

28 August 2015

GVC Holdings PLC

("GVC", the "Company" or the "Group")

Interim Results

GVC Holdings PLC (AIM:GVC), the multinational sports betting and gaming group, today releases its unaudited interim results for the six months ended 30 June 2015.

Financial highlights*

- Wagers - up 18.6% to €824 million (H1-2014: €694 million)
- Sports Gross Margin - 8.8% (H1-2014: 9.9%)
- Net Gaming Revenue ("NGR") - up 15.1% to €121 million (H1-2014: €105 million)
- Contribution - up 15.3% to €65 million (H1-2014: €57 million)
- Clean EBITDA - up 14.0% to €25.5 million (H1-2014: €22.4 million)
- Total dividend declarations to date - up 5% to 42€cps on the same period in the prior year
- Deposit values - up 18% on H1-2014
- In-play - generating 73% of Sports Gross Margin (H1-2014: 63%)
- Mobile - generating 38% of Sports Gross Gaming Revenue ("GGR") (H1-2014: 22%)
- Adjusted, diluted Earnings Per Share - growth of 25% to 33.3 €cps

Commenting on the results, Kenneth Alexander, Chief Executive of GVC Holdings PLC, said:

"GVC continues to show strong financial performance, with growth in revenue, clean EBITDA and dividends. The Board would like to thank our talented and motivated staff for helping us to maintain this. We are highly confident for the rest of the year.

"With our track record of delivering value through organic growth and acquisitions we are determined that GVC will play an important role in the continuing consolidation of the online gaming sector. We expect to update the market soon about our discussions with bwin.party digital entertainment plc."

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About GVC Holdings PLC

GVC Holdings PLC is a leading e-gaming operator in both b2c and b2b markets. Its core brands are Sportingbet, Betboo and CasinoClub. The Group has around 650 employees, is headquartered in the Isle of Man and is licensed in Malta, Denmark, UK, South Africa, Philippines and the Dutch Caribbean.

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

** Totals may not sum due to rounding and percentages have been calculated on the underlying rather than the summarised figures.*

Chief Executive's Report

The Group has had an excellent first half of 2015 and is confident for continued strong performance for the full year.

As early as January this year, the Group declared a dividend of 12.5 €cents per share ("€cps"). This was followed by a declaration of 15.5 (14.0 ordinary + 1.5 special) €cps in March 2015 and 14 €cps on 8th July 2015, bringing the total dividend declarations to 42 €cps for the year to date, being 5% higher than the same period in 2014. The Group anticipates declaring a second interim dividend along with its Q3-2015 trading results in Q4-2015.

Trading KPI summary €000's	Sports wagers per day	Sports NGR per day	Gaming NGR per day	Total NGR per day
Q1-2014	3,765	278	281	559
Q2-2014	3,907	296	306	602
H1-2014	3,836	287	293	580
<hr/>				
Q1-2015	4,558	318	347	665
Q2-2015	4,543	289	382	671
H1-2015	4,551	303	365	668
<hr/>				
YoY increase	19%	6%	25%	15%

Of the sports Gross Gaming Revenue ("GGR") in-play now amounts to 73% (H1-2014: 63%) and mobile represents around 38% (H1-2014: 22%). During H1-2015, deposit values were up 18% on the same period last year and active and new depositing customers were up 14% and 7% respectively on the same period last year

Negotiations to acquire bwin.party digital entertainment plc

As the market and investors are already aware from our announcements from 15 May 2015 to 24 August 2015, the Company is in discussions with the board of bwin.party digital entertainment plc ("bwin.party") to acquire the whole of the company's share capital through a scheme of arrangement. Were this acquisition to complete, it would, under the AIM rules, constitute a reverse takeover, and would therefore require the consent of the GVC shareholders. It is anticipated that the acquisition would be accompanied by a move from AIM to the Official List (standard segment) and the Main Market of the London Stock Exchange at the time of completion.

If successful, this reverse takeover would be a further transformational step for the Group and its shareholders. In pursuance of this goal, the Group has of course incurred costs in undertaking due diligence, synergy review, tax planning, and extensive legal workstreams amounting to €3.8 million as at 30 June 2015. These costs have been shown within exceptional items. By 30 June 2015 a total of €1.0 million of these costs had been paid.

Regulatory update

The Group is making an application to be licensed in Romania. As part of this licensing process, the Romanian authorities impose back taxes. GVC's estimate of the back-tax liability is €0.9 million and has been treated as an exceptional item in these financial statements. The ongoing tax impact is likely to be in the region of €0.5 million per year.

Outlook

After experiencing softening in the Greek market following the well-publicised economic problems in Greece, and as reported on 8 July 2015, GVC is now encouraged by signs of greater customer activity. GVC remains confident on the future prospects of the Greek market, which will continue to be important for the Group.

Current trading for the Group as a whole remains strong, even with the absence of the World Cup this year. The Board remains highly confident for the remainder of 2015, such confidence being

underpinned by our declarations to date this year of dividends amounting to 42 €cps. We look forward to providing further positive trading updates in October 2015 and January 2016.

Kenneth Alexander

Chief Executive

27 August 2015

Group Finance Director's Report

Consistent with prior disclosures we summarise the business model of the Group and express this into "figures per day." This accords with our preferred KPI disclosures. Section 2 of the report summarises the primary Financial Statements along with a short explanation behind material movements in the figures.

SECTION 1: Summary of business model based upon H1-2015

(Subject to rounding)

€000's	Total	Per Day H1- 2015	Per Day H1- 2014
Wagers per day	823,703	4,551	3,836
Sports margin	8.8%	8.8%	9.9%
Gross margin	72,842	402	380
Gaming revenues less customer bonuses	48,074	266	200
Total revenue	120,916	668	580
Contribution margin	54%		
Contribution	65,401		
Expenditure	(39,916)		
Clean EBITDA	25,485		
Clean EBITDA margin	21.1%		
Other operating cashflows	(2,512)		
Clean Net Operating Cashflow ("CNO")	22,973		
Other cash outflows	(2,202)		
Net Cashflow before dividends	20,771		
Dividends paid in period	17,160		
% of CNO distributed	75%		

SECTION 2: Summary of financial disclosures

(In € millions)

	H1-2015	H1-2014
INCOME STATEMENT EXTRACTS		
Clean EBITDA	25.5	22.4
Non-cash operating costs	(2.4)	(3.5)
Exceptional items	(4.7)	-
Financial expense	(1.3)	(0.9)
Profit before tax	<u>17.1</u>	<u>18.0</u>
Key ratios		
<i>Contribution margin (contribution/revenue)</i>	54.0%	54.0%
<i>Clean EBITDA margin (clean EBITDA/revenue)</i>	21.1%	21.3%
CASHFLOW EXTRACTS		
Clean EBITDA	25.5	22.4
Capitalisation of internally developed software	(2.6)	-
Purchase of non-current assets	(0.4)	(0.2)
Trade investment in Betit (including costs)	-	(3.6)
Finance lease payments	(0.9)	(0.5)
Corporate tax, payments net of receipts	(0.2)	(0.2)
Other working capital movements	1.6	(0.8)
CLEAN NET OPERATING CASHFLOW ("CNOC")	<u>23.0</u>	<u>17.1</u>
Payment of exceptional items relating to offer for bwin.party	(1.0)	-
Betboo earn-out payments	(1.2)	(3.1)
NET CASHFLOWS	<u>20.8</u>	<u>14.0</u>
Cash at start of period	17.8	18.8
Dividends	(17.2)	(16.8)
Cash at end of period	<u>21.4</u>	<u>16.0</u>
Dividends as % of CNOC	75%	98%
CNOC / Clean EBITDA	90%	76%
Net cashflow / Clean EBITDA	82%	63%

Group revenues at €120.9 million were 15.1% ahead of the same period last year.

Contribution at €65.4 million rose by 15.3%. The contribution margin was 54%. This was after the new imposition of the UK point of consumption tax of 15% on Sports GGR and 15% of Gaming NGR, and German VAT of 19% on certain aspects of Gaming Revenues.

Clean EBITDA rose €3.1 million to €25.5 million (H1-2014: €22.4 million) an increase of 14.0% over the prior year period.

Exceptional items, which totalled €4.7 million (H1-2014: €nil), comprised €3.8 million of fees relating to the potential acquisition of bwin.party and a provision of €0.9 million for back-taxes relating to the Romanian licensing regime application.

Non-cash items of operating expenditure (charges for share options and the Betit put option, together with, depreciation and amortisation etc.) reduced to €2.4 million from €3.5 million.

Financial expenses totalled €1.3 million (H1-2014: €0.9 million). The bulk of the increase is due to foreign exchange differences arising on the translation of finance leases and the William Hill loan which, as at 30 June 2015, stood at an underlying amount of £4.6 million (30 June 2014: €6.2 million). The pertinent FX rates were:

30 June 2014	£1 = €1.2477
31 December 2014	£1 = €1.2780
30 June 2015	£1 = €1.4057

STATEMENT OF FINANCIAL POSITION

Non-current assets rose to €160.6 million at 30 June 2015 from €159.2 million at 31 December 2014 following the investment in product (€2.6million; H1-2014 €nil) and the purchase of equipment (€1.0 million, H1-2014 €1.0 million), net of amortisation and depreciation of €2.2 million, (H1-2014 €1.8 million).

Customer liability coverage With payment processor balances of €17.7 million at 30 June 2015, and cash and cash equivalents of €21.4 million, compared to customer liabilities of €12.1 million, there was a surplus of €27.0 million (30 June 2014: €20.0 million), a coverage ratio of 223% (30 June 2014: 154%)

STATEMENT OF CASHFLOWS

From a Clean EBITDA of €25.5 million, €23.0 million of Clean Net Operating Cashflow ("CNOC") was delivered and €20.8 million of net cash inflows were generated from which €17.2 million was paid to shareholders as in the form of dividends during the period.

The cash-conversion ratio (CNOC/Clean EBITDA) rose to 90% from 76% in H1-2014 and overall net cashflow (before dividends) was 82% of Clean EBITDA (H1-2014: 63%).

Richard Cooper
Group Finance Director
27 August 2015

CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 (Unaudited) €000's	Six months ended 30 June 2014* (Unaudited) €000's	Year ended 31 Dec 2014 (Audited) €000's
Revenue	2	120,916	105,066	224,801
Variable costs		(55,515)	(48,344)	(101,513)
Contribution	2	65,401	56,722	123,288
Operating costs (as below)	3	(47,028)	(37,856)	(80,367)
Other operating costs	3	(39,916)	(34,367)	(74,126)
Share based payments		(202)	(124)	(736)
Depreciation and amortisation		(2,202)	(1,772)	(3,912)
Exceptional items		(4,708)	-	-
Effect of valuing the Betit put option	13	-	(1,593)	(1,593)
Operating profit		18,373	18,866	42,921
Financial income		-	8	16
Financial expense	4	(1,306)	(855)	(1,646)
Profit before tax		17,067	18,019	41,291
Taxation charge	5	(322)	(447)	(728)
Profit after tax		16,745	17,572	40,563
Earnings per share		€	€	€
Basic				
Total	6	0.273	0.288	0.664
Diluted				
Total	6	0.260	0.267	0.614

*restated - see note 14 for details

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2015

	Six months ended 30 June 2015 (Unaudited) €000's	Six months ended 30 June 2014* (Unaudited) €000's	Year ended 31 Dec 2014 (Audited) €000's
Profit and total comprehensive income for the period	16,745	17,572	40,563

**restated - see note 14 for details*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2015

	Notes	30 June 2015 (Unaudited) €000's	30 June 2014* (Unaudited) €000's	31 Dec 2014 (Audited) €000's
Assets				
Property, plant and equipment		1,634	864	1,147
Intangible assets		155,205	152,360	154,260
Available for sale financial asset	13	3,801	3,801	3,801
Total non-current assets		160,640	157,025	159,208
Receivables and prepayments	7	22,806	24,237	27,605
Income taxes reclaimable		5,473	3,881	3,925
Other tax reclaimable		101	201	139
Cash and cash equivalents	8	21,440	15,995	17,829
Total current assets		49,820	44,314	49,498
Current liabilities				
Trade and other payables	9	(28,301)	(22,545)	(26,961)
Balances with customers		(12,109)	(13,060)	(13,036)
Interest bearing loans and borrowings		(1,406)	(945)	(1,362)
Non-interest bearing loans and borrowings	11	(6,214)	(2,735)	(2,735)
Share option liability	10	(6,826)	-	-
Income taxes payable		(6,672)	(4,946)	(5,014)
Other taxation liabilities		(1,854)	(2,344)	(1,338)
Total current liabilities		(63,382)	(46,575)	(50,446)
Current assets less current liabilities		(13,562)	(2,261)	(948)
Non-current liabilities				
Share option liability	10	(5,251)	-	-
Interest bearing loans and borrowings		(182)	(747)	(327)
Non-interest bearing loan and borrowings	11	-	(5,352)	(2,777)
Betit option liability	13	(1,745)	(1,745)	(1,745)
Deferred consideration on Betboo		(2,779)	(4,842)	(3,953)
Total non-current liabilities		(9,957)	(12,686)	(8,802)
Total net assets		137,121	142,078	149,458
Capital and reserves				
Issued share capital	12	613	609	613
Merger reserve		40,407	40,407	40,407
Share premium		85,380	84,571	85,380
Translation reserve		359	359	359

Retained earnings	10,362	16,132	22,699
Total equity attributable to equity holders of the parent	137,121	142,078	149,458

**restated - see note 14 for details*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2015

Attributable to equity holders of the parent company:

	Share Capital €000's	Merger Reserve €000's	Share Premium €000's	Translation reserve €000's	Retained Earnings €000's	Total €000's
Balance at 1 January 2014	609	40,407	84,530	359	15,191	141,096
Share option charges	-	-	-	-	124	124
Share options exercised	-	-	41	-	-	41
Dividend paid	-	-	-	-	(16,755)	(16,755)
Transactions with owners	-	-	41	-	(16,631)	(16,590)
Profit and total comprehensive income (restated)	-	-	-	-	17,572	17,572
Balance as at 30 June 2014 (restated)	609	40,407	84,571	359	16,132	142,078
Balance at 1 July 2014 (restated)	609	40,407	84,571	359	16,132	142,078
Share option charges	-	-	-	-	428	428
Share options exercised	4	-	809	-	-	813
Dividend paid	-	-	-	-	(16,852)	(16,852)
Transactions with owners	4	-	809	-	(16,424)	(15,611)
Profit and total comprehensive income	-	-	-	-	22,991	22,991
Balance as at 31 December 2014	613	40,407	85,380	359	22,699	149,458
Balance at 1 January 2015	613	40,407	85,380	359	22,699	149,458
Share option charges	-	-	-	-	261	261
Share option cash out	-	-	-	-	(12,183)	(12,183)
Share options exercised	-	-	-	-	-	-
Dividend paid	-	-	-	-	(17,160)	(17,160)
Transactions with owners	-	-	-	-	(29,082)	(29,082)
Profit and total comprehensive income	-	-	-	-	16,745	16,745
Balance as at 30 June 2015	613	40,407	85,380	359	10,362	137,121

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 2015

	Six months ended 30 June 2015 (Unaudited) €000's	Six months ended 30 June 2014 (Unaudited) €000's	Year ended 31 Dec 2014 (Audited) €000's
Cash flows from operating activities			
Cash receipts from customers	125,507	106,316	221,048
Cash paid to suppliers and employees	(99,335)	(84,685)	(172,668)
Corporate taxes recovered	-	-	1,256
Corporate taxes paid	(213)	(220)	(1,740)
Net cash from operating activities	25,959	21,411	47,896
Cash flows from investing activities			
Interest received	-	8	16
Earn-out payments made - Betboo	(1,200)	(3,140)	(4,339)
Investment in Betit (note 13)	-	(3,649)	(3,649)
Acquisition of property, plant and equipment	(407)	(229)	(802)
Capitalised development costs	(2,633)	-	(3,343)
Net cash from investing activities	(4,240)	(7,010)	(12,117)
Cash flows from financing activities			
Non-interest bearing loan (from William Hill)	-	-	(2,856)
Proceeds from issue of share capital	-	41	854
Finance lease payments	(948)	(500)	(1,149)
Dividend paid	(17,160)	(16,755)	(33,607)
Net cash from financing activities	(18,108)	(17,214)	(36,758)
Net increase / (decrease) in cash and cash equivalents			
	3,611	(2,813)	(979)
Cash and cash equivalents at beginning of the period	17,829	18,808	18,808
Cash and cash equivalents at end of the period	21,440	15,995	17,829

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES

GVC Holdings PLC is a company registered in The Isle of Man and was incorporated on 5 January 2010. It is the successor company of Gaming VC Holdings S.A. (incorporated on 30 November 2004 and listed on AIM on 21 December 2004) and took the assets of Gaming VC Holdings S.A. on 21 May 2010 after the formal approval by shareholders to re-domicile the Group. The consolidated financial statements of the Group for the interim period ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the 'Group').

These interim condensed consolidated financial statements are for the six months ended 30 June 2015. 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 2014.

The comparative figures for the year ended 31 December 2014 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

2,1 Reporting by Segment

	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
STATEMENT OF TURNOVER			
Sports wagers	823,703	694,320	1,463,523
<i>Sports margin</i>	8.8%	9.9%	9.8%
Gross margin	72,842	68,744	143,544
<hr/>			
Sports NGR	54,849	52,034	110,199
Gaming NGR	66,067	53,032	114,602
TOTAL REVENUE	120,916	105,066	224,801
<hr/>			
SEGMENTAL REPORTING			
Total revenue	120,916	105,066	224,801
Variable costs	(55,515)	(48,344)	(101,513)
Contribution	65,401	56,722	123,288
<i>Contribution margin</i>	54%	54%	55%
<hr/>			
Other operating costs (note 3)			
Personnel expenditure	(23,440)	(20,667)	(43,055)
Costs other than personnel	(15,590)	(13,660)	(30,731)
Foreign exchange differences	(886)	(40)	(340)
	(39,916)	(34,367)	(74,126)
<hr/>			
Clean EBITDA	25,485	22,355	49,162
Exceptional items (note 3.1)	(4,708)	-	-
Share option charges	(202)	(124)	(736)
Effect of valuing the Betit put option	-	(1,593)	(1,593)
EBITDA	20,575	20,638	46,833
Depreciation and amortisation	(2,202)	(1,772)	(3,912)
Financial income (note 4)	-	8	16
Financial expense (note 4)	(1,306)	(855)	(1,646)
Profit before tax	17,067	18,019	41,291
Taxation	(322)	(447)	(728)
Profit after tax	16,745	17,572	40,563
<hr/>			
Total assets	210,460	201,339	208,706
Total liabilities	(73,339)	(59,261)	(59,248)

2.2 Performance by quarter

	<u>Number</u> of sports wagers 000's	<u>Value of</u> Sports wagers €000's	Sports margin %	Sports NGR €000's	Gaming NGR €000's	Total Revenue €000's	Sports Contribution €000's
Q1-2014	19,896	338,805	10.0%	25,068	25,248	50,316	27,585
Q2-2014	19,298	355,515	9.8%	26,966	27,784	54,750	29,137
H1-2014	39,194	694,320	9.9%	52,034	53,032	105,066	56,722
Q3-2014	18,915	367,550	10.5%	30,348	29,892	60,240	32,843
Q4-2014	22,834	401,653	9.0%	27,817	31,678	59,495	33,723
H2-2014	41,749	769,203	9.7%	58,165	61,570	119,735	66,566
FY-2014	80,943	1,463,523	9.8%	110,199	114,602	224,801	123,288
Q1-2015	22,008	410,220	9.0%	28,592	31,244	59,836	32,059
Q2-2015	19,513	413,483	8.7%	26,257	34,823	61,080	33,342
H1-2015	41,521	823,703	8.8%	54,849	66,067	120,916	65,401

3. OPERATING COSTS

	Notes	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Wages and salaries		11,566	10,698	21,744
Incentive schemes, including directors		8,084	6,103	13,865
Amounts paid to long term contractors		1,586	1,703	3,270
Compulsory social security contributions		1,044	1,107	2,137
Compulsory pension contributions		343	313	627
Health and other benefits		385	351	758
Recruitment and training		432	392	654
Personnel expenditure (excluding share option charges)		23,440	20,667	43,055
Professional fees		2,080	1,637	4,489
Technology costs		11,564	10,170	20,991
Office, travel and other costs		1,946	1,853	5,251
Foreign exchange losses		886	40	340
Other operating costs		39,916	34,367	74,126
Equity settled share option charges		261	124	552
Cash settled share option charges		(59)	-	184
Exceptional items	3.1	4,708	-	-
Effect of valuing the Betit put option		-	1,593	1,593
Depreciation		413	282	675
Amortisation		1,789	1,490	3,237
		47,028	37,856	80,367

3.1 Exceptional items

	Notes	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Costs arising on proposed acquisition of bwin.party digital entertainment plc	a	3,793	-	-
Romanian back tax and license fees	b	915	-	-
		4,708	-	-

Note a: On 15 May 2015, the Group confirmed it had submitted a proposal with a view to the Group acquiring the entire issued (and to be issued) share capital of bwin.party digital entertainment plc. Professional fees relating to the proposed acquisition have been shown as an exceptional item due to their materiality.

Note b: Under the licensing regime enacted for Romania, entities that have in the past operated in that country are obligated to make a "tax amnesty" settlement should they wish to be considered for a new license. The Group has made a provision for these back-tax costs and treated the expense as an exceptional item.

4. FINANCIAL INCOME AND EXPENSE

	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Financial income			
Interest receivable	-	8	16
	-	8	16
Financial expense			
Unwinding of discount on non-interest bearing loan	(116)	(119)	(238)
Finance lease interest	(53)	(26)	(67)
Unwinding of discount on deferred consideration	(27)	(400)	(710)
Foreign exchange revaluation	(1,110)	(306)	(627)
Other expense	-	(4)	(4)
	(1,306)	(855)	(1,646)

The foreign exchange differences above arose as follows:

	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Retranslation of the William Hill non-interest bearing loan	(587)	(306)	(467)
Retranslation of amounts due in respect of finance leases	(107)	-	(160)
Retranslation of share option cash out liability	(416)	-	-
	(1,110)	(306)	(627)

5. TAXATION

	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Current tax expense			
Current year	322	447	840
Prior year	-	-	(112)
	322	447	728
Deferred tax			
Origination and reversal of temporary differences	-	-	-
Total income tax expense in Income Statement	322	447	728

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 2015	Six months ended 30 June 2014	Year ended 31 Dec 2014
Profit for the period attributable to ordinary shareholders	16,744,558	17,572,000	40,563,268
Weighted average number of shares	61,276,480	60,912,801	61,099,894
Basic earnings per share (in €)	0.273	0.288	0.664
Profit for the year attributable to ordinary shareholders before exceptional items	21,452,500	17,572,000	40,563,268
Basic earnings per before exceptional items (in €)	0.350	0.288	0.664

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

Diluted earnings per share has been calculated by taking the profit attributable to ordinary shareholders and dividing by the weighted average number of shares in issue as diluted by share options. Diluted earnings per share from continuing operations before exceptional items has been calculated by taking the profit attributable to ordinary shareholders and adding back the cost of exceptional items and dividing by the weighted average number of shares in issue, as diluted by share options.

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 Dec 2014
Profit for the period attributable to ordinary shareholders	16,744,558	17,572,000	40,563,268
Weighted average number of shares	61,276,480	60,912,801	61,099,894
Effect of dilutive share options	3,170,759	4,876,210	5,010,290

Weighted average number of dilutive shares	64,447,239	65,789,011	66,110,184
Diluted earnings per share (in €)	0.260	0.267	0.614
Profit for the year attributable to ordinary shareholders before exceptional items	21,452,500	17,572,000	40,563,268
Diluted earnings per share before exceptional items (in €)	0.333	0.267	0.614

7. RECEIVABLES AND PREPAYMENTS

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 Dec 2014
	€000's	€000's	€000's
Balances with payment processors	17,696	17,156	22,222
Trade receivables	10	138	111
Other receivables	1,224	1,189	1,500
Total receivables	18,930	18,483	23,833
Prepayments	3,876	5,754	3,772
	22,806	24,237	27,605

Payment processor balances described as receivables are funds held by third party collection agencies subject to collection, or balances used to make refunds to players. Some of the balances should be considered as working capital floats in certain markets.

8. CASH AND CASH EQUIVALENTS

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 Dec 2014
	€000's	€000's	€000's
Restricted cash subject to regulator constraints	3,935	1,092	3,506
Other cash	17,505	14,903	14,323
	21,440	15,995	17,829

9. TRADE AND OTHER PAYABLES

	Six months ended 30 June 2015	Six months ended 30 June 2014	Year ended 31 Dec 2014
	€000's	€000's	€000's
Other trade payables	10,076	10,581	12,166
Accruals	18,225	11,964	14,795
	28,301	22,545	26,961

10. LIABILITY TO SHARE OPTION SETTLEMENT

As announced by the Company on 27 March 2015 three of its directors surrendered 3,200,000 fully-vested and "in the money" share options granted in 2010 and 2012 at the prevailing market price at that time (average of £1.83895). The surrender price was £4.64067, being the average of the middle market closing prices of the Company's shares for the thirty dealing days up to and including the date of surrender.

In light of the surrender of share options described above by Kenneth Alexander, Richard Cooper and Lee Feldman (the "Senior Team"), the Company has implemented a new retention plan for the Senior Team (the "Retention Plan").

The Retention Plan is focused on ensuring that the Senior Team are compensated for the surrender of their fully vested share options. Accordingly, each member of the Senior Team will receive cash payments which in total equal the "in-the-money" value of their surrendered share options.

Under the Retention Plan:

- Total cash payment due to each director shall be paid evenly over a period of two years.
- The directors' dividend bonuses derived from the share options will decrease in a straight-line over the 24 month period of the retention plan.
- In the event a director's service is terminated by the Company for cause (as defined in their service agreement or letter of appointment) or he resigns during the two year period (other than due to serious illness or repudiatory breach by the Company of his service agreement), he will not be entitled to receive any further Retention Plan payments.
- All payments will become payable on a change of control of the Company.

IFRS 2 Share based payments, states that the liability is recognised on the surrender through retained earnings. The recognition of this liability is shown below:

	Six months ended 30 June 2015 €000's	Six months ended 30 June 2014 €000's	Year ended 31 Dec 2014 €000's
Amounts falling due in one year	6,826	-	-
Amounts falling due after one year	5,251	-	-
	12,077	-	-

11. NON-INTEREST BEARING LOAN

As part of the Group's acquisition of Sportingbet plc in March 2013, a credit facility was made available to the Group by William Hill PLC to fund working capital.

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

	30 June 2015	30 June 2014	31 Dec 2014
Original principal amount in £	6,862	6,862	6,862
Repayments made	(2,271)	-	(2,271)
Principal amount outstanding at period end	4,591	6,862	4,591
Prevailing exchange rate	1.4057	1.2477	1.2780
Principal amount expressed in €	6,454	8,562	5,867

The second instalment of £2,295k is repayable in December 2015 with the final instalment of £2,296k repayable in June 2016.

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

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

	Total €000's
Loan balance at 1 January 2015	5,867
Revaluation at 30 June exchange rate	587
	6,454
Discount on recognition of the loan	(780)
Unwinding of discount at 30 June 2015	540
Loan balance at 30 June 2015	6,214
Future discount	240
	6,454

12. SHARE CAPITAL

	Number of shares
At 1 January 2015 and 30 June 2015	61,276,480

Share options currently in issue are:

	Exercise price	Number of shares
Directors and executives*	1p	3,450,000
Provided to third parties following underwriting commitments made at the time of the Sportingbet acquisition**	2.335p	156,947

*350,000 of these share options relate to cash settled share options. The remaining balance relates to equity settled share options.

13. INVESTMENT IN BETIT SECURITIES LIMITED

On 14 May 2014, the Group acquired a 15% stake in Betit Holdings Limited ('BHL') from Betit Securities Limited ('BSL'). The consideration was €3.5 million, which together with professional fees incurred at the time amounted to a total upfront cost of €3.6 million. The Group has a call option to acquire the balance of the outstanding shares. There is also a put option. These options, are, under IAS 39, required to be valued, and are shown within both Non-current assets and non-current liabilities.

	30 June 2015	30 June 2014	31 Dec 2014
Available for sale financial asset			
Original cost	-	3,500	-
Incidental acquisition costs	-	149	-
Put option at fair value	-	1,745	-
Effect of	-	(1,593)	-
Balance at start of period	3,801	-	3,801
Balance at end of period	3,801	3,801	3,801

Non-current liability to put option **(1,745)** (1,745) (1,745)

There were no significant changes in the fair value of the asset or the options as at 31 December 2014 or 30 June 2015. Accordingly no adjustments have been made to the carrying value of the asset since inception.

14. RESTATEMENTS

The Group has made two modest restatements to the 30 June 2014 interim financial statement due to clarification of accounting treatments associated with the investment in Betit.

14.1 Restatements in the Consolidated Income Statement

Six months ended 30 June 2014	Reference	Original €000's	Restatements €000's	Restated €000's
Revenue		105,066	-	105,066
Cost of sales		(48,344)	-	(48,344)
Contribution		56,722	-	56,722
Other expenditure		(34,367)	-	(34,367)
Share based payments		(124)	-	(124)
Depreciation and amortisation		(1,772)	-	(1,772)
Effect of valuing the Betit put option	a	-	(1,593)	(1,593)
Financial income		8	-	8
Financial expense		(855)	-	(855)
Profit before tax		19,612	(1,593)	18,019
Taxation		(447)	-	(447)
Profit after tax		19,165	(1,593)	17,572

14.2 Restatements in the Consolidated Statement of Financial Position

	Reference	Original €000's	Restatements €000's	Restated €000's
Investments	a	3,649	152	3,801
Trade and other payables	b	(26,225)	3,680	(22,545)
Interest bearing loans and borrowings	b	-	(945)	(945)
Non-interest bearing loans and borrowings	b	-	(2,735)	(2,735)
Betit option liability	a	-	(1,745)	(1,745)
All other assets and liabilities		166,247	-	166,247
		143,671	(1,593)	142,078

- a. Represents the entries to recognise the fair value of the put and call options associated with Betit as discussed in note 13 above. At the time the 2014 interim financial statements were published the fair value exercise had not been completed.
- b. Represents reclassifications of the current portions of the William Hill interest free loan and finance lease liabilities which were included within trade and other payables in the 2014 interim financial statements. The reclassifications aid comparison with the 31 December 2014 audited consolidated Statement of Financial Position.

15. SUBSEQUENT EVENTS

On 2 July 2015, GVC received notice that 37 Entertainment Inc, a company incorporated in Quebec, had filed legal proceedings against GVC Holdings plc in Quebec. GVC believes the claim is without merit and intends to robustly contest the claim.

