GAMINGvc

Press Release **19 April 2010**

Gaming VC Holdings S.A.

("Gaming VC" or the "Group")

Preliminary Results and Q1 2010 Trading Update

Gaming VC Holdings S.A. (AIM:GVC), a leading European online gaming company, today announces its preliminary results for the year ended 31 December 2009 and Q1 2010 trading update.

Financial Highlights

- Net Gaming Revenue ("NGR") increased 7.7% to €54.0m (2008: €50.1m)
- Clean EBITDA €17.4m (2008: €19.5m)
- Like-for-like costs €8.1m (2008: €8.4m)
- Profit before tax €13.8m (2008: €16.9m)
- Own funds at bank at €17.6m despite €3.0m initial consideration for Betboo and €12.4m paid in dividends during the year
- Non-CasinoClub business now generating 45% of NGR (2008: 27%) and 25% of contribution (2008: 7.5%)
- Basic earnings per share of €0.432 (2008: €0.531)
- Intended special dividend of €0.50 per share

Operational Highlights

- Acquisition of Betboo, a leading South American online sports and gaming business
- Continued diversification outside of Germany
- Proposed redomiciliation to the Isle of Man
- Betaland moved into profitability

Q1 2010 Highlights

- NGR of €14.8m (Q1 2009: €14.9m)
- Non-CasinoClub NGR €7.7m (Q1 2009: €6.8m), representing 52% of total NGR (2008: 46%)
- Total sports bets 1.7m (Q1 2009: 1.3m)
- Total wagers in sports of €16.0m (Q1 2009: €16.3m) in line with expectations
- Gross win margin from Betaland sports 15.0% (Q1 2009: 23.4%)
- Appointment of key industry management, Jon Salmon and Jim Humberstone

Commenting on the results, Kenneth Alexander, Chief Executive of Gaming VC said: "Despite difficult trading conditions throughout 2009, Gaming VC has continued to deliver on its strategic growth strategy, offering enhanced products, diversifying geographically and expanding the business outside of Germany. The Group's acquisition of South American gaming company Betboo in the year is part of this strategy.

"I have been encouraged with the Group's progress in the first quarter, in particular with the appointment of Jon Salmon and Jim Humberstone to its management team, both respected veterans in the e-gaming sector. The gaming sector continues to operate in a challenging environment, but the Group remains cautiously optimistic on current trading."

- Ends -

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CHAIRMAN'S STATEMENT

In my second year as Chairman, I am happy to report that, despite 2009's historically difficult economic operating conditions, the Group has had a relatively successful year, managerially, operationally and financially.

Results

Financially, the Group has achieved growth in Net Gaming Revenue ("NGR") to €54.0 million (2008: €50.1 million). Clean EBITDA, at €17.4 million (2008: €19.5 million), was lower than in 2008 as a result of our continued expansion into new business lines with lower margins and increased marketing spend on the mature CasinoClub business.

Betboo acquisition

Gaming VC completed the acquisition of Betboo in July 2009. Betboo is one of the leading online gaming operators in the still small but rapidly growing Latin American market, and was recently named the Latin American Operator of the Year at the eGaming Review Awards. We have been encouraged by its performance since acquisition. As shareholders will be aware from our previous announcements, the acquisition of Betboo comprised initial consideration of US$4 million (€3 million) together with an earn-out capped at US$26 million.

Operations

The Group has now evolved into a more mature operating company with industry leading staff and resources in Malta and Israel, as well as having third party contracts with service providers in Brazil and Uruguay.

Regulatory and legal

As more fully reported in the Report of the Chief Executive, the Group holds gaming licences in Malta and the Netherlands Antilles, and believes it has the necessary licences to conduct its current gaming operations. That said, there remains a lack of legal clarity among members of the European Union on the issue of European regulation, and this therefore continues to pose an unquantifiable risk to Gaming VC.

Shareholders were made aware on 27 August 2009 of the intended re-domiciliation from Luxembourg to the Isle of Man. The AIM Admission document, together with a circular to shareholders and voting forms, is expected to be dispatched on Monday 19 April and, subject to shareholder approval, we expect the new Isle of Man based holding company to be admitted to AIM in late May 2010.

Boss Media

Gaming VC is currently in dispute with Boss over an alleged infringement of the Group's intellectual property. The Group has made its concerns known to Boss. If the dispute is not resolved, Court proceedings will be instituted. The dispute is subject to legal, professional privilege. The Group is also in dispute with Boss over the ability of Boss to terminate a contract for services to the Betaland business.

Strategy

Gaming VC announced in January 2010 three elements to its strategy:

1. Additional marketing expenditure to protect the core CasinoClub business in Germany;
2. Marketing investment to expand CasinoClub outside German speaking markets; and
3. Launch of additional sportsbooks in new territories to replicate the success the Group has had in Italy.

The Group announced the recruitment of Jon Salmon and Jim Humberstone to lead these initiatives. The financial impact of these three elements was expected to be €7 million expenditure in 2010.

The expansion of CasinoClub outside German speaking markets has been delayed by the dispute with Boss and as a result the Group now expects to invest a total of €5 million during 2010, €2 million lower than earlier anticipated.

Dividend

The Group paid an interim dividend of €0.20 per share in November 2009 and announced in January 2010 that it expected, following the redomiciliation and in the absence of unforeseen circumstances, to declare a special dividend of not less than €0.50 per share *in lieu* of the normal final dividend for the year ended 31 December 2009. It is expected that any such dividend will be payable in June 2010.

The level of Gaming VC's future dividends will be affected by the Group's strategic initiatives and as previously announced, profits for 2010 are expected to be materially lower than in 2009. However, the Group intends to continue to pay out approximately 75% of net cash generated by way of dividend, subject, in 2012, to being able to fund the expected deferred consideration due in respect of the acquisition of Betboo. More detail on this is included in the Report of the Finance Director.

Current Trading and future prospects

The first three months of 2010 have been broadly in line with budget. Group revenues were €14.8 million, slightly down on 2009.

Whilst the gaming industry continues to face challenging economic conditions the Board believes that we have the right team and strategy in place to trade through this and to continue to pay dividends to our shareholders.

Lee Feldman

16 April 2010

REPORT OF THE CHIEF EXECUTIVE

Introduction and financial overviews

Although trading conditions in 2009 were difficult for the industry as a whole, the Gaming VC Group continued to grow revenues and perform well. Group revenue increased to €54.0 million, up 7.7% compared to 2008.

Like for like sports revenues grew 44% from €6.3 million to €9.1 million from a hold of 17.9% (2008: 13.4%). Gaming revenues excluding Betboo were 2.5% lower at €42.7 million (2008: €43.8 million). Betboo revenues amounted to €2.2 million for the six months since acquisition.

As explained more fully in the Report of the Finance Director, the profit before tax was affected by two non-cash items arising from the Betboo acquisition totalling €1.1 million, and exceptional charges of €1.5 million. Clean EBITDA, at €17.4 million (2008: €19.5 million), was €2.1 million lower than in 2008 as a result of our continued expansion into new business lines with lower margins and increased marketing spend on the mature CasinoClub business.

Operations

<u>CasinoClub</u>

During the year, CasinoClub revenue fell by 18.8% to €29.6 million and contribution in this area of the business fell by 20.1% to €20.6 million. The contribution margin remained at 70%. The core German casino business has been affected by challenging economic conditions which, in turn, affected player yields, in particular at the VIP levels. The Board is encouraged that the volumes appear to have stabilised in the latter part of 2009 with H2 revenues only dropping by 3.3% compared to H1. Jon Salmon, ex-Head of Marketing for PartyGaming, joined the Group early in 2010 and increased marketing investment is planned for 2010 to support the CasinoClub brand. The Board is confident of the prospects for this business in 2010.

<u>Betaland</u>

Betaland enjoyed a year of significant growth in 2009 and moved into profitability with total revenues increasing by 56% to €20.8 million; a sports betting margin of 17.9% was achieved (2008: 13.4%). During 2009, 21,845 new funded accounts were created (2008: 15,153) and 4.2 million bets were taken (2008: 3.5 million). The Board is pleased with the continued progress that Betaland has made in the year. Within only two years, the business has become profitable. The recruitment of Jim

Humberstone, ex-Head of Sportsbook of Sportingbet, who will join the Group on 19 April 2010, further strengthens our sports betting management team. The Board is confident that revenues and profits from our European sports betting operations will continue to grow and expects to launch additional language versions in H2 2010.

Betboo

Betboo, a Latin American e-gaming portal, was acquired in July 2009. The management team responsible for the success of the business has all been retained. Betboo to date has had minimal marketing invested into the brand but marketing will be increased in the second part of 2010. The business is expected to grow materially thereafter.

Winzingo

Winzingo is a Spanish facing bingo site focusing on the Spanish market. The business is a small part of the Group and its results to date have been disappointing. A review of the business is currently being undertaken.

Regulatory

Unlike the majority of other listed gaming entities, Gaming VC has never taken bets or wagers from residents of the USA. The Group has licences in Malta and Netherlands Antilles.

The Interstate Treaty regarding gambling in Germany was passed on 1 January 2008. *Inter alia*, this states that *"Public games of chance may only be organised or arranged with the permission of the competent authority of the respective Federal State. Organising and arranging them without this permission (unauthorised game of chance) is prohibited."* Similar provisions exist in Italy. It remains unclear from a legal perspective as to whether national or EU law applies with continued conflicting messages. The Board remains confident that a satisfactory resolution will be found, but believes it is unlikely that will happen during 2010.

Outlook

Performance for the first three months of 2010 has been broadly in line with budget. Group revenues were €14.8 million compared to €14.9 million in Q1 2009. The following table illustrates revenues per business unit compared to the previous four quarters and the relevant sports margin percentage for comparison:

	Q1-09	Q2-09	Q3-09	Q4-09	Q1-10
Betaland					
- number of bets (in 000's)	1,289	1,017	722	1,167	1,621
- average bet size	€12.6	€15.2	€13.9	€10.5	€9.9
- value of bets	16,299	15,475	10,006	12,271	16,018
- betting margin %	23.40%	8.80%	14.38%	23.69%	15.03%
- sports revenues net of taxes and duties	3,645	1,220	1,355	2,837	2,392
- gaming revenues	2,968	3,061	2,279	3,461	3,932
- total revenues	6,613	4,281	3,634	6,298	6,324
CasinoClub	8,021	7,038	7,124	7,443	7,093
Betboo	-	-	1,126	1,054	1,027
Winzingo	242	314	378	392	325
	14,876	11,633	12,262	15,187	14,769

CasinoClub is running in line with management's expectations with NGR around 5% lower than in Q4 2009.

Betaland's sports margin percentage for Q1 2009 was favourably affected by a large number of shock results in Serie A in Italy. In Q1 2010, the margin of 15% is closer to the long-term running margin. The Board is encouraged that the number of bets has increased by around one third since Q1 2009. Gaming revenues from Betaland have also increased by just under €1million since Q1 2009.

Betboo is trading in line with our expectations, which are broadly to increase the customer base whilst remaining at break-even level. The number of new funded customer accounts grew by 66% to 2,462 compared with 1,480 in Q1 2009. The number of active players was 5,440 compared to 3,622 in Q1 2009.

Kenneth Alexander

Chief Executive

16 April 2010

REPORT OF THE FINANCE DIRECTOR

Introduction

The results of the Group reflect for the first time the impact of the acquisition of Betboo completed on 2 July 2009. There are four areas of impact:

Cash balances	US$4 million (€3 million) was paid to the founders in July 2009
NGR & EBITDA	€2.2 million of revenues were earned and €103k of EBITDA was generated
Non-cash items	Amortisation of €607k, together with €467k of the unwinding of the discount on deferred consideration (re: accounting treatment prescribed under IFRS3) were taken to the Income Statement
Balance sheet	Reflects the assessment of the total consideration which is expected to be paid €12 million, the discounted value of this €8 million and the discounted value of the deferred consideration at 31 December 2009 €5.4 million

Financial highlights

- Net Gaming Revenue ("NGR") increased 7.7% to €54.0m (2008: €50.1m)
- Clean EBITDA €17.4m (2008: €19.5m)
- Like-for-like costs €8.1m (2008: €8.4m)
- Profit before tax €13.8m (2008: €16.9m)
- Own funds at bank at €17.6m despite €3.0m initial consideration for Betboo and €12.4m paid in dividends during the year
- Non-CasinoClub business now generating 45% of NGR (2008: 27%) and 25% of contribution (2008: 7.5%)
- Basic earnings per share of €0.432 (2008: €0.531)
- Intended special dividend of €0.50 per share

The Group's activities now consist of four distinct brands serving different market segments:

CasinoClub	High-roller casino targeting German speaking customers Licensed in Malta Employs staff and has office in Tel Aviv Uses software from Boss Media Clean EBITDA margins > 60% in 2009
Betaland	Retail sports betting and gaming site targeting Italian customers Licensed in Malta Employs staff and has office in Malta Uses software from Boss Media, Gamologist, Net Entertainment and others Clean EBITDA margins of 8% in 2009
Betboo	Retail gaming portal targeting Brazilian / South American customers Licensed in Netherlands Antilles Operations outsourced to a third party Uses in-house and Playtech software Break-even in 2009
Winzingo	Retail bingo operation targeting Spanish players Licensed in Netherlands Antilles Operation outsourced to a third party agency Loss making in 2009

Overall Trends

Group NGR has increased through the Group's launch into the Italian and South American markets. These generate significantly lower margin than the highly profitable, but mature CasinoClub business.

	H1-07	H2-07	H1-08	H2-08	H1-09	H2-09
NGR						
CasinoClub	22,001	18,638	19,710	16,765	15,059	14,567
Betaland	-	2,000	6,374	6,982	10,894	9,932
Winzingo	-	-	42	212	556	770
Betboo	-	-	-	-	-	2,180
	22,001	20,638	26,126	23,959	26,509	27,449
Gaming	22,001	19,563	22,939	20,863	21,644	23,069
Sports	-	1,075	3,187	3,096	4,865	4,380
	22,001	20,638	26,126	23,959	26,509	27,449

The Group's CasinoClub business has been able to increase its contribution margins from 61% in H1 2007 to 69% in H2 2009 to help stem what would have been a faster decline in profitability from CasinoClub. Group gross profit rose 9% to €44.5 million (2008: €40.9 million) maintaining the gross profit ratio.

	H1-07	H2-07	H1-08	H2-08	H1-09	H2-09
Clean EBITDA						
Casino Club	12,351	12,494	13,051	10,805	9,507	8,892
Betaland	-	(327)	(134)	(1,097)	1,059	682
Winzingo	-	-	(33)	(28)	(120)	(102)
Betboo	-	-	-	-	-	103
	12,351	12,167	12,884	9,680	10,446	9,575
Central costs	(2,073)	(2,462)	(2,024)	(992)*	(1,566)	(1,027)
	10,278	9,705	10,860	8,688	8,880	8,548

**after a credit of €384k relating to the "Fort Knox" dispute which was settled in 2008*

Review of Expenditure*

	Total	CasinoClub	Betaland	Winzingo	Betboo	Central
2006	6,210	1,920	-	-	-	4,290
2007	7,294	2,096	663	-	-	4,535
2008	8,386	1,986	3,384	-	-	3,016
2009	10,106	2,241	3,272	730	1,270	2,593

** Based on other operating costs and excluding share option charges, depreciation, amortisation and exceptional items.*

Other operating costs rose in the year due to the inclusion of Winzingo and Betboo. Excluding these businesses, operating costs at €8.1 million were 3% lower than in 2008 (€8.4 million). Included in these costs were foreign exchange differences of €170k (2008: €36k).

There has been a significant reduction in central costs from €1.6 million in H1 2009 to €1 million in H2 2009. The costs are unlikely to shrink further.

Review of CasinoClub

The high margin CasinoClub business has been shrinking due to the combination of a maturing customer base, the challenges of the economic crisis, severe restrictions on our ability to advertise and hence grow the business, increasing competition, and limitations in software used.

The economic crisis hit hard in the second half of 2008, seeing a 17% decrease in clean EBITDA compared with the first half of 2008. Clean EBITDA has continued to decrease, albeit at a significant slower rate (H2 2009 versus H2 2008 18%; H2 2009 versus H1 2009 6%).

	2009	2008	2007	2006
NGR	29,626	36,475	40,639	38,365
Gross profits	23,885	29,036	31,625	30,199
Contribution	20,640	25,841	26,943	22,639
Direct costs	(2,241)	(1,985)	(2,098)	(1,920)
Clean EBITDA	18,399	23,856	24,845	20,719

Q1	5,073	6,800	5,692	
Q2	4,434	6,251	6,659	H1 - 10,973
Q3	4,396	5,870	6,607	
Q4	4,496	4,935	5,887	H2 - 9,746
	18,399	23,856	24,845	20,719

The average daily revenues for 2009 were €81k per day, the same as for Q4 2008, albeit lower than the nine months before the economic crisis which saw average daily revenues of €106k per day.

CasinoClub has, under difficult trading conditions, been able to maintain its contribution margin at 70% of NGR, but on lower levels of revenue.

The cost base for CasinoClub increased to €2.24 million from €1.99 million reflecting a full year of costs of the Tel Aviv office.

Review of Betaland

Betaland moved into profit during 2009 generating €20.8 million in NGR (2008: €13.4 million) with €9.1 million from sports (2008: €6.3 million) and €11.7 million from gaming (2008: €7.1 million). Sports margin percentage averaged 17.9% (2008: 13.4%).

Gaming VC has revenue sharing arrangements with introducers of business. The consequent contribution amounted to €5.0 million in 2009 (2008: €2.2 million) representing a contribution margin of 24% (2008: 16%).

Operating expenses are largely fixed and consist principally of staff, technology and office costs. Expenses fell to €3.27 million from €3.38 million, giving rise to a divisional clean EBITDA of €1.74 million (2008: loss, €1.23 million), representing an operating margin of 8.4%.

Review of Winzingo

Despite a significant increase in NGR (2009: €1.33 million, 2008: €0.25 million), this business has struggled to break even. It generated a contribution margin of €507k but incurred €729k of costs, resulting in a loss of €222k (2008: loss €61k).

Review of Betboo

Betboo generated NGR of €2.2 million in the six months since acquisition; €2 million from gaming (primarily bingo) and €0.2 million from sports from a 6.6% hold. It generated a contribution margin of €1.4 million (63%) and maintained break even. There is greater foreign exchange risk in the Betboo division due to a combination of currency use in Brazilian Real (BRL) and US$.

Review of Central Costs

€000's	2009	2008	2007	2006
Fort Knox	-	(384)	692	-
Other	2,593	3,400	3,843	4,290
	2,593	3,016	4,535	4,290

Costs have continued to reduce over the last three years, with over €800k of savings being made during 2009. A rise in costs for 2010 is expected however due to the strategy to expand the business.

Exceptional Items

On 17 December 2009, the Group announced the sale of GVC Corporation S.p.A., the owner of the loss making Betpro brand, for a nominal sum, to its management. The costs of this disposal, together with the write-off of various loans and balances, amounted to €1 million.

Further Group restructuring led to the departure of certain long term contractors resulting in a one-off charge of €283k.

The Group's CasinoClub division operates without a jackpot contribution scheme, taking all jackpot winnings directly to NGR with the exception of large amounts won and withdrawn in cash. During Q4 2009, a single customer withdrew €250k from his account from €303k of winnings.

Depreciation and Amortisation

Depreciation rose to €0.7 million from €0.4 million due to there being a full year's charge on the assets acquired in 2008 (€1.45 million) together with depreciation on the current year's acquisitions (€436k). Of the total amortisation charge of €740k in the year, €607k was attributable to the acquisition of intangible assets in Betboo.

Financial Income and Financial Expense

The significant drop in Euro interest rates led to the fall in interest earnings during the year. The discounting of the deferred consideration arising from the acquisition of Betboo has to be unwound from the period of the earn-out to 30 September 2012. The charge arising in the six month period was €467k (2008: €nil).

Taxation

The taxation charge for the year remained static.

Cash Balances

Overall cash balance rose to €19.2 million from €18.8 million, although own funds rose to €17.6 million from €17.5 million. A summary of the cash movements is shown below:

	€000's	€000's
Own funds at 31 December 2008		17,502
Cash generated from trading operations	17,552	
Add: tax recovered	1,652	
Less: corporation tax paid	(2,956)	
Initial consideration and costs for Betboo	(3,140)	
Purchase of tangible assets	(441)	
Purchase of non-Betboo intangible assets	(135)	
Retained before dividend	12,532	
Dividend	(12,454)	
		78
Own funds at 31 December 2009		17,580

Acquisition of Betboo

On 2 July 2009, the Group acquired the trade and assets of Betboo, a leading gaming portal in the fledgling South America market. Gaming VC paid an initial consideration of US$4 million (€3 million) and is liable to an earn-out capped at a further US$26 million. The contract amounts are denominated in US dollars.

The Group has estimated the total consideration at €12 million of which €9.0 million is payable on 30 September 2012. The Group will need sufficient funds to make this payment at that time. Under IFRS3, the deferred consideration is discounted to its present value (Gaming VC have used a weighted average of capital of 21%) which was €5.4 million at the balance sheet date. The discount is then released to the income statement over the period of the earn out.

Of the assets valued at acquisition of €8 million, €5 million are subject to an amortisation charge over 48 months. The resulting amortisation charge in 2009 was €607k.

Reserves

The Company was incorporated in Luxembourg. The ability of the Group to pay dividends is determined by the reserves available under Luxembourg GAAP, and not IFRS.

At 31 December 2009, the available reserves were €15.6 million, equivalent to 50.6 Euro cents per share.

Richard Cooper
Group Finance Director
16 April 2010

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2009

	Notes	**Year ended 31 Dec 2009 €000's**	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
Net Gaming Revenue	3, 4	**53,958**	50,085	42,639
Cost of sales		**(9,433)**	(9,163)	(9,234)
Gross profits		**44,525**	40,922	33,405
Marketing and affiliate costs		**(16,991)**	(12,990)	(6,128)
Contribution	5	**27,534**	27,932	27,277
Operating costs (as below)		**(13,306)**	(11,574)	(11,085)
Other operating costs		**(10,106)**	(8,384)	(7,294)
Share option charges		**(213)**	(557)	(815)
		(10,319)	(8,941)	(8,109)
Exceptional items	7	**(1,538)**	(1,917)	-
Depreciation and amortisation		**(1,449)**	(716)	(2,976)
Operating profit		**14,228**	16,358	16,192
Financial income		**64**	551	459
Financial expense		**(472)**	(6)	(20)
Profit before tax		**13,820**	16,903	16,631
Taxation charge/income		**(366)**	(360)	11
Profit after taxation		**13,454**	16,543	16,642
Earnings per share		**€**	€	€
Basic	6	**0.432**	0.531	0.534
Diluted		**0.424**	0.521	0.534

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2009

	Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
Profit and total comprehensive income for the year	**13,454**	16,543	16,642

CONSOLIDATED BALANCE SHEET
As at 31 December 2009

	31 Dec 2009 €000's	31 Dec 2008 €000's	31 Dec 2007 €000's
Assets			
Property, plant and equipment	**1,099**	1,538	521
Intangible assets	**63,182**	55,879	55,724
Deferred tax asset	**53**	11	11
Total non-current assets	**64,334**	57,428	56,256
Receivables and prepayments	**5,727**	6,367	4,295
Taxation reclaimable	**3,195**	2,611	-
Cash and cash equivalents	**19,195**	18,834	15,859
Total current assets	**28,117**	27,812	20,154
Current Liabilities			
Trade and other payables	**(6,554)**	(5,477)	(4,404)
Income Taxes payable	**(2,670)**	(2,982)	(18)
Other taxation liabilities	**(52)**	(173)	(26)
Total current liabilities	**(9,276)**	(8,632)	(4,448)
Current assets less current liabilities	**18,841**	19,180	15,706
Long Term Liabilities			
Deferred consideration on Betboo	**(5,354)**	-	-
Total Net Assets	**77,821**	76,608	71,962
As represented by:			
Equity			
Issued share capital	**38,608**	38,608	38,608
Share premium	**8,748**	13,832	51,977
Retained earnings	**30,465**	24,168	(18,623)
Total equity attributable to equity holders of the parent	**77,821**	76,608	71,962

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

Attributable to equity holders of the parent company	Share Capital	Share Premium	Retained earnings	**Total**
2007	**€000's**	**€000's**	**€000's**	**€000's**
Balance at 1 Jan 2007	38,608	57,926	(29,853)	**66,681**
Share option charges	**-**	**-**	815	**815**
Transfer between reserves	**-**	-	-	**-**
Dividend paid	**-**	(5,949)	(6,227)	**(12,176)**
Transactions with owners	38,608	51,977	(35,265)	**55,320**
Profit and total comprehensive income	-	-	16,642	**16,642**
Balance as at 31 December 2007	38,608	51,977	(18,623)	**71,962**
2008				
Balance at 1 Jan 2008	38,608	51,977	(18,623)	**71,962**
Share option charges	-	-	557	**557**
Transfer between reserves	-	(38,145)	38,145	**-**
Dividend paid	-	-	(12,454)	**(12,454)**
Transactions with owners	38,608	13,832	7,625	**60,065**
Profit and total comprehensive income	-	-	16,543	**16,543**
Balance as at 31 December 2008	38,608	13,832	24,168	**76,608**
2009				
Balance at 1 Jan 2009	38,608	13,832	24,168	**76,608**
Share option charges	-	-	213	**213**
Dividend paid	-	(5,084)	(7,370)	**(12,454)**
Transactions with owners	38,608	8,748	17,011	**64,367**
Profit and total comprehensive income	-	-	13,454	**13,454**
Balance as at 31 December 2009	**38,608**	**8,748**	**30,465**	**77,821**

CONSOLIDATED STATEMENT OF CASHFLOWS
For the year ended 31 December 2009

	Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
Cash flows from operating activities			
Cash receipts from customers	**54,963**	47,528	41,598
Cash paid to suppliers and employees	**(36,730)**	(30,703)	(22,545)
Corporate taxes recovered	**1,652**	-	-
Corporate taxes paid	**(2,956)**	(8)	-
Net cash from operating activities	**16,929**	16,817	19,053
Cash flows from investing activities			
Interest received	**72**	542	459
Acquisition of Business	**(3,140)**	-	40
Disposal of Business	**(295)**	-	-
Acquisition of property, plant and equipment	**(441)**	(1,453)	(562)
Acquisition of intangible assets	**(135)**	(435)	(95)
Net cash from investing activities	**(3,939)**	(1,346)	(158)
Cash flows from financing activities			
Interest paid	**(5)**	(6)	(20)
Dividend paid	**(12,454)**	(12,454)	(12,176)
Net cash from financing activities	**(12,459)**	(12,460)	(12,196)
Net increase in cash and cash equivalents	**531**	3,011	6,699
Cash and cash equivalents at beginning of the year	**18,834**	15,859	9,407
Effect of exchange rate fluctuations on cash held	**(170)**	(36)	(247)
Cash and cash equivalents at end of the year	**19,195**	18,834	15,859

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial statements, from which this announcement has been taken, are presented in the Euro, rounded to the nearest thousand. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on various factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. The accounting policies have been applied consistently by Group entities.

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. This is included below:

	Notes	**Year ended 31 Dec 2009 €000's**	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
Net Gaming Revenue	3, 4	**53,958**	50,085	42,639
Cost of sales		**(9,433)**	(9,163)	(9,234)
Gross profit		**44,525**	40,922	33,405
Gross profit ratio		***83%***	*82%*	*78%*
Marketing and affiliate costs		**(16,991)**	(12,990)	(6,128)
Contribution	5	**27,534**	27,932	27,277
Other operating costs		**(10,106)**	(8,384)	(7,294)
Clean EBITDA		**17,428**	19,548	19,983
Exceptional items		**(1,538)**	(1,917)	-
Share Option Charges		**(213)**	(557)	(815)
EBITDA		**15,677**	17,074	19,168
Depreciation		**(709)**	(436)	(57)
Amortisation		**(740)**	(280)	(2,919)
Operating Profit		**14,228**	16,358	16,192
Financial income		**64**	551	459
Unwinding of discount on deferred consideration		**(467)**	-	-
Other Financial expense		**(5)**	(6)	(20)
Profit before Tax		**13,820**	16,903	16,631
Taxation (charge) / income		**(366)**	(360)	11
Profit after tax		**13,454**	16,543	16,642

3. NGR BY QUARTER

€000s	Q1	Q2	Q3	Q4	Total
2009	**14,876**	**11,633**	**12,262**	**15,187**	**53,958**
2008	13,278	12,848	12,195	11,764	**50,085**
2007	11,276	10,725	10,000	10,638	**42,639**

4. NGR BY BRAND

		Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
CasinoClub	H1	**15,059**	19,710	22,001
	H2	**14,567**	16,765	18,638
	FY	**29,626**	36,475	40,639
Betaland	H1	**10,894**	6,374	-
	H2	**9,932**	6,982	2,000
	FY	**20,826**	13,356	2,000
Winzingo	H1	**556**	42	-
	H2	**770**	212	-
	FY	**1,326**	254	-
Betboo	H1	**-**	-	-
	H2	**2,180**	-	-
	FY	**2,180**	-	-
TOTALS	H1	**26,509**	26,126	22,001
	H2	**27,449**	23,959	20,638
	FY	**53,958**	50,085	42,639

5. CONTRIBUTION BY BRAND

		Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
CasinoClub	H1	**10,574**	13,979	13,432
	H2	**10,066**	11,862	13,510
	FY	**20,640**	25,841	26,943
	Contribution margin	**70%**	71%	66%
Betaland	H1	**2,729**	1,489	-
	H2	**2,283**	663	335
	FY	**5,012**	2,152	335
	Contribution margin	**24%**	16%	17%
Winzingo	H1	**234**	(33)	-
	H2	**273**	(28)	-
	FY	**507**	(61)	-
	Contribution margin	**38%**	(24%)	66%
Betboo	H1	**-**	-	-
	H2	**1,373**	-	-
	FY	**1,373**	-	-
	Contribution margin	**63%**	-	-
TOTALS	H1	**13,519**	15,435	13,432
	H2	**14,015**	12,497	13,845
	FY	**27,534**	27,932	27,277
	Contribution margin	**51%**	56%	64%

6. CLEAN EBITDA BY BRAND

		Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
CasinoClub	H1	**9,507**	13,051	12,351
	H2	**8,892**	10,805	12,494
	FY	**18,399**	23,856	24,845
	EBITDA margin	**62%**	65%	61%
Betaland	H1	**1,059**	(134)	-
	H2	**682**	(1,097)	(327)
	FY	**1,741**	(1,231)	(327)
	EBITDA margin	**8%**	(9%)	(16%)
Winzingo	H1	**(120)**	(33)	-
	H2	**(102)**	(28)	-
	FY	**(222)**	(61)	-
	EBITDA margin	**(17%)**	(24%)	-
Betboo	H1	**-**	-	-
	H2	**103**	-	-
	FY	**103**	-	-
	EBITDA margin	**5%**	-	-
Total from Operating Divisions	H1	**10,446**	12,884	12,351
	H2	**9,575**	9,680	12,167
	FY	**20,021**	22,564	24,518
	EBITDA margin	**37%**	45%	57%
Unallocated central Costs	H1	**(1,566)**	(2,024)	(2,073)
	H2	**(1,027)**	(992)	(2,462)
	FY	**(2,593)**	(3,016)	(4,535)
Group total	H1	**8,880**	10,860	10,278
	H2	**8,548**	8,688	9,705
	FY	**17,428**	19,548	19,983
	EBITDA margin	**32%**	39%	47%

7. EXCEPTIONAL ITEMS

The Group incurred expenditure on exceptional items: these are items which are exceptional in both size and nature.

	Year ended 31 Dec 2009 €000's	Year ended 31 Dec 2008 €000's	Year ended 31 Dec 2007 €000's
Disposal of GVC Corporation SpA	**1,005**	-	-
Termination costs related to consultants	**283**	-	-
Abnormal individual jackpot win	**250**	-	-
New Town Capital Limited (trading as Winzingo)	**-**	1,075	-
Termination and other costs associated with Board changes	**-**	526	-
Professional fees associated with abortive take-over during the year	**-**	316	-
	1,538	1,917	-

8 EARNINGS PER SHARE

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

	Year ended 31 Dec 2009 €	Year ended 31 Dec 2008 €	Year ended 31 Dec 2007 €
Basic earnings per share	**0.432**	0.531	0.534
Basic earnings per share before exceptional items	**0.482**	0.593	0.534

Basic earnings per share has been calculated by taking the profit attributable to ordinary shareholders of €13,454k (2008: €16,543k) and dividing by the weighted average number of shares in issue, being 31,135,762 (2008: 31,135,762).

Basic earnings per share before exceptional items has been calculated by taking the profit attributable to ordinary shareholders of €13,454k (2008: €16,543k), adding back the cost of exceptional items of €1,538k (2009: €1,917k) and dividing by the weighted average number of shares in issue, being 31,135,762 (2008: 31,135,762).

9. PUBLICATION OF NON-STATUTORY ACCOUNTS

The financial information set out in this preliminary announcement does not constitute statutory accounts as defined under Luxembourg company law.

The consolidated balance sheet at 31 December 2009 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cashflows and associated notes for the year then ended have been extracted from the Group's 2009 consolidated financial statements upon which the auditor's opinion is unqualified and unmodified.

The full financial statements will be posted onto the Group's website (www.gamingvc.com) shortly, and mailed to shareholders and depository interest holders on 19 April 2010.

- Ends -