapse of options associated with personnel engaged in the now disposed Betaland brand.

The charge to Taxation increased, although remains modest compared to the profits. The increase was associated with taxation levied on recharges from certain service operations within the Group.

Discontinued operations refer to the Betaland business which ceased to be operated by GVC in April 2012, although there were a series of post disposal costs which GVC needed to bear. This brand had been in decline for some time and the Group could not see any future potential in it. The result for the period was a loss of €0.9 million (H1-2011: profit, €0.8 million).

BALANCE SHEET

The development of the B2B business has had a material impact on the Balance Sheet of the Group. The most significant changes have been the increase in receivables, (up 94% to €14.2 million); and trade and other payables (up 130% to €14.5 million).

The B2B business absorbs much greater working capital than a traditional B2C business principally as more payment processing methods are involved and trade debtors can take a number of months to convert into cash.

The Group has today declared a dividend of 15€cents per share, making a total payable during 2012 of 26€cents (2011: 20€cents). The recent history of dividends the Group has paid is:

	€cents Per share	Total paid	Cumulative paid
2008	40	€12.54 million	€12.5 million
2009	40	€12.54 million	€24.90 million
2010	60	€18.68 million	€43.58 million
2011	20	€6.22 million	€47.81 million
2012	26	€8.16 million	€57.97 million

Richard Cooper
Group Finance Director

19 September 2012

CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 (Unaudited) €000's	Six months ended 30 June 2011 (Unaudited) €000's	Year ended 31 Dec 2011 (Audited) €000's
Revenue	2	29,108	19,828	44,340
Variable costs		(12,073)	(10,277)	(23,790)
Contribution	2	17,035	9,551	20,550
Operating costs	3	(10,421)	(6,770)	(18,551)
Operating profit		6,614	2,781	1,999
Financial income		1	-	2
Financial expense		(1,102)	(1,150)	(2,387)
Profit/(loss) before tax		5,513	1,631	(386)
Taxation charge	4	(328)	(61)	(236)
Profit/(loss) after taxation from continuing operations		5,185	1,570	(622)
(Loss)/profit after taxation from discontinued operations	5	(922)	834	477
Profit/(loss) after tax		4,263	2,404	(145)
Earnings per share		€	€	€
Basic				
Profit/(loss) from continuing operations		1.165	0.050	(0.020)
(Loss)/profit from discontinued operations		(0.029)	0.027	0.015
Total	6	0.136	0.077	(0.005)
Diluted				
Profit/(loss) from continuing operations		0.163	0.050	(0.020)
(Loss)/profit from discontinued operations		(0.029)	0.026	0.015
Total	6	0.134	0.076	(0.005)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2012

	Six months ended 30 June 2012 (Unaudited) €000's	Six months ended 30 June 2011 (Unaudited) €000's	Year ended 31 Dec 2011 (Audited) €000's
Profit/(loss) and total comprehensive income/(expense) for the period	4,263	2,404	(145)

CONSOLIDATED BALANCE SHEET

As at 30 June 2012

		30 June 2012 (Unaudited) €000's	30 June 2011 (Unaudited) €000's	31 Dec 2011 (Audited) €000's
Assets				
Property, plant and equipment		465	229	470
Intangible assets		66,278	67,943	67,223
Deferred tax asset		83	38	83
Total non-current assets		66,826	68,210	67,776
Receivables and prepayments	7	14,169	7,311	8,983
Income taxes reclaimable		1,813	2,111	1,529
Other tax reclaimable		-	19	-
Cash and cash equivalents	8	4,014	5,799	9,853
Total current assets		19,996	15,240	20,365
Current liabilities				
Trade and other payables	9	(14,482)	(6,305)	(15,926)
Income taxes payable		(2,327)	(2,366)	(1,771)
Other taxation liabilities		(252)	(203)	(330)
Total current liabilities		(17,061)	(8,874)	(18,027)
Current assets less current liabilities		2,935	6,366	2,338
Long term liabilities				
Deferred consideration on Betboo		(11,778)	(12,375)	(12,940)
Total net assets		57,983	62,201	57,174
Capital and reserves				
Issued share capital		316	311	315
Merger reserve		40,407	40,407	40,407
Share premium		610	-	416
Retained earnings		16,650	21,483	16,036
Total equity attributable to equity holders of the parent		57,983	62,201	57,174

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2012

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
Balance at 1 January 2011	311	40,407	-	21,966	62,684
Share option charges	-	-	-	225	225
Dividend paid	-	-	-	(3,112)	(3,112)
Transactions with owners	311	40,407	-	19,079	59,797
Profit and total comprehensive income	-	-	-	2,404	2,404
Balance as at 30 June 2011	311	40,407	-	21,483	62,201
Balance at 1 July 2011	311	40,407	-	21,483	62,201
Share option charges	-	-	-	215	215
Share options exercised	4	-	416	-	420
Dividend paid	-	-	-	(3,113)	(3,113)
Transactions with owners	315	40,407	416	18,585	59,723
Loss and total comprehensive expense	-	-	-	(2,549)	(2,549)
Balance as at 31 December 2011	315	40,407	416	16,036	57,174
Balance at 1 January 2012	315	40,407	416	16,036	57,174
Share option charges	-	-	-	315	315
Lapsed share options	-	-	-	(489)	(489)
Share options exercised	1	-	194	-	195
Dividend paid	-	-	-	(3,475)	(3,475)
Transactions with owners	316	40,407	610	12,387	53,720
Loss and total comprehensive expense	-	-	-	4,263	4,263
Balance as at 30 June 2012	316	40,407	610	16,650	57,983

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

CONSOLIDATED STATEMENT OF CASHFLOWS

for the six months ended 30 June 2012

	Six months ended 30 June 2012 (Unaudited) €000's	Six months ended 30 June 2011 (Unaudited) €000's	Year ended 31 Dec 2011 (Audited) €000's
Cash flows from operating activities			
Cash receipts from customers	27,164	27,969	61,289
Cash paid to suppliers and employees	(26,974)	(24,579)	(49,640)
Corporate taxes recovered	-	-	1,356
Corporate taxes paid	(22)	(35)	(1,627)
Net cash from operating activities	168	3,355	11,378
Cash flows from investing activities			
Interest received	1	2	5
Acquisition of business and earn out	(2,264)	-	(671)
Acquisition of property, plant and equipment	(151)	(81)	(395)
Acquisition of intangible assets	(313)	(915)	(1,210)
Net cash from investing activities	(2,727)	(994)	(2,271)
Cash flows from financing activities			
Proceeds from issue of share capital	195	-	420
Dividend paid	(3,475)	(3,113)	(6,225)
Net cash from financing activities	(3,280)	(3,113)	(5,805)
Net (decrease)/increase in cash and cash equivalents	(5,839)	(752)	3,302
Cash and cash equivalents at beginning of the period	9,853	6,551	6,551
Cash and cash equivalents at end of the period	4,014	5,799	9,853

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2012

1. SIGNIFICANT ACCOUNTING POLICIES

GVC Holdings PLC is a company registered in The Isle of Man and was incorporated on 5 January 2010. It is the successor company of Gaming VC Holdings S.A. and took the assets of Gaming VC Holdings S.A. on 21 May 2010 after formal approval by shareholders. GVC Holdings PLC has continued to apply the same accounting policies as Gaming VC Holdings S.A. The consolidated financial statements of the Group for the interim period ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the 'Group'). The Group has two business lines, Business to Consumer ("B2C"), whose principal activities are that of operating online casinos, access to online poker rooms, online bingo and online sports betting and Business to Business ("B2B"), whose principal activities are to provide a full support service to third party B2C operators.

These interim condensed consolidated financial statements are for the six months ended 30 June 2012. 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 2011.

The comparative figures for the year ended 31 December 2011 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. SEGMENTAL REPORTING

Management currently identifies two distinct business lines Business to Consumer ("B2C") and Business to Business "B2B" as operating segments. These operating segments are monitored and strategic decisions are made on the basis of segment operating results. The Group has chosen to split out its two key B2C brands, CasinoClub and Betboo.

Management also monitors revenue by geographic location of its customers, monitoring performance in Europe and Latin America.

2.1 Reporting by Segment

Six months ended 30 June 2012

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Unallocated central costs €000's	Total €000's
STATEMENT OF TURNOVER						
Sports wagers	-	21,725	21,725	234,580	-	256,305
Sports margin		8%	8%	11%		11%
Gross margin	-	1,749	1,749	26,944	-	28,693
Sports NGR	-	1,167	1,167	21,304	-	22,471
Gaming NGR	14,127	3,882	18,009	8,415	-	26,424
Other revenue from customers	-	-	-	1,182	-	1,182
	14,127	5,049	19,176	30,901	-	50,077
Revenue recognised by GVC	14,127	5,049	19,176	9,932	-	29,108
Revenue recognised by B2B partners	-	-	-	20,969	-	20,969
	14,127	5,049	19,176	30,901	-	50,077
SEGMENTAL REPORTING						
Total revenue (notes 2.2, 2.3)	14,127	5,049	19,176	9,932	-	29,108
Variable costs	(5,819)	(3,489)	(9,308)	(2,765)	-	(12,073)
Contribution	8,308	1,560	9,868	7,167	-	17,035
Other operating costs (note 3.1)	(3,309)	(2,258)	(5,567)	(3,792)	-	(9,359)
Clean EBITDA	4,999	(698)	4,301	3,375	-	7,676
Share option charges	-	-	-	-	174	174
EBITDA	4,999	(698)	4,301	3,375	174	7,850
Depreciation and amortisation	(271)	(781)	(1,052)	(183)	(1)	(1,236)
Financial income/(expense)*	-	(1,102)	(1,102)	-	1	(1,101)
Profit/(loss) before tax	4,728	(2,581)	2,147	3,192	174	5,513
Taxation	(212)	-	(212)	(91)	(25)	(328)
Profit/(loss) after tax from continuing operations	4,516	(2,581)	1,935	3,101	149	5,185
Total assets	58,691	12,666	71,357	12,699	2,766	86,822
OTHER INFORMATION AND KPI's						
Revenue per day	78	28	105	55	-	160
Contribution margin	59%	31%	51%	72%	-	59%
Sports wagers per day	-	119	119	1,289	-	1,408

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

Six months ended 30 June 2011

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Unallocated central costs €000's	Total €000's
STATEMENT OF TURNOVER						
Sports wagers	-	8,781	8,781	14,507	-	23,288
Sports margin		11%	11%	8%		9%
Gross margin		958	958	1,166	-	2,124
Sports NGR	-	820	820	837	-	1,657
Gaming NGR	14,632	2,989	17,621	550	-	18,171
	14,632	3,809	18,441	1,387	-	19,828
Revenue recognised by GVC	14,632	3,809	18,441	1,387	-	19,828
Revenue recognised by B2B partners	-	-	-	-	-	-
	14,632	3,809	18,441	1,387	-	19,828
SEGMENTAL REPORTING						
Total revenue (notes 2.2, 2.3)	14,632	3,809	18,441	1,387	-	19,828
Variable costs	(7,262)	(2,051)	(9,313)	(964)	-	(10,277)
Contribution	7,370	1,758	9,128	423	-	9,551
Other operating costs (note 3.1)	(2,696)	(1,743)	(4,439)	(874)	-	(5,313)
Clean EBITDA	4,674	15	4,689	(451)	-	4,238
Exceptional items (note 3.2)	(189)	-	(189)	-	-	(189)
Share option charges	-	-	-	-	(225)	(225)
EBITDA	4,485	15	4,500	(451)	(225)	3,824
Depreciation and amortisation	297	(655)	(952)	(91)	-	(1,043)
Financial income/(expense)*	-	(1,150)	(1,150)	-	-	(1,150)
Profit/(loss) before tax	4,188	(1,790)	2,398	(542)	(225)	1,631
Taxation	(185)	50	(135)	16	58	(61)
Profit/(loss) after tax from continuing operations	4,003	(1,740)	2,263	(526)	(167)	1,570
Total assets	57,949	13,541	71,490	1,108	10,852	83,450
OTHER INFORMATION AND KPI's						
Revenue per day	80	21	101	8	-	109
Contribution margin	50%	46%	49%	30%	-	48%
Sports wagers per day	-	48	48	80	-	128

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

Year ended 31 December 2011

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Unallocated central costs €000's	Total €000's
STATEMENT OF TURNOVER						
Sports wagers	-	24,439	24,439	82,535	-	106,974
Sports margin		11%	11%	11%		11%
Gross margin	-	2,629	2,629	8,759	-	11,388
Sports NGR	-	2,193	2,193	6,546	-	8,739
Gaming NGR	29,399	6,620	36,019	3,247	-	39,266
Other revenue from customers	-	-	-	280	-	280
	29,399	8,813	38,212	10,073	-	48,285
Revenue recognised by GVC	29,399	8,813	38,212	6,128	-	44,340
Revenue recognised by B2B partners	-	-	-	3,945	-	3,945
	29,399	8,813	38,212	10,073	-	48,285
SEGMENTAL REPORTING						
Total revenue (notes 2.2, 2.3)	29,399	8,813	38,212	6,128	-	44,340
Variable costs	(13,923)	(6,532)	(20,455)	(3,335)		(23,790)
Contribution	15,476	2,281	17,757	2,793	-	20,550
Other operating costs (note 3.1)	(5,810)	(3,763)	(9,573)	(2,595)		(12,168)
Clean EBITDA	9,666	(1,482)	8,184	198	-	8,382
Exceptional items	(334)	-	334	(3,585)		(3,919)
Share option charges	-	-	-	-	(440)	(440)
EBITDA	9,332	(1,482)	7,850	(3,387)	(440)	4,023
Depreciation and amortisation	(457)	(1,344)	(1,801)	(223)		(2,024)
Financial income/(expense)*	-	(2,387)	(2,387)	1	1	(2,385)
Profit/(loss) before tax	8,875	(5,213)	3,662	(3,609)	(439)	(386)
Taxation	(162)	-	(162)	-	(74)	(236)
Profit/(loss) after tax from continuing operations	8,713	(5,213)	3,500	(3,609)	(513)	(622)
Total assets	55,278	2,976	68,254	14,165	5,272	88,141
OTHER INFORMATION AND KPI's						
Revenue per day	62	48	210	34	-	244
Contribution margin	53%	26%	46%	46%	-	46%
Sports wagers per day	-	134	134	453	-	588

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

2.2 Geographical analysis

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

	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Europe	24,059	16,019	35,527
Latin America	5,049	3,809	8,813
Total	29,108	19,828	44,340

2.3 Business Line Performance Summary

	CasinoClub €000's	Betboo €000's	B2C €000's	B2B €000's	Total €000's
Revenue					
H1-2012	14,127	5,049	19,176	9,932	29,108
H2-2011	14,767	5,004	19,771	4,741	24,512
H1-2011	14,632	3,809	18,441	1,387	19,828
Contribution					
H1-2012	8,308	1,560	9,868	7,167	17,035
H2-2011	8,106	523	8,629	2,370	10,999
H1-2011	7,370	1,758	9,128	423	9,551
Clean EBITDA					
H1-2012	4,999	(698)	4,301	3,375	7,676
H2-2011	4,992	(1,497)	3,495	649	4,144
H1-2011	4,674	15	4,689	(451)	4,238

3. OPERATING COSTS

	Notes	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Other operating costs	3.1	9,359	5,313	12,168
Share option charges		(174)	225	440
Exceptional items	3.2	-	189	3,919
Depreciation		96	164	197
Amortisation		1,140	879	1,827
		10,421	6,770	18,551

3.1 Other Operating Costs

	Six months ended 30 June 2011 €000's	Six months ended 30 June 2010 €000's	Year ended 31 Dec 2010 €000's
Personnel expenditure (excluding share option charges)	4,599	2,691	6,028
Professional fees	589	362	932
Technology costs	981	235	616
Office, travel and other costs	1,150	607	1,330
Third party service costs*	1,859	1,356	3,088
Foreign exchange differences	181	62	174
	9,359	5,313	12,168

* provided to Betboo by external providers

Average number of staff employed in continuing operations:

B2C	55	50	50
B2B	80	20	28
Central	10	9	8
	145	79	86

3.2 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 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Transaction with East Pioneer Corporation B.V.			
- legal and professional costs	-	-	2,275
- bonuses paid to Directors and staff	-	-	1,310
Boss dispute	-	189	334
	-	189	3,919

4. TAXATION

	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Current tax expense			
Current year	255	99	256
Prior year	73	-	63
	328	99	319
Deferred tax			
Origination and reversal of temporary differences	-	(38)	(83)
Total income tax expense in income statement	328	61	236

5. DISCONTINUED OPERATIONS

On 10 April 2012, the Group announced that it had entered into an arrangement to dispose of its Betaland business to a third party and for a nominal sum. The declining profitability of Betaland led the Board to conclude that it was no longer in the shareholder's interests for GVC to continue to own this business, the disposal was completed on the 4 May 2012. The results from Betaland are shown below:

	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Net gaming revenue	4,511	10,454	20,006
Cost of sales	(1,245)	(1,609)	(3,041)
Gross profit	3,266	8,845	16,965
Marketing and revenue shares	(3,006)	(6,567)	(12,806)
Contribution	260	2,278	4,159
Operating costs	(1,043)	(1,300)	(2,523)
Clean EBITDA	(783)	978	1,636
Exceptional items*	(1)	-	(904)
EBITDA	(784)	978	732
Depreciation and amortisation	(173)	(123)	(233)
Financial income and expenses	1	2	2
Loss before tax	(956)	857	501
Tax	34	(23)	(24)
Loss after tax	(922)	834	477

* Provision against deferred proceeds on the disposal of Betpro

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 2012	Six months ended 30 June 2011	Year ended 31 Dec 2011
Profit/(loss) for the period from continuing operations attributable to ordinary shareholders	5,185,000	1,570,000	(622,000)
Profit/(loss) for the year period discontinued operations attributable to ordinary shareholders	(922,000)	835,000	477,000
Profit/(loss) for the period attributable to ordinary shareholders	4,263,000	2,404,000	(145,000)
Weighted average number of shares	31,513,727	31,135,762	31,170,465
Profit/(loss) from continuing operations (in €)	0.165	0.050	(0.020)
(Loss)/profit from discontinued operations (in €)	(0.029)	0.027	0.015
Basic earnings per share (in €)	0.136	0.077	(0.005)
Exceptional items	-	(189,000)	(3,919,000)
Profit/(loss) for the year from continuing operations attributable to ordinary shareholders before exceptional items	5,185,000	1,381,000	(4,541,000)
Basic earnings per share from continuing operations before exceptional items (in €)	0.165	0.044	(0.146)

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

	Six months ended 30 June 2012	Six months ended 30 June 2011	Year ended 31 Dec 2011
Profit/(loss) for the period from continuing operations attributable to ordinary shareholders	5,185,000	1,570,000	(622,000)
(Loss)/profit for the period from discontinued operations attributable to ordinary shareholders	(922,000)	835,000	477,000
(Profit)/(loss) for the period attributable to ordinary shareholders	4,263,000	2,404,000	(145,000)
Weighted average number of shares	31,513,727	31,135,762	31,170,465
Effect of dilutive share options	261,891	498,633	396,565
Weighted average number of dilutive shares	31,775,618	31,634,395	31,567,030
Profit/(loss) from continuing operations (in €)	0.163	0.050	(0.020)
(Loss)/profit from discontinued operations (in €)	(0.029)	0.026	0.015
Diluted earnings per share (in €)	0.134	0.076	(0.005)
Exceptional items	-	(189,000)	(3,919,000)
Profit for the year from continuing operations attributable to ordinary shareholders before exceptional items	5,185,000	1,381,000	(4,541,000)
Diluted earnings per share from continuing operations before exceptional items (in €)	0.163	0.044	(0.144)

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.

7. RECEIVABLES AND PREPAYMENTS

	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Balances with payment processors	11,858	677	3,792
Trade receivables*	496	2,225	3,060
Other receivables	990	1,498	659
Loans and receivables	13,344	4,400	7,511
Prepayments	825	2,911	1,472
	14,169	7,311	8,983

* The bulk of trade receivables relate to balances held by agents.

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 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Cash and cash equivalents			
Bank balances	4,014	3,284	5,211
Balances at payment processors collectable within one month	-	2,515	4,642
	4,014	5,799	9,853
Comprising:			
Own funds	2,817	3,758	4,737
Short term loan	-	-	2,924
Balances with customers (note 9)	1,197	2,041	2,192
	4,014	5,799	9,853
Amount per share represented by own funds (in €)	0.089	0.121	0.151

9. TRADE AND OTHER PAYABLES

	Six months ended 30 June 2012 €000's	Six months ended 30 June 2011 €000's	Year ended 31 Dec 2011 €000's
Balances with customers	1,197	2,041	2,192
Short term loan*	-	-	2,924
Other trade payables	11,257	2,240	7,099
Total trade payables	12,454	4,281	12,215
Accruals	2,028	2,024	3,711
	14,482	6,305	15,926

* provided by Sportingbet Plc as part of the transaction with East Pioneer Corporation, the loan was interest free and repaid on the 31 May 2012.

10. SUBSEQUENT EVENTS

There have been no other subsequent events between 30 June 2012 and the date of the signing of these accounts that merit inclusion.

- Ends -