Press Release **25 April 2012**

GVC Holdings PLC

("GVC" or the "Group")

Preliminary Results and Trading Update

GVC Holdings PLC (AIM:GVC), a leading provider of B2B and B2C services to the online gaming and sports betting markets, today announces its Preliminary Results for the year ended 31 December 2011 and a Trading Update to 22 April 2012.

Highlights

- Total revenues increased by 17% to €64.3 million (2010: €54.9 million), the fifth successive year of increased revenues
- Clean EBITDA* of €10.0 million (2010: €12.2 million) following planned investments in marketing and TV campaigns in the Group's B2C brands
- 10% rise in final dividend and ahead of market expectations at 11 €cents per share (2010: 10 €cents per share) providing a total dividend of 21 €cents per share for 2011
- Calendar year 2013, intention to pay dividends quarterly
- B2C markets performing well, revenue up 6% on 2010
- Successful diversification into B2B markets with support agreement with East Pioneer Corporation B.V. ("EPC") effective late November 2011

Trading Update (113 day period to 22 April and excluding Betaland)

- 57% increase in average daily revenues to €160k (2011: €102k)
- 165% increase in B2C sports wagers
- €56.1k per day of B2B revenues
- Revenues increased despite some unusually high casino winners across both B2C and B2B along with a softness in the B2C sports margin percentage at 7.6% (2011: 11%) through punter-friendly results

* Earnings before interest, taxation, depreciation, amortisation, share option charges and exceptional items

Commenting on the results, Kenneth Alexander, Chief Executive of GVC Holdings plc, said: "2011 was a significant year for the Group as we moved into providing B2B services for the first time with our support agreement with EPC. This marks a change of direction for the Group away from pursuing growth in pure B2C markets, and this has continued with the disposal of Betaland earlier this month. Revenues have seen a fifth successive year of increase, against a backdrop of tight consumer spending across the Group's core markets and the decline of poker revenues across the industry.

"Trading in 2012 has started encouragingly, despite some unusually high casino winners across both B2C and B2B along with a softness in the B2C sports margin percentage through punter-friendly results. The Latin American business continues to grow with sports wagers 165% higher than the same period last year.

"Today we are pleased to announce a final dividend of 11 €cents per share, which is 10% higher than the final dividend for 2010 and ahead of market expectations. The Board recognises the importance of a more regular income stream to our shareholders and to reflect this, the Group announces today that it is going to move towards paying dividends quarterly beginning in February 2013. The Board believes that the Group's dividend policy reflects our confidence for 2012 and we remain cautiously optimistic that the Group is well placed for both medium and longer-term growth."

- Ends -

For further information:

GVC Holdings PLC

Kenneth Alexander, Chief Executive Officer — Tel: +44 (0) 20 7398 7729

Richard Cooper, Group Finance Director — www.gamingvc.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 / Mark Dixon — Tel: +44 (0) 20 7398 7729

mark.dixon@abchurch-group.com — www.abchurch-group.com

CHAIRMAN'S STATEMENT

Overview

2011 was a significant year for the Group as it moved into providing B2B services for the first time with its support agreement with East Pioneer Corporation B.V. ("EPC").

This marks a change of direction for the Group away from pursuing growth in pure B2C markets.

The Group now has two B2C brands: CasinoClub, a leading casino brand targeting German speaking markets, which has been trading since 2001; and Betboo, a mix of sports and gaming products that targets the Brazilian marketplace. The Group disposed of Betaland in April 2012 (subject to Maltese regulatory approval) due to poor prospects regarding growth and cash generation.

Total revenues in 2011 increased by 17% to €64.3 million (2010: €54.9 million). This rise in revenue is the fifth successive year of increase, against a backdrop of tight consumer spending across the Group's core markets.

Following substantial planned investments in marketing and TV campaigns in GVC's B2C brands, Clean EBITDA (earnings before interest, taxation, depreciation, amortisation and share option changes and exceptional items) decreased to €10.0 million from €12.2 million. The full value of these investments is expected to be seen in the next two years.

Strategy and Dividend policy

The Group's strategy is to maximise the long-term cash generative potential of its existing businesses while entering profitable new markets.

This strategy results in an ability to pay attractive dividends to shareholders. Over the past five years, shareholders have received a total of €62 million by way of dividends, equal, at historical exchange rates, to £1.50 per share.

The Group aims to pay around not less than 75% of its net operating cash flow to shareholders by way of dividends. Indeed the executive bonus plans are only triggered by dividend payments, thus aligning the interest of executives with shareholders.

The Group announces today that it is going to move towards paying dividends quarterly beginning in February 2013 as the Board recognises the importance of a more regular income stream to our shareholders.

Boss Media

There have been no material developments in the litigation with Boss Media. Court and arbitration cases are proceeding in accordance with local procedure.

Current Trading, Future Prospects and the final dividend for 2011

The Group continues to see strong revenue growth in both B2C and B2B markets in which we remain. In the 113 day period to 22 April 2012 total revenues increased by 57% on the same period last year.

The Board is therefore proposing to increase its final dividend to 11 €cents per share for 2011 (2010 10 €cents). This 10% increase is ahead of market expectations.

Shareholders

The Group is proposing to hold its Annual General Meeting at the Group's Registered Office in the Isle of Man on Thursday 24 May 2012. The Board recognises that the location of the AGM might make attendance difficult for some of our shareholders. The Group therefore proposes to hold a separate investor meeting in London at 11 a.m. on Friday 25 May 2012 at the offices of Abchurch Communications at 125 Old Broad Street, London EC2. This meeting will provide an opportunity for our private shareholders to meet the executive team.

Lee Feldman

Chairman and Non-Executive Director

24 April 2012

CHIEF EXECUTIVE'S STATEMENT

For the fifth year in succession, and against the backdrop of difficult economic climates in its markets, the Group has grown its revenues substantially.

Revenues

In 2011, the revenue growth was even more marked, up by 17% on 2010 as the Group's B2C brands performed well and the Group diversified to B2B offerings by entering into the back-office services agreement with East Pioneer Corporation B.V.

In the last five years the Group has transformed itself from being solely a German online casino to being a multi-product, multi-jurisdictional operator and now with a B2B division.

There were two particular drivers of growth in revenue for 2011: Betboo in Latin America where the revenues grew by 69% and, the successful launch of our B2B division during the year. During the year total sports wagers grew by 74% (this was against the backdrop of no significant football tournaments in 2011, whereas 2010 was flattered by wagering activity around the FIFA World Cup).

An analysis of the Group's revenues is shown below:

Sports wagers	**2011 €million**	2010 €million
Betaland	**51.8**	55.9
Betboo Latam	**24.4**	13.4
Total B2C	**76.2**	69.3
B2B	**44.5**	-
Total	**120.7**	69.3

Sports margin %		
B2C	**15.0%**	13.8%
B2B	**9.9%**	0%
Total	**13.1%**	13.8%

Total revenue	**2011 €million**	2010 €million
B2C (see below)	**58.2**	54.9
B2B	**6.1**	-
Total	**64.3**	54.9

B2C revenues

€ millions

B2C – by product	**2011**	**2010**	**Change**	**% Change**
Sports	**10.6**	8.7	1.9	22%
Casino & Bingo	**44.7**	41.8	2.9	7%
Poker	**2.9**	4.4	(1.5)	-34%
Total NGR	**58.2**	54.9	3.3	6%

B2C - by brand	**2011**	**2010**	**Change**	**% Change**
CasinoClub	**29.4**	27.5	1.9	7%
Betboo	**8.8**	5.2	3.6	69%
Betaland	**20.0**	22.2	(2.2)	-10%
Total NGR	**58.2**	54.9	3.3	6%

Contribution

Contribution, the Group's measure of performance of revenues less variable costs and marketing expenditure, also grew despite the considerable investment in marketing through TV campaigns to grow the Group's B2C brands.

Cost base

As expected and planned for, the Group's cost base has increased reflecting additional staff and further resources provided by third-party partners, particularly in Latin America. This increase in cost and resources has been necessary to facilitate further growth and to establish the Group's B2B offering. A more detailed analysis is provided in the Report of the Group Finance Director.

Clean EBITDA*

The planned cost increase has led to an overall decrease in Clean EBITDA, in line with market expectations, as set out in the table below:

	2011 €million	**2010 €million**
Betaland	**1.6**	1.9
Other B2C	**11.1**	13.8
Total B2C	**12.7**	15.7
B2B	**0.7**	(0.7)
Central	**(3.4)**	(2.8)
	10.0	12.2

Developments

The most significant development during 2011 was the commencement of trading for the Group's B2B division. This provides back-office support to East Pioneer Corporation B.V., the company which acquired the Superbahis business of Sportingbet Plc on 21 November 2011.

This is a major initiative by the Group. The Board is very encouraged by this new business line and believes that it will help underpin the Group's aggressive dividend policy.

The Superbahis/East Pioneer transaction was complex, and is dealt with in the Report of the Group Finance Director. Other than income enhancements, these contracts require costs to be incurred by the Group, not least in the form of staff and office facilities which impact the income statement in terms of operating costs but also in increased depreciation charges.

Additionally the costs of entering into this transaction were substantial, and amounted to €3.6 million during the year which have been shown as exceptional items. The transaction is expected to yield material benefits for the Group in 2012 and beyond.

As announced on 10 April 2012, the Group has entered into arrangements to dispose of Betaland to a third party (subject to regulatory consents) as the Board believes the prospects for this business are limited, particularly from a cash generation perspective. This disposal avoids significant closure costs and debtor default risk which the Group would have incurred. In the 2011 Report and Accounts, however the Group has made a provision within exceptional items of €0.9 million against the deferred proceeds arising from the prior disposal of GVC Corporation S.p.A (the owner of Betpro), the Group's old Italian business which, with the disposal of Betaland, the Board believes is irrecoverable.

The dispute with Boss Media continues, and legal costs of €0.3 million were incurred during 2011 (2010: €0.6 million). These have been treated as exceptional items.

As announced on 23 February 2011, the Group revised and extended the earn-out relating to the acquisition of Betboo in July 2009. This was designed to spread the payments over a longer period. There is a non-cash accounting consequence of this, which increased the financial charges in the income statement by around €1.3 million during 2011.

The combination of lower EBITDA, Betpro write-offs, deal transaction costs (disclosed separately as exceptional items), higher (non-cash) depreciation and higher (non-cash) finance costs has resulted in a profits before tax of €0.1 million (2010: €4.1 million).

	2011 €million	2010 €million	Change €million
Clean EBITDA	**10**	**12.2**	**(2.2)**
Boss legals	(0.3)	(0.6)	0.3
Transaction costs	(3.6)	-	(3.6)
Betpro write-offs	(0.9)	-	(0.9)
Other exceptional items	-	(3.8)	3.8
EBITDA	**5.2**	**7.8**	**(2.6)**
NON-CASH ITEMS			
Share option charges	(0.4)	(0.5)	0.1
Depreciation and amortisation	(2.3)	(2.1)	(0.2)
Finance costs	(2.4)	(1.1)	(1.3)
Profit before tax	**0.1**	**4.1**	**(4.0)**

It should be noted however that cash generated from the operations increased to €6.6 million from €4.2 million.

Regulatory

There was, and remains, division in Germany between the Schleswig-Holstein (“SH”) and the other 15 Lander (“E15”). SH drew-up its own regulatory framework and had it approved by the EU. E15 proposed their own framework which was rejected by the EU. The Board continues to monitor the regulatory situation in Germany and though we remain uncertain of the outcome, we look forward to a resolution that allows all gaming products to be offered at commercial rates of taxation in a properly regulated environment.

Outlook and Current Trading

The table below shows the average revenues per day (€000's) over the last five quarters:

	Q1-12	Q1-11	Q2-11	Q3-11	Q4-11
Continuing B2C revenues (see below)	**101.6**	102.7	101.1	108.9	106.0
Betaland revenues	**49.2**	62.5	53.1	47.4	56.4
Total B2C revenues	**150.8**	165.2	154.2	156.3	162.4
B2B revenues	**55.5**	2.8	12.5	14.5	37.0
Total revenues	**206.3**	**168.0**	**166.7**	**170.8**	**199.4**

Total continuing B2C revenues	**Q1-12**	**Q1-11**	**Q2-11**	**Q3-11**	**Q4-11**
Gross sports margin %	**7.3%**	13.4%	9.2%	12.8%	8.3%
Sports NGR	**5.3**	4.7	4.4	9.7	5.2
Gaming NGR	**96.3**	98.0	96.7	99.2	100.8
	101.6	**102.7**	**101.1**	**108.9**	**106.0**

In the 113 day period to Sunday 22 April 2012 compared to the same period in 2011, total revenues per day (excluding the discontinued activities of Betaland) have increased by 57% to €160k (2011: €102k).

The growth in revenue has been achieved despite a softness in the B2C sports margin percentage at 7.6% (2011: 11%) through punter-friendly results and some unusually high casino winners across both B2C and B2B.

Final dividend and dividend payment profile

Over the last five years, shareholders have already received €62 million in dividends, equal, at historic exchange rates to around £52 million or £1.50 per share. GVC is pleased to announce today the following enhancements relating to dividends.

1. The declaration of a final dividend of 11 €cents per share, which is 10% higher than the final dividend for 2010 and ahead of market expectations. As a result, the total dividend for 2011 will be 21 €cents per share.

2. The Board plans to move to a quarterly dividend payment profile from 2013 onwards with payment dates intended to be February, May, August and November.

Outlook

Trading in 2012 has started encouragingly, despite a softness in the B2C sports margin percentage through punter-friendly results and some unusually high casino winners across both B2C and B2B. The Latin American business continues to grow with sports wagers 165% higher than the same period last year.

Today the Board has declared a final dividend of 11 €cents per share, which is not only ahead of market expectations but also a 10% increase on 2010, providing our shareholders with a total dividend of 21 €cents per share for 2011. The Board believes that the Group's dividend policy reflects the Board's confidence for 2012 and we remain cautiously optimistic that the Group is well placed for both medium and longer-term growth.

Kenneth Alexander
Chief Executive
24 April 2012

REPORT OF THE GROUP FINANCE DIRECTOR

This statement guides readers through the primary financial statements and provides a description and explanation of the service contract with East Pioneer Corporation B.V. ("EPC") along with an overview of the financial risks faced by the Group.

BUSINESS LINES

The Group has two principal business lines, Business to Consumer ("B2C") and Business to Business ("B2B"), along with a central support operation.

The B2C business unit consists of CasinoClub, an online casino operating principally in German speaking markets; Betboo, offering a sports book and bingo operation on its own platform along with casino and poker on third-party platforms to mainly Brazilian customers; and until 1 April 2012, Betaland, a sports and gaming operation focusing on off-line agent-derived Italian business.

The B2B business unit consists principally of the third-party support contract for EPC, which acquired the Superbahis brand from Sportingbet in November 2011. B2B also includes the Group's operations in the same geographical markets as Superbahis, although these are relatively small.

DESCRIPTION OF THE CONTRACT WITH EAST PIONEER CORPORATION BV ("EPC")

Listed gaming operator Sportingbet Plc ("SBT") sold its Superbahis business to EPC with effect from 21 November 2011. Contemporaneously, the Group entered into a support contract with EPC and a guarantee with SBT.

EPC effectively pays an earn-out for Superbahis, and this is subject to performance.

The Group provides a full suite of back-office services to EPC.

The financial arrangements are that the Group earns a fee of 25% of the combined adjusted gross profits** of Superbahis and the Group's own operation in the same geographical market. €1.1 million of revenue has been included within the Income Statement which reflects this financial arrangement. The Group bears the support (largely people, office and administrative costs) of EPC.

*** revenues, less customer bonuses, less software royalties, payment processing costs, bad debts and affiliate marketing costs.*

FINANCIAL HIGHLIGHTS

Revenues	17% increase to €64.3 million (2010: €54.9 million)
Sports margin %	13.1% (2010: 13.8%)
Contribution	6% increase to €24.7 million (2010: €23.3 million)
Clean EBITDA	€10.0 million (2010: €12.2 million)
Profit before taxes	€0.1 million (2010: €4.1 million)
Operating Cashflows	Increased to €6.6 million (2010: €4.2 million)
Dividends paid in 2011	€6.2 million, 21 €cents per share. This bring the total payments to shareholders over the past five years up to €62 million

ANALYSIS OF INCOME STATEMENT

A Summary of the Income Statement by operating segment (€million) is shown below:

	B2C	B2B	CENTRAL	TOTAL
Sports NGR				
2011	**10.6**	**2.7**	**-**	**13.3**
2010	8.7	-	-	8.7
Sports margin %				
2011	**15.0%**	**9.9%**	**-**	**13.1%**
2010	13.8%	-	-	13.8%
Gaming NGR				
2011	**47.6**	**2.3**	**-**	**49.9**
2010	46.2	-	-	46.2
Other revenues				
2011	**-**	***1.1***	**-**	***1.1***
2010	-	-	-	-
Total revenues				
2011	**58.2**	**6.1**	**-**	**64.3**
2010	54.9	-	-	54.9
Contribution				
2011	**21.9**	**2.8**	**-**	**24.7**
2010	23.3	-	-	23.3
Expenditure				
2011	**(9.3)**	**(2.1)**	**(3.3)**	**(14.7)**
2010	(7.7)	(0.7)	(2.8)	(11.2)
Clean EBITDA				
2011	**12.6**	**0.7**	**(3.3)**	**10.0**

2010	15.7		(0.7)		(2.8)		12.2
Exceptional items							
2011	**(1.2)**		**(3.6)**		**-**		**(4.8)**
2010	(1.2)		-		(3.2)		(4.4)
Non-cash items							
2011	**(4.3)**		**(0.3)**		**(0.5)**		**(5.1)**
2010	(3.2)		-		(0.5)		(3.7)
Profit/(loss) before tax							
2011	**7.1**		**(3.2)**		**(3.8)**		**0.1**
2010	11.3		(0.7)		(6.5)		4.1

REVIEW OF B2C

Revenues

Sports NGR rose by 21% to €10.6 million (2010: €8.7 million) on the back of a 10% increase in sports wagers and gross margins of 15% (2010: 13.8%). Betaland sports NGR was €8.4 million (2010: €8.4 million), thus the rise was attributable to Betboo business in Latin America.

Gaming revenues increased by 3% overall, and by 11% in the retained brands of CasinoClub and Betboo despite a €1.5 million decrease in poker revenues experienced by the Group. Betaland gaming revenues decreased by 16%. Decreases in poker revenues are an industry wide issue.

Total revenues increased by 6% to €58.2 million (2010: €54.9 million), with CasinoClub growing by 7% to €29.4 million (2010: €27.5 million) and Betboo growing by 69% to €8.8 million (2010: €5.2 million).

Contribution

Lower contribution reflected the significant cost of TV campaigns (€3.9 million) and other marketing expenditure which is expected to have a longer-term benefit.

Expenditure

Total expenditure within B2C brands increased to facilitate their expansion in the year along with forward planning for anticipated growth in their markets.

Clean EBITDA

As a result of higher marketing and expenditure, Clean EBITDA decreased to €12.7 million (2010: €15.7 million). There was a 16% fall in the Clean EBITDA from Betaland to €1.6 million (2010: €1.9 million).

REVIEW OF B2B

This is a new business line, although some costs in establishing this were incurred in 2010.

Revenues

Total revenues amounted to €6.1 million (2010: €nil).

Contribution

A contribution of €2.8 million was earned during the year.

Expenditure

Expenditure of €2.1 million was incurred during the year (2010: €0.7 million).

Clean EBITDA

Clean EBITDA from B2B amounted to €0.7 million (2010: loss of €0.7 million).

REVIEW OF CENTRAL COSTS

There were additions to Group headcount along with associated office space and travel. Costs rose from €2.8 million to €3.3 million.

COST OVERVIEW

Staff costs represent around 50% of the Group's cost base. Staff costs rose by €2.1 million in the year and the largest contributor was the B2B division, adding €1.2 million in staff costs and a further €0.2 million in other costs. This division now employs close to 80 staff across two sites, Dublin and Malta.

The other significant increase in costs during the year were through staff and infrastructure. CasinoClub added €0.7 million to €3.3 million, Betboo added €0.6 million to €3.4 million, and central costs increased by €0.5 million to €3.3 million.

CLEAN EBITDA

This amounted to €10.0 million in the year (2010: €12.2 million). The principal reasons for this decrease were:

- The investment in marketing in B2C brands
- The reduced profitability of Betaland (which, subject to regulatory consents was disposed of with effect from 1 April 2012)
- Increase in costs in running an Enlarged Group.

Below the level of Clean EBITDA are the combination of cash-based exceptional items, and non-cash items, both of which rose in the year.

EXCEPTIONAL ITEMS

	2011 €000's	2010 €000's
Legal & professional costs incurred on transaction with EPC	2,275	-
Professional and other costs incurred in the re-domiciliation from Luxembourg to Isle of Man	-	1,628
Bonuses paid to directors and staff on EPC transaction	1,310	-
Share option and LTIP arrangements	-	1,577
Boss legal costs	334	626
Provision against deferred proceeds on the disposal of Betpro	904	-
Other exceptional items	-	597
Total	**4,823**	**4,428**

The tripartite transaction with EPC and SBT was highly complex and required a full re-admission to AIM. The costs were incurred as follows:

	€000's
Legal costs	1,175
Fees to reporting accountants	426
Fees to Nomads	416
Other fees	258
	2,275

The Directors received success bonuses on this transaction as approved by shareholders in the General Meeting held on 16 November 2011.

Costs were incurred in pursuing a legal claim with Boss Media. This dispute concerns the alleged infringement of property rights, and is continuing.

On 10 April 2012, the Group announced the disposal of Betaland effective 1 April 2012, subject to regulatory consents. As part of its prior disposal of GVC Corporation

S.p.A., the operators of another Italian brand, Betpro, the Group had a loan outstanding which, following the disposal of Betaland has been provided for as an exceptional item, as the Group believes it will not be recoverable.

NON-CASH ITEMS

There are a series of non-cash items debited to the income statement. The impact on the Income Statement in 2011 was an increase of €1.4 million in 2011.

	2011 €000's	**2010 €000's**
Depreciation	288	459
Amortisation	1,969	1,637
Finance charges	2,387	1,088
Share options charges	440	482
	5,084	3,666

Depreciation costs fell as more assets reached the end of their useful life.

Amortisation costs rose to €2.0 million from €1.6 million as €1.2 million of intangible assets were acquired in the year, mainly on website development costs.

Finance charges relate to the unwinding of the discount on the deferred consideration on the acquisition of Betboo. As announced on 23 February 2011, the earn-out arrangements for this acquisition were revised and extended, although the cap on the amount payable remains the same. The accounting effect of this was to:

- increase the goodwill carried on this investment by €5.1 million
- increase the deferred consideration by a corresponding amount
- increase the unwinding of the discount on the deferred consideration from €1.1 million in 2010 to €2.4 million in 2011.

Share option charges remained at a similar level to those in 2010

PROFIT BEFORE TAXATION

	2011 €million	2010 €million	Change €million	Comment
Clean EBITDA	10.0	12.2	(2.2)	Marketing investments Additional group resources
Exceptional items	(4.8)	(4.4)	(0.4)	
Non-cash items	(5.1)	(3.7)	(1.4)	Betboo earn-out
Profit before tax	0.1	4.1	(4.0)	

TAXATION

The Group is headquartered in The Isle of Man and has licensed operations in Malta and Curacao, along with service companies in the UK and Eire, in each of which profits are taxable at local rates. The tax charge for the year reflects the taxable profits arising from these jurisdictions.

CASHFLOW

A summary of the Group's significant cashflows is shown below:

CASHFLOW SUMMARY	2011 €000's	2010 €000's
Profit before tax	**115**	**4,078**
Losses from discontinued business (winzingo)	-	(411)
Add:		
Non cash items expensed through income statement	5,084	3,665
Non-cash exceptional item	904	-
Equals: net cash generated through income statement	**6,103**	**7,332**
Add:		
Funds injected via exercise of share options	420	-
Decrease/(increase) in working capital	2,543	(2,244)
Less:		
Taxes (paid)/recovered	(186)	525
Betboo earn-out paid	(671)	(271)
Capital expenditure	(1,606)	(1,105)
Total operating cashflows generated	**6,603**	**4,237**
Add: Opening cash balances	6,551	20,995
Add: loans repayable in less than one year	2,924	-
Dividends paid	(6,225)	(18,681)
Cash and cash equivalents at 31 December	**9,853**	**6,551**

Total operating cashflows generated increased to €6.6 million (2010: €4.2 million).

The total paid to the founders of Betboo since the acquisition in July 2009 to 31 December 2011 has amounted to €4.0 million.

BALANCE SHEET

An explanation of the movement in the Balance sheet is shown below. The principal reasons for a reduction when compared to the operating cashflows generated are:

- the expensing of €5.1 million of non-cash items through the Income Statement
- the payment of €6.2 million of dividends in the year.

A summary of the balance sheet movements is shown below:

BALANCE SHEET MOVEMENTS	**€000's**	**€000's**
Balance sheet at 1 January 2011		62,684
EBITDA	10,018	
Exceptional items	(4,823)	
Non-cash items	(5,084)	
Taxation	(261)	
Financial income	5	
Loss after taxation		(145)
Share option charge		440
Exercise of share options		420
Dividends paid		(6,225)
Balance sheet at 31 December 2011		57,174

The move into the B2B sector has also changed the composition of the balance sheet. A summary of the main items is shown below:

	2011 €million	**2010 €million**	**Change €million**
Net current assets before loan repayable in less than one year	5.3	5.6	(0.3)
Loan repayable in less than one year	(2.9)	-	(2.9)
Current assets less current liabilities	**2.4**	**5.6**	**(3.2)**
Tangible and intangible fixed assets	67.7	63.3	4.4
Deferred consideration on Betboo	(12.9)	(6.2)	(6.7)
Net assets at 31 December	57.2	62.7	(5.5)

FOREIGN EXCHANGE

The Group conducts its business in a variety of currencies. The Group currently does not hedge the currency exposures it has, but is discussing the opportunity to do this with a number of FX providers.

DIVIDEND

The final dividend of 11 €cents per share will be paid on 25 May 2012 to shareholders on the register at the close of business on Friday 11 May 2012. The Group will enter into a foreign exchange transaction at that time and publish the GBP equivalent of 11 €cents on its website. The shares will go ex-dividend on Wednesday 9 May 2012.

DISPATCH OF DOCUMENTS TO SHAREHOLDERS

Copies of the Financial Report together with the Notice of Annual General Meeting will be dispatched on Tuesday 1 May 2012. Copies will also be made available electronically from the Group's website at www.gamingvc.com.

WEBSITE UNDER AIM RULE 26

The Group will be re-launching its website on Tuesday 1 May 2012, which as of that date can be found at the new URL of www.gvc-plc.com.

Richard Cooper
Group Finance Director
24 April 2012

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	2011 €000's	2010 €000's
Revenue	3	**64,346**	54,907
Cost of sales		**(12,743)**	(9,812)
Gross profit		**51,603**	45,095
Marketing and affiliate costs		**(26,894)**	(21,766)
Contribution	3	**24,709**	23,329
Operating costs (as below)	4	**(22,211)**	(18,171)
Other operating costs	4	**(14,691)**	(11,165)
Share option charges	4	**(440)**	(482)
	4	**(15,131)**	(11,647)
Exceptional items	4	**(4,823)**	(4,428)
Depreciation and amortisation	4	**(2,257)**	(2,096)
Operating profit		**2,498**	5,158
Financial income	5	**5**	8
Financial expense	5	**(2,387)**	(1,088)
Profit before tax		**116**	4,078
Taxation charge	6	**(261)**	(222)
(Loss)/profit after taxation from continuing operations		**(145)**	3,856
Loss after taxation from discontinued operations	7	**-**	(411)
(Loss)/profit after tax		**(145)**	3,445
Earnings per share		**€**	**€**
Basic			
(Loss)/profit from continuing operations		(0.005)	0.124
Loss from discontinued operations		-	(0.013)
Total	8	**(0.005)**	0.111
Diluted			
(Loss)/profit from continuing operations		(0.005)	0.121
Loss from discontinued operations		-	(0.013)
Total	8	**(0.005)**	0.108

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2011

	2011 €000's	2010 €000's
(Loss)/profit and total comprehensive (expense)/income for the year	**(145)**	3,445

CONSOLIDATED BALANCE SHEET

at 31 December 2011

	Notes	**2011 €000's**	2010 €000's
Assets			
Property, plant and equipment		**470**	363
Intangible assets		**67,223**	62,927
Deferred tax asset	6	**83**	-
Total non-current assets		**67,776**	63,290
Receivables and prepayments		**8,983**	4,896
Income taxes reclaimable	6	**1,529**	1,356
Other tax reclaimable		**-**	19
Cash and cash equivalents		**9,853**	6,551
Total current assets		**20,365**	12,822
Current liabilities			
Trade and other payables		**(15,926)**	(5,469)
Income taxes payable	6	**(1,771)**	(1,525)
Other taxation liabilities		**(330)**	(264)
Total current liabilities		**(18,027)**	(7,258)
Current assets less current liabilities		**2,338**	5,564
Long term liabilities			
Deferred consideration on Betboo		**(12,940)**	(6,170)
Total net assets		**57,174**	62,684
Capital and reserves			
Issued share capital		**315**	311
Merger reserve		**40,407**	40,407
Share premium		**416**	-
Retained earnings		**16,036**	21,966
Total equity attributable to equity holders of the parent		**57,174**	62,684

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

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 2010	38,608	-	8,748	30,465	77,821
Transfer to merger reserve	(38,297)	55,975	(8,748)	(8,930)	-
Share option charges	-	-	-	482	482
Share options cancelled	-	-	-	(383)	(383)
Dividend paid	-	(15,568)	-	(3,113)	(18,681)
Transactions with owners	311	40,407	-	18,521	59,239
Profit and total comprehensive income	-	-	-	3,445	3,445
Balance as at 31 December 2010	311	40,407	-	21,966	62,684
Balance at 1 January 2011	311	40,407	-	21,966	62,684
Share option charges	-	-	-	440	440
Share options exercised	4	-	416	-	420
Dividend paid	-	-	-	(6,225)	(6,225)
Transactions with owners	315	40,407	416	16,181	57,319
Loss and total comprehensive expense	-	-	-	(145)	(145)
Balance as at 31 December 2011	**315**	**40,407**	**416**	**16,036**	**57,174**

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 year ended 31 December 2011

	2011 **€000's**	2010 €000's
Cash flows from operating activities		
Cash receipts from customers	**61,289**	55,508
Cash paid to suppliers and employees	**(49,640)**	(48,217)
Corporate taxes recovered	**1,356**	3,189
Corporate taxes paid	**(1,627)**	(2,664)
Net cash from operating activities	**11,378**	7,816
Cash flows from investing activities		
Interest received	**5**	8
Acquisition of business and earn out	**(671)**	(271)
Disposal of business	**-**	(411)
Acquisition of property, plant and equipment	**(395)**	(148)
Acquisition of intangible assets	**(1,210)**	(957)
Net cash from investing activities	**(2,271)**	(1,779)
Cash flows from financing activities		
Proceeds from issue of share capital	**420**	-
Dividend paid	**(6,225)**	(18,681)
Net cash from financing activities	**(5,805)**	(18,681)
Net increase/(decrease) in cash and cash equivalents	**3,302**	(12,644)
Cash and cash equivalents at beginning of the year	**6,551**	19,195
Cash and cash equivalents at end of the year	**9,853**	6,551

NOTES

1. BASIS OF PREPARATION

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

The preparation of financial statements in conformity with First's 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 THE 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	**2011 €000's**	2010 €000's
B2C revenue		**58,218**	54,907
B2B revenue		**6,128**	-
Total revenue	3	**64,346**	54,907
Cost of sales		**(12,743)**	(9,812)
Gross profit		**51,603**	45,095
Gross profit margin		**80%**	82%
Marketing and affiliate costs		**(26,894)**	(21,766)
Contribution	3	**24,709**	23,329
Contribution margin		**38%**	42%
Operating costs	4		
Staff costs		**(7,741)**	(5,677)
Professional fees		**(1,105)**	(884)
Technology costs		**(974)**	(667)
Office, travel, other		**(1,608)**	(1,363)
Third party service costs		**(3,088)**	(2,342)
Foreign exchange differences		**(175)**	(232)
		(14,691)	(11,165)
Clean EBITDA	3	**10,018**	12,164
B2C		***12,695***	*15,675*
B2B		***651***	*(722)*
Central		***(3,328)***	*(2,789)*
Exceptional items	4	**(4,823)**	(4,428)
Share Option Charges	4	**(440)**	(482)
EBITDA		**4,755**	7,254
Depreciation	4	**(288)**	(459)
Amortisation	4	**(1,969)**	(1,637)
Operating Profit		**2,498**	5,158
Financial income	5	**5**	8
Unwinding of discount on deferred consideration	5	**(2,387)**	(1,087)
Other financial expense	5	**-**	(1)
Profit before tax		**116**	4,078
Taxation charge	6	**(261)**	(222)
(Loss)/profit after tax from continuing operations		**(145)**	3,856
Loss after taxation from discontinued operations	7	**-**	(411)
(Loss)/profit after tax		**(145)**	3,445

3. 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.

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

3.1 Geographical Analysis

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

	2011 €000's	2010 €000's
Europe	**55,533**	49,677
Latin America	**8,813**	5,230
Total	**64,346**	54,907

All of the Group's other income comes from Europe.

The total non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post employment benefit assets) located in Europe is €57,096,000 (2010: €56,543,000) and the total located in other regions is €10,597,000 (2010: €6,747,000).

The total deferred tax asset located in Europe is €83,000 (2010: €nil). There are no deferred tax assets in other regions.

Revenues from external customers in the Group's domicile, Europe, as well as its major markets, Europe and Latin America, have been identified on the basis of the customer's geographical location. Non-current assets are allocated based on their physical location. The above table does not include discontinued operations, for which revenue and assets can be attributed to Europe.

3.2 Revenue by Quarter

	B2C €000's	B2B €000's	**Total €000's**
Q1 - 10	14,136	-	14,136
Q2 - 10	13,921	-	13,921
Q3 - 10	13,425	-	13,425
Q4 - 10	13,425	-	13,425
Total 2010	54,907	-	54,907
Q1 – 11	14,863	251	15,114
Q2 – 11	14,033	1,135	15,168
Q3 – 11	14,378	1,334	15,712
Q4 – 11	14,944	3,408	18,352
Total 2011	**58,218**	**6,128**	**64,346**

3.3 Reporting by Segment

2011	B2C €000's	B2B €000's	Unallocated central €000's	**Total €000's**
Sports wagers	76,279	44,453	-	**120,732**
Sports margin	*15%*	*10%*		
Sports NGR	10,569	2,753	-	**13,322**
Gaming NGR	47,649	2,311	-	**49,960**
Total NGR	58,218	5,064	-	**63,282**
B2B income	-	1,064	-	**1,064**
Total revenue	**58,218**	**6,128**	**-**	**64,346**
Cost of sales	(11,012)	(1,731)	-	**(12,743)**
Gross profit	**47,206**	**4,397**	**-**	**51,603**
Marketing and affiliate costs	(25,290)	(1,604)	-	**(26,894)**
Contribution	**21,916**	**2,793**	**-**	**24,709**
Contribution margin	*38%*	*46%*		
Operating costs	(9,221)	(2,142)	(3,328)	**(14,691)**
Clean EBITDA	**12,695**	**651**	**(3,328)**	**10,018**
Clean EBITDA margin	*22%*	*11%*		
Exceptional items	(1,238)	(3,585)	-	**(4,823)**
Share option charges	-	-	(440)	**(440)**
EBITDA	**11,457**	**(2,934)**	**(3,768)**	**4,755**
Depreciation and amortisation	(2,034)	223)	-	**(2,257)**
Financial income	3	1	1	**5**
Financial expense*	(2,387)	-	-	**(2,387)**
Profit/(loss) before tax	**7,039**	**(3,156)**	**(3,767)**	**116**
Taxation	(186)	-	(75)	(261)
Profit/(loss) after tax from continuing operations	**6,853**	**(3,156)**	**(3,842)**	**(145)**

Net assets				
Non-current assets	61,859	5,917	-	**67,776**
Current assets	11,648	8,698	19	**20,365**
Current liabilities	(9,027)	(8,719)	(281)	**(18,027)**
Net current assets	2,621	(21)	(262)	**2,338**
Long term liabilities	(12,940)	-	-	**(12,940)**
Net assets	51,540	5,896	(262)	**57,174**
Total assets	**73,507**	**14,615**	**19**	**88,141**
Total liabilities	**(21,967)**	**(8,719)**	**(281)**	**(30,967)**

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

2010	B2C €000's	B2B €000's	Unallocated central €000's	Total €000's
Sports wagers	69,313	-	-	69,313
Sports margin	*14%*			
Sports NGR	8,712	-	-	8,712
Gaming NGR	46,195	-	-	46,195
Total NGR	54,907	-	-	54,907
B2B income	-	-	-	-
Total revenue	54,907	-	-	54,907
Cost of sales	(9,812)	-	-	(9,812)
Gross profit	45,095	-	-	45,095
Marketing and affiliate costs	(21,753)	(13)	-	(21,766)
Contribution	23,342	(13)	-	23,329
Contribution margin	*43%*			
Operating costs	(7,667)	(709)	(2,789)	(11,165)
Clean EBITDA	15,675	(722)	(2,789)	12,164
Clean EBITDA margin	*29%*			
Exceptional items	(1,223)	-	(3,205)	(4,428)
Share option charges	-	-	(482)	(482)
EBITDA	14,452	(722)	(6,476)	7,254
Depreciation and amortisation	(2,095)	(1)	-	(2,096)
Financial income	-	-	8	8
Financial expense*	(1,087)	-	(1)	(1,088)
Profit/(loss) before tax	11,270	(723)	(6,469)	4,078
Taxation	(622)	40	360	(222)
Profit/(loss) after tax from continuing operations	10,648	(683)	(6,109)	3,856

Net assets				
Non-current assets	62,828	462	-	63,290
Current assets	6,493	90	6,239	12,822
Current liabilities	(7,090)	(5)	(163)	(7,258)
Net current assets	(597)	85	6,076	5,564
Long term liabilities	(6,170)	-	-	(6,170)
Net assets	56,061	547	6,076	62,684
Total assets	69,321	552	6,239	76,112
Total liabilities	(13,260)	(5)	(163)	(13,428)

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

It is not deemed appropriate to allocate share option charges and financial income by operating segment.

4. OPERATING COSTS

	Notes	**2011 €000's**	2010 €000's
Other operating costs	4.1	**15,131**	11,647
Exceptional items	4.2	**4,823**	4,428
Depreciation		**288**	459
Amortisation		**1,969**	1,637
		22,211	18,171

4.1 Other Operating Costs

	Notes	**2011 €000's**	2010 €000's
Other personnel expenditure (excluding share option charges)	4.1.1	**7,741**	5,677
Share option charges		**440**	482
Total personnel expenditure		**8,181**	6,159
Professional fees	4.1.2	**1,105**	884
Technology costs		**974**	667
Office, travel and other costs		**1,608**	1,363
Third party service costs*		**3,088**	2,342
Foreign exchange differences		**175**	232
		15,131	11,647

**provided to Betboo by external providers*

4.1.1 Personnel Expenditure (Excluding Share Option Charges)

The Directors who served throughout the year were: Lee Feldman, Kenneth Alexander, Nigel Blythe-Tinker, Richard Cooper and Karl Diacono. For a detailed summary of their remuneration see the Report of the Remuneration Committee in the Report and Accounts. The personnel expenditure shown below excludes those items of an exceptional nature shown in note 5.2.

	2011 €000's	2010 €000's
Wages and salaries, including Directors remuneration	**6,200**	4,169
Amounts paid to long term contractors	**634**	708
Compulsory social security contributions	**471**	337
Compulsory pension contributions	**203**	130
Health and other benefits	**38**	51
Recruitment and training	**195**	282
	7,741	5,677

The average monthly number of persons (including Directors) employed by the Group during the year was:

	2011	2010
Number of personnel		
With employment contracts or service contracts	**116**	80
Contractors	**7**	4
	123	84

4.1.2 Professional Fees

At 31 December 2011, the Group has legal entities in The Isle of Man, Netherlands Antilles, Cyprus, Malta, United Kingdom, Ireland and Israel. Accordingly, the Group seeks professional advice in these and other jurisdictions.

	2011 €000's	2010 €000's
Other professional fees	**1,105**	884

4.2 Exceptional Items

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

	Notes	**2011 €000's**	2010 €000's
Transaction with East Pioneer Corporation B.V.			
- legal and professional costs	a	**2,275**	-
- bonuses paid to directors and staff	a	**1,310**	-
Provision against deferred proceeds on the disposal of Betpro	b	**904**	-
Boss dispute	c	**334**	626
Re-domiciliation & other restructuring	d	**-**	1,628
Options cancelled	e	**-**	450
LTIP and similar compensation	f	**-**	1,127
Software costs	g	**-**	339
Abnormal individual jackpot win	h	**-**	258
		4,823	4,428

Note a: On 21 November 2011 the Group entered into a service agreement and guarantee relating to the acquisition by East Pioneer Corporation B.V. from Sportingbet Plc of Superbahis. The pre contract costs of entering into this agreement along with the Directors transaction success bonuses have been taken as an exceptional item.

Note b: On 10 April 2012 the Group announced that it had entered into an arrangement to dispose of its Betaland business with effect from 1st April. As part of this the group has provided a provision against deferred proceeds on the disposal of Betpro.

Note c: The Group is in a number of legal disputes with Boss Media (see note 26). The legal costs incurred by the Group relating to these disputes has been taken as an exceptional item.

Note d: The Group moved its holding company from Luxembourg to The Isle of Man in May 2010 following approval at an Extraordinary General Meeting. This move also involved a full re-admission of the shares to AIM. The Group moved one of its subsidiaries to another jurisdiction. The cost of this restructuring was taken as an exceptional item.

Note e: On 27 January 2010, the Group announced that it was cancelling the vested share options relating to K Alexander and R Cooper and settling them in cash as a consequence. The total value of the cash compensation was €833,526 (£721,000), of which €449,848 was taken to the income statement as an exceptional item, and the balance €383,678 to retained earnings, representing the fair value of the options cancelled, measured at the date of cancellation.

Note f: On 27 January 2010, the Group announced that it had agreed to make one-off discretionary payments to Kenneth Alexander and Richard Cooper in addition to their normal performance based bonus payments, in recognition of their importance to the business and their lack of participation up to that date in a Long-Term Incentive Plan. The total amount of this compensation, which was taken as an exceptional item, was €1,127,168.

Note g: During the prior year, the Group incurred costs for both professional fees and technology costs relating to certain software suppliers. These costs were taken to exceptional items as the Directors considered them both unusual in nature and of significant size to warrant separate disclosure.

Note h: The Group had one single winner of a significant jackpot in the prior year, winning a video poker game. The amount taken to exceptional items was €258,000.

5 FINANCIAL INCOME AND EXPENSES

	2011 €000's	2010 €000's
Financial income – interest income	**5**	8
Financial expense – interest payable		
- Interest payable	**-**	(1)
- Unwinding of discount on deferred consideration (see note 12)	**(2,387)**	(1,087)
	(2,387)	(1,088)

6 TAXATION

Current tax for the current and prior periods is classified as a current liability to the extent that it is unpaid. Amounts paid in excess of amounts owed are classified as a current asset. There is a current tax liability of €344k (net of tax receivable amounts) at 31 December 2011 (2010: Current tax liability of €169k (net of tax receivable amounts)).

	2011 €000's	2010 €000's
Current tax expense		
Current year	**281**	169
Prior year	**63**	-
	344	169
Deferred tax		
Origination and reversal of temporary differences	**(83)**	53
Total income tax expense in income statement	**261**	222

The tax for the year is different from that which would result from applying the standard rate of Corporation Tax in the UK (26.5%*). A reconciliation is shown below:

Profit before tax	**116**	4,078
Income tax using the domestic corporation tax rate	**31**	1,142
Effect of tax rates in foreign jurisdictions (Rates decreased)	**(177)**	(1,126)
Expenses not deductible for tax purposes	**482**	321
Utilisation of tax losses	**(13)**	(76)
Tax losses for which no deferred tax assets have been recognised	**25**	7
Adjustment in respect of prior years – corporation tax	**61**	-
Adjustment in respect of prior years – deferred tax	**(38)**	53
Capital allowances for period in excess of depreciation	**(110)**	(99)
	261	222

**From 1 April 2011 the UK Corporation Tax rate changed from 28% to 26% and from 1 April 2012 the rate will reduce to 25%.*

6.1 Taxation Amounts Recognised in the Balance Sheet

	Current Tax Payable €000's	**Deferred Tax** Receivable €000's	Asset €000's	Liability €000's	**Total €000's**
Balances at 1 January 2010	(2,670)	3,195	53	-	578
Paid/(received) during the year ended 31 December 2010	2,664	(3,189)	-	-	(525)
(Charge)/credit in income statement for the year ended 31 December 2010	(1,519)	1,350	(53)	-	(222)
Balances at 31 December 2010	(1,525)	1,356	-	-	(169)
Balances at 1 January 2011	(1,525)	1,356	-	-	**(169)**
Paid/(received) during the year ended 31 December 2011	1,627	(1,356)	-	-	**271**
(Charge)/credit in income statement for prior years	(63)	-	38	-	**(25)**
(Charge)/credit in income statement for the year ended 31 December 2011	(1,810)	1,529	45	-	**(236)**
Balances at 31 December 2011	**(1,771)**	**1,529**	**83**	**-**	**(159)**

Income taxes principally represent tax on the profits of the operations of GVC Corporation Limited, the Group's licensed business in Malta.

Tax reclaimable represents a portion of the tax paid by GVC Corporation Limited (a wholly owned subsidiary company incorporated in Malta), which is refundable by the Maltese tax authorities to GVC Holdings PLC shortly after the submission of the audited accounts and tax computation for GVC Corporation Limited.

Unrelieved tax losses remain available to offset against future trading profits. Should suitable taxable profits arise, these losses would represent a deferred tax asset of approximately €840,000.

7 DISCONTINUED OPERATIONS (2010)

In April 2010 the Group discontinued its Spanish-facing bingo brand, Winzingo, as it had been loss-making and the Board could see no significant change to this position. The results from Winzingo are shown below:

	2011 €000's	2010 €000's
Net gaming revenue	**-**	354
Cost of sales	**-**	(72)
Gross profit	**-**	282
Marketing and revenue shares	**-**	(241)
Contribution	**-**	41
Operating costs	**-**	(452)
EBITDA	**-**	(411)
Depreciation and amortisation	**-**	-
Financial income and expenses	**-**	-
Loss before tax	**-**	(411)
Tax	**-**	-
Loss after tax	**-**	(411)

8 EARNINGS PER SHARE

8.1 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.

	2011	2010
(Loss)/profit for the year from continuing operations attributable to ordinary shareholders	**(145,000)**	3,856,000
Loss for the year from discontinued operations attributable to ordinary shareholders	**-**	(411,000)
(Loss)/profit for the year attributable to ordinary shareholders	**(145,000)**	3,445,000
Weighted average number of shares	**31,170,465**	31,135,762

(Loss)/profit from continuing operations (in €)	(0.005)	0.124
Loss from discontinued operations (in €)	-	(0.013)
Basic earnings per share (in €)	**(0.005)**	0.111
Exceptional items	**4,823,000**	4,428,000
Profit for the year from continuing operations attributable to ordinary shareholders before exceptional items	**4,678,000**	8,284,000
Basic earnings per share from continuing operations before exceptional items (in €)	**0.150**	0.266

8.2 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.

	2011	2010
(Loss)/profit for the year from continuing operations attributable to ordinary shareholders	**(145,000)**	3,856,000
Loss for the year from discontinued operations attributable to ordinary shareholders	**-**	(411,000)
(Loss)/profit for the year attributable to ordinary shareholders	**(145,000)**	3,445,000
Weighted average number of shares	**31,170,465**	31,135,762
Effect of dilutive share options	**396,564**	703,076
Weighted average number of dilutive shares	**31,567,030**	31,838,838
(Loss)/profit from continuing operations (in €)	(0.005)	0.121
Loss from discontinued operations (in €)	-	(0.013)
Diluted earnings per share (in €)	**(0.005)**	0.108
Exceptional items	**4,823,000**	4,428,000
Profit for the year from continuing operations attributable to ordinary shareholders before exceptional items	**4,678,000**	8,284,000
Diluted earnings per share from continuing operations before exceptional items (in €)	**0.148**	0.260

9 CONTRACT WITH EAST PIONEER CORPORATION B.V.

On 21 November the Group entered into a B2B arrangement with East Pioneer Corporation B.V. ("EPC") to provide a suite of back office services to the company following EPC's acquisition of Sportingbet Plc's ("SBT") Superbahis business.

The terms of the contracts between SBT, EPC and the group are complex. In return for the back office services provided, the Group is entitled to receive a fee from EPC equating to a share of the profits of the business. Management assert that the Group does not currently control any of the operating or financial policies of EPC.

The amounts received in respect of the arrangement during the year of €1,064,000 have been recognised as revenue as the amount represents a fee for services provided under the arrangement rather than a share of the underlying net assets of the business. The Group incurs internal costs in relation to providing the services under the arrangement which are held within other operating expenses.

As part of the agreement between the Group and EPC the Group agreed to guarantee the performance of EPC's obligations to SBT and therefore entered into the acquisition agreement alongside EPC as its guarantor. A contingent liability has been disclosed in respect of this guarantee as detailed in the Annual Report and Accounts.

10 DISPATCH OF DOCUMENTS TO SHAREHOLDERS

Copies of the Financial Report together with the Notice of Annual General Meeting will be dispatched on Tuesday 1 May 2012. Copies will also be available electronically from the Group's website which is changing to www.gvc-plc.com on 1 May 2012.

- Ends -