Press Release **26 March 2013**

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 2012 and a Trading Update to 24 March 2013.

Highlights

- Acquisition of Sportingbet plc completed on 19 March 2013
- Total revenues for 2012 rose 34% to €59.6 million (2011: €44.3 million), another year of increased revenues
- 2012 Clean *EBITDA increased by 84% to €15.5 million (2011: €8.4 million)
- 30% increase in dividend in the year: 11€cents paid in May 2012 (May 2011: 10€cents) and 15€cents paid in November 2012 (November 2011: 10€cents)

  All four operational aims achieved in period:

  - build revenues and profits from B2B operations
  - achieve a step-change inrevenue growth
  - stabilise profits from CasinoClub
  - position GVC as an acquirer of businesses within the sector

Trading Update (83 day period to 24 March 2013) - GVC excluding Sportingbet

- 27% increase in average pro forma daily revenues to €348k (2012: €273k)
- 34% increase in B2B pro forma daily revenues to €230k (2012: €171k)
- 15% increase in B2C daily revenues to €118k (2012: €102k)

* 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: "The Board is pleased to report that not only was 2012 another period of increased financial performance and returns for shareholders, but that on 19 March 2013 we completed the most significant deal in the Group's history. The acquisition of Sportingbet enhances our current market position and provides potential for considerable growth, as well as laying the foundations for future transactions.

"The Group met all of its key operational objectives during the period and has seen a significant increase in revenues in the B2B division in its first full year of operation. Betboo's revenues increased by 17% to €10.3 million and the profitability of CasinoClub was maintained as planned.

"The Board is pleased with the strong start to the current financial year in terms of trading, and looking ahead we will integrate and restructure the Sportingbet retained business over the coming 12 months. We are confident that the Group is well positioned for the future, with its portfolio of brands now including Sportingbet serving numerous markets"

- Ends -

For further information:

GVC Holdings PLC

Kenneth Alexander, Chief Executive — Tel: +44 (0) 20 7398 7702

Richard Cooper, Group Finance Director — www.gvc-plc.com

Daniel Stewart & Company Plc — Tel: +44 (0) 20 7776 6550

David Hart / Paul Shackleton / James Felix — www.danielstewart.co.uk

Media enquiries:

Abchurch

Henry Harrison-Topham / Shabnam Bashir — Tel: +44 (0) 20 7398 7702

henry.ht@abchurch-group.com — www.abchurch-group.com

CHAIRMAN'S STATEMENT

Overview

2012 was yet another year of increased financial performance and returns for our shareholders.

There were two increases in dividends: 11€cents paid in May 2012 (May 2011: 10€cents) and 15€cents paid in November 2012 (November 2011: 10€cents).

The Group, along with William Hill plc, commenced its discussions with Sportingbet plc in the third quarter of 2012, and I am delighted to be able to say that this transaction completed a week ago, on 19 March 2013.

This transaction is transformational for the Group as it cements the Group's reputation as a dealmaker in gaming markets and mitigates revenue sharing on the B2B transaction completed in November 2011 with Sportingbet and third party partner, East Pioneer Corporation BV ("EPC"). Indeed, the resulting revenue in the first two months of 2013 would have amounted to €6.4 million, an annual "run-rate" in excess of €38 million.

In 2013, owing to certain changes in accounting rules and the impact of the Sportingbet acquisition, the Group will be obliged to fully consolidate the results of EPC. With that in mind, the Group refers in these financial statements to a new measure, Pro-Forma Revenues ("PFR") along with Net Gaming Revenue ("NGR"). PFR refers to the underlying level of sports wagers, sports NGR and gaming and other revenues enjoyed by EPC of which, up to 19 March 2013, the Group received a 25% share net of certain costs and adjustments. This is discussed in more detail in the Report of the Group Finance Director.

The Group disposed of Betaland during 2012 to an unrelated third party and the results of this are shown as discontinued activities.

I am also pleased to announce that shortly before these Financial Statements were approved, the Group reached an amicable settlement with Boss Media which has led to a credit to the income statement as an exceptional item.

Changing online gaming regulatory constraints continue to cast uncertainty, and the Board keeps a close eye on regulatory developments.

The management team of the Group is now focused on the key task of integrating and restructuring the Sportingbet Retained Business in the year ahead.

I am also pleased to report that in the 83 days to 24 March 2013, current trading for the existing GVC business excluding Sportingbet has got off to a strong start with average PRF per day reaching €348k, 27% higher than in the same period in 2012.

The Group will be holding its Annual General Meeting in the Isle of Man on Wednesday 8 May 2013 and issuing a trading update at that time.

Lee Feldman
Chairman and Non-Executive Director
25 March 2013

REPORT OF THE CHIEF EXECUTIVE

The main operational aims of the Group in 2012 were to:

- build revenues and profits from B2B operations;
- achieve a step-change in Latin American revenue growth;
- stabilise profits from CasinoClub; and
- position GVC as an acquirer of businesses within the sector.

I am pleased to say that the Group met all of these objectives.

In its first full year of operation, the B2B division produced a Clean EBITDA (being EBITDA before share option charges and exceptional items) of €7.3 million, Betboo's revenues increased 17% to €10.3 million and the Clean EBITDA from CasinoClub remained level at €9.6 million on an increased contribution of €16.3 million (2011: €15.5 million).

(€million)	2012	2011
PFR		
- B2B	**65.8**	10.1
- CasinoClub	**28.1**	29.4
- Betboo	**10.3**	8.8
	104.2	48.3
NGR		
- B2B	**21.2**	6.1
- CasinoClub	**28.1**	29.4
- Betboo	**10.3**	8.8
	59.6	44.3
Clean EBITDA		
- B2B	**7.3**	0.2
- CasinoClub	**9.6**	9.7
- Betboo	**(1.4)**	(1.5)
	15.5	8.4

Revenues in the markets in which the Group operates are cyclical and sportsbook customers are most active around the football season. Sports margin, being the amount retained after paying sports winnings, is also a key metric in the performance of Sports betting operators. The average PFR per day, along with the sports margin percentage and the aggregate NGR per quarter is shown below:

2012	Q1 - 12	Q2 - 12	Q3 - 12	Q4 - 12	Average for 2012
Days	91	91	92	92	**366**
PFR per day (€000's)					
- B2B	171.8	167.8	168.9	209.8	**179.6**
- CasinoClub	76.1	79.1	71.2	81.1	**76.9**
- Betboo	25.4	30.0	28.0	29.0	**28.1**
	273.3	276.9	268.1	319.9	**284.6**
Sports wagers per day (€000's)					
- B2B	1,420	1,158	1,269	1,342	**1,297**
- Betboo	110	129	133	110	**121**
	1,530	1,287	1,402	1,452	**1,418**
Sports hold %					
- B2B	11.8%	11.1%	10.8%	12.5%	**11.6%**
- Betboo	7.3%	8.7%	7.5%	10.7%	**8.5%**
	11.5%	10.8%	10.4%	12.3%	**11.3%**
Aggregate revenue per quarter (€million)					
- B2B	4.8	5.2	5.1	6.1	21.2
- CasinoClub	6.9	7.2	6.5	7.5	28.1
- Betboo	2.3	2.7	2.6	2.7	10.3
	14.0	15.1	14.2	16.3	59.6

2011	Q1 - 11	Q2 - 11	Q3 - 11	Q4 - 11	Average for 2011
Days	90	91	92	92	**365**
PFR per day (€000's)					
- B2B	2.8	12.5	14.5	79.9	**27.6**
- CasinoClub	81.7	80.0	80.7	79.8	**80.5**
- Betboo	20.9	21.2	28.2	26.2	**24.1**
	105.4	113.7	123.4	185.9	**132.2**
Sports wagers per day (€000's)					
- B2B	36	124	127	613	**226**
- Betboo	40	57	89	81	**67**
	76	181	216	694	**293**
Sports hold %					
- B2B	8.4%	7.9%	10.5%	11.3%	**10.6%**
- Betboo	13.4%	9.2%	12.8%	8.3%	**10.8%**
	11.0%	8.3%	11.4%	11.0%	**10.6%**
Aggregate revenue per quarter (€million)					
- B2B	0.3	1.1	1.3	3.4	6.1
- CasinoClub	7.4	7.3	7.4	7.3	29.4
- Betboo	1.9	1.9	2.6	2.4	8.8
	9.6	10.3	11.3	13.1	44.3

B2B

Aggregate revenues have, given a full year of operation, been extremely significant for the Group, amounting to €21.2 million in 2012 compared to just €6.1 million in 2011.

Average PFR per day has increased from €80k in Q4-2011 to €210k per day in Q4-2012.

The B2B division delivered a contribution margin of 72% with a cost base at €7.9 million reflecting a whole year of staff and office costs in supporting the revenue stream. At the end of the year, the headcount associated with this division was 70.

A feature of the B2B division is that it is more working capital intensive than our other businesses with just under €16 million of net current assets and €14 million of current liabilities.

B2C

CasinoClub

CasinoClub revenue at €28.1 million was marginally lower than 2011 (€29.4 million). €0.3 million of this reduction was associated with lower poker revenue, a trend experienced in many other gaming companies.

Contribution margin improved both in terms of percentage, 58% for 2012 (2011: 53%) and absolute terms, €16.3 million for 2012 (2011: €15.5 million).

At the end of the year, the headcount associated with this division was 56.

Betboo

Revenues grew by 17% to €10.3 million, up from €8.8 million in 2011. This was despite a lower sports hold at an aggregate of 8.5% (2011: 10.8%). The fact that wagers increased 81% from €24.4 million to €44.1 million is most encouraging.

There were additional investments in marketing and infrastructure to support this growth and accordingly the Clean EBITDA loss at €1.4 million (2011: loss €1.5 million), was contained well. The underlying headcount at the end of the year was 120. The Group has embarked on an internal restructuring which aims to make meaningful reductions in the Betboo cost base, and lead to an improvement in its financial performance.

Early in the year, the Board concluded that the markets in which Betaland operated were worsening and that the Group was not well placed to make any significant long-term returns from this business. By continuing Betaland in operation, the Group might have been burdened with some substantial closure costs. The disposal to an external third-party managed to contain these losses.

Future prospects

The most significant development in the Group's history is the acquisition of Sportingbet plc which was completed on 19 March 2013 and which was approved by an overwhelming vote of GVC shareholders on 21 February 2013.

The transaction was completed with William Hill plc, the UK’s leading bookmaker. William Hill plc has now taken over Sportingbet’s Australian business (and the Sportingbet brand in Australia), certain freehold properties and, after six months, an option to acquire Sportingbet’s Spanish brand, “Miapuesta”.

The Group has acquired the Sportingbet brand in all other territories, along with a number of significant other brands. Additionally, the transaction allows the Group to enjoy substantially all of the revenue from the Superbahis business.

However, and as outlined in the Group’s prospectus, the Group has to undertake a substantial restructuring of Sportingbet to turnaround the historic cash burn suffered by that business, and does inherit its existing liabilities along with the assets. The Group will be discharging these debts along with the combined deal costs. I have every confidence that my Board colleagues and I can achieve the restructuring in the 12 months timeframe indicated in the prospectus.

This transaction marks a turning point in the Group’s history in that it reinforces the Group's ability to close major and complex transactions to benefit its shareholders. The Group has a continued appetite to explore further opportunities if the Board believes them to be in the financial interest of shareholders.

The amicable settlement of legal disputes with Boss Media has also been achieved and allows the Group to focus its collective efforts on the tasks ahead as opposed to being distracted by historical issues.

I end my report by commenting about dividends and the Group's dividend policy. The Group aims to pay not less than 75% of its net operating cashflow by way of dividends. In the last calendar year, the Group has paid 26€cents per share (2011: 20€cents per share) and since the calendar year-end has paid a further 7€cents to shareholders. Going forward, the Group intends to pay a dividend in November 2013 and thereafter quarterly.

Kenneth Alexander
Chief Executive
25 March 2013

REPORT OF THE GROUP FINANCE DIRECTOR

This review is split into four sections:

1. Income statement;
2. Cashflow;
3. Balance sheet; and
4. Key financial issues for 2013.

1. Income statement

The income statement reflects Betaland as a discontinued activity and therefore the comparatives for 2011 are restated.

The complex deal with EPC and Superbahis results in a combination of revenues and costs normally being associated with gaming activities being compressed into a composite revenue figure, not easily expressed into the Group's preferred KPI measure of "revenue per day". For this reason, the Group describes the underlying activities in more conventional terms such as "sports wagers" and "sports margin" and "revenue per day" although the latter for B2B is referred to here as "pro-forma revenue per day" (PFR). This is in advance of the accounting treatment required following the acquisition of Sportingbet plc and the elimination of the revenue-share arrangements.

1.1 Proforma revenues ("PFR")

Total revenues rose 116% to €104.2 million (2011: €48.3 million). The dominant reason for the increase was the full-year's activity of the Superbahis customers.

Betboo's revenues increased by 17% to €10.3 million from €8.8 million, whilst CasinoClub decreased by 4% to €28.1 million from €29.4 million.

1.2 Net Gaming Revenue ("NGR")

NGR is Gross Gaming Revenues less customer bonuses, bad debts and chargebacks, and in the case of the agreement with EPC, is net of the certain allowable costs (such as payment processing, and software royalties and affiliate commissions associated with the Superbahis product), along with the revenue-share payable to Sportingbet.

Total NGR increased by €15.3 million (34%) to €59.6 million (2011: €44.3 million). €15 million of this increase was attributable to B2B; €1.5 million was attributable to Betboo, whilst CasinoClub revenue fell by €1.2 million.

1.3 Variable costs

These consist of payment processing fees, software royalties, and affiliate and other marketing arrangements.

1.4 Contribution

Contribution is NGR less variable costs and it increased by €14.5 million to €35.1 million. This increase is attributable between:

€million	**2012**	**2011**	**Increase**
B2B	**€15.2**	€2.8	€12.4
CasinoClub	**€16.3**	€15.5	€0.8
Betboo	**€3.6**	€2.3	€1.3
	€35.1	€20.6	€14.5

The rise in B2B contribution reflected a full year's activity, whilst for CasinoClub the increase was a result of tight cost control. Betboo's increase was attributable to higher revenues. The relative contribution ratios were:

	2012	**2011**
B2B	**72%**	46%
CasinoClub	**58%**	53%
Betboo	**35%**	26%

1.5 Other Operating costs

These costs, which are analysed in detail in Note 3 to the accounts are before "non-cash" items such as depreciation, amortisation and share option charges.

These costs increased to €19.6 million from €12.2 million in 2011. The principal components of this €7.4 million increase were as follows:

Increased staff costs	€4.8 million
- reflecting an increase in personnel in the B2B division	
- dividend related bonuses to the executive management team	
- other increased staffing costs	
Overall average staff numbers grew by 30% in the year.	
Increased professional fees	€0.2 million
Increased technology costs to support a more complicated business	€0.8 million
Increased travel and other costs, reflecting visits to additional offices and the cost of those offices themselves	€0.6 million
Increased third-party support providers for Betboo	€0.8 million
Foreign exchange differences arising on the translation and transaction of non-Euro denominated amounts	€0.2 million
	€7.4 million

1.6 Exceptional items

Following the settlement of the legal disputes with Boss Media, there was a €0.2 million credit to the income statement, being the release of accruals relating to the disputes.

1.7 Depreciation and Amortisation

This amounted to €2.5 million for the year (2011: €2.0 million), on additions of €1.1 million (2011: €1.6 million, excluding additional goodwill arising on the change in the Betboo earn-out arrangements).

1.8 Share option charges

These fell to €79k (2011: €440k) chiefly due to the lapse of 1.1 million of options following the disposal of Betaland.

1.9 Financial income/expense

This is an accounting, non-cash expense relating to the accounting treatment of the Betboo earn-out. The charge fell marginally to €2.2 million from €2.4 million in 2011.

1.10 Taxation

The charge to taxation rose to €0.5 million from €0.2 million largely due to retrospective taxes imposed on the Group's operation in Tel-Aviv.

1.11 Discontinued activities

Betaland was discontinued in the year. The business made a negligible contribution in the months it was trading, and closure costs, including depreciation and net of tax allowances amounted to a total loss of €1.1 million (2011: profit, €0.5 million).

1.12 Profit after tax and earnings per share

Profit after taxation was €9.2 million (2011: €145k loss). Basic earnings per share from continuing operations amounted to 32.3€cents up from a loss of 2.0€cents per share in 2011.

2 CASHFLOW

The principal movements in the Group's cash position are summarised below:

		2012 €000's	2011 €000's
Clean EBITDA		**15,452**	8,382
Exceptional items		**208**	(3,919)
Discontinued activities (after exceptional items)		**(1,005)**	731
Adjusted EBITDA		**14,655**	5,194
Add:	Proceeds of shares issued	**196**	420
Less:	Betboo earn-out payments	**(2,863)**	(671)
	Acquisition of property plant and equipment and intangible assets	**(1,120)**	(1,605)
	Net corporation taxes paid	**(417)**	(271)
		10,451	3,067
DIVIDENDS PAID		**(8,214)**	(6,225)
Change in working capital		**(5,458)**	6,460
Cash and cash equivalents brought forward		**9,853**	6,551
Cash and cash equivalents carried forward		**6,632**	9,853

More funds were tied up in B2B payment processing during the year through a combination of activity volume and more complex processing arrangements entered into to provide customers with a greater choice of payment streams.

Dividends are declared on the basis of the Group's cash position created by its net operating cashflows and an assessment of the working capital requirements of the group which can have some unpredictability, particularly in the working-capital intense B2B division.

3 BALANCE SHEET

Net assets, net of dividend payment have increased by 2.3% rising to €58.5 million from €57.2 million in 2011.

	€'000s	**€'000s**
Net assets at 1 January 2012		57,174
Total non-current assets		
Additions	1,120	
Charge to depreciation and amortisation	(2,720)	
Net change		*(1,600)*
Deferred consideration		
Charge to income statement	(2,206)	
Earn-out payments made	2,863	
Net change		*657*
Taxation		
Charge in income statement	480	
Credit in discontinued activities	(63)	
Net payments made	(417)	
Net change		-
Increase in other current assets		5,152
Increase in other current liabilities		(2,912)
Net assets at 31 December 2012		58,471

The activity of the B2B division results in trade receivables settling on a longer time-frame compared to other businesses of the Group due to complexities with third party payment processor operators, although this is offset by an increase in credit terms extended by EPC.

4. KEY FINANCIAL ISSUES FOR 2013

The acquisition of Sportingbet plc will result in a number of matters which will impact the income and cash-flow statements of the enlarged group. Many of these have been trailed in the Group's prospectus already but it is worth re-iterating them here.

The Group will now benefit from substantially all of the revenues from the Superbahis business, in the first two months of 2013 this would have amounted to an additional €6.4 million if the transaction had completed on 31 December 2012. Additionally, William Hill plc are making a capital contribution to the restructuring of Sportingbet and providing some loan facilities.

As disclosed in the prospectus, the Group will however, be incurring substantial deal fees and restructuring costs along with discharging the bank debts of Sportingbet and the incumbent losses of that group.

The foreign exchange exposures will also be significantly different and more complex. The reporting currency of the Group is, and will remain, the Euro. Sportingbet is believed to have substantial Euro inflows along with GBP outflows. The Group will be closely examining the currency exposures, and will be assessing what, if any, currency hedging programs should be implemented.

Richard Cooper
Group Finance Director
25 March 2013

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2012

	Notes	**2012** **€000's**	2011 €000's
Revenue	2	**59,596**	44,340
Cost of sales		**(24,513)**	(23,790)
Contribution	2	**35,083**	20,550
Operating costs (as below)	3	**(22,049)**	(18,551)
Other operating costs	3	**(19,631)**	(12,168)
Share option charges	3	**(79)**	(440)
Exceptional items	3	**208**	(3,919)
Depreciation and amortisation	3	**(2,547)**	(2,024)
Operating profit		**13,034**	1,999
Financial income	4	**2**	2
Financial expense	4	**(2,206)**	(2,387)
Profit/(loss) before tax		**10,830**	(386)
Taxation charge	5	**(480)**	(236)
Profit/(loss) after taxation from continuing operations		**10,350**	(622)
(Loss)/profit after taxation from discontinued operations	6	**(1,114)**	477
Profit/(loss) after tax		**9,236**	(145)
Earnings per share		**€**	€
Basic			
Profit/(loss) from continuing operations		**0.328**	(0.020)
(Loss)/profit from discontinued operations		**(0.035)**	0.015
Total	7	**0.293**	(0.005)
Diluted			
Profit/(loss) from continuing operations		**0.323**	(0.020)
(Loss)/profit from discontinued operations		**(0.035)**	0.015
Total	7	**0.288**	(0.005)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2012

	2012 **€000's**	2011 €000's
Profit/(loss) and total comprehensive income/(expense) for the year	**9,236**	(145)

CONSOLIDATED BALANCE SHEET

at 31 December 2012

	Notes	**2012 €000's**	2011 €000's
Assets			
Property, plant and equipment		**653**	470
Intangible assets		**65,440**	67,223
Deferred tax asset	5	**83**	83
Total non-current assets		**66,176**	67,776
Receivables and prepayments		**17,356**	8,983
Income taxes reclaimable	5	**943**	1,529
Cash and cash equivalents		**6,632**	9,853
Total current assets		**24,931**	20,365
Current liabilities			
Trade and other payables		**(18,982)**	(15,926)
Income taxes payable	5	**(1,185)**	(1,771)
Other taxation liabilities		**(186)**	(330)
Total current liabilities		**(20,353)**	(18,027)
Current assets less current liabilities		**4,578**	2,338
Long term liabilities			
Deferred consideration on Betboo		**(12,283)**	(12,940)
Total net assets		**58,471**	57,174
Capital and reserves			
Issued share capital		**316**	315
Merger reserve		**40,407**	40,407
Share premium		**611**	416
Retained earnings		**17,137**	16,036
Total equity attributable to equity holders of the parent		**58,471**	57,174

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2012

Attributable to equity holders of the parent company:

	Share Capital €000's	Merger Reserve €000's	Share Premium €000's	Retained Earnings €000's	Total €000's
Balance at 1 January 2011	311	40,407	-	21,966	62,684
Share option charges	-	-	-	440	440
Share options exercised	4	-	416	-	420
Dividend paid	-	-	-	(6,225)	(6,225)
Transactions with owners	4	-	416	(5,785)	(5,365)
Loss and total comprehensive expense	-	-	-	(145)	(145)
Balance as at 31 December 2011	**315**	**40,407**	**416**	**16,036**	**57,174**
Balance at 1 January 2012	315	40,407	416	16,036	57,174
Share option charges	-	-	-	568	568
Lapsed share options	-	-	-	(489)	(489)
Share options exercised	1	-	195	-	196
Dividend paid	-	-	-	(8,214)	(8,214)
Transactions with owners	1	-	195	(8,135)	(7,939)
Profit and total comprehensive income	-	-	-	9,236	9,236
Balance as at 31 December 2012	**316**	**40,407**	**611**	**17,137**	**58,471**

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 2012

	2012 €000's	2011 €000's
Cash flows from operating activities		
Cash receipts from customers	**56,881**	61,289
Cash paid to suppliers and employees	**(47,686)**	(49,640)
Corporate taxes recovered	**1,529**	1,356
Corporate taxes paid	**(1,946)**	(1,627)
Net cash from operating activities	**8,778**	11,378
Cash flows from investing activities		
Interest received	**2**	5
Earn out relating to prior period acquisitions	**(2,863)**	(671)
Acquisition of property, plant and equipment	**(492)**	(395)
Acquisition of intangible assets	**(628)**	(1,210)
Net cash from investing activities	**(3,981)**	(2,271)
Cash flows from financing activities		
Proceeds from issue of share capital	**196**	420
Dividend paid	**(8,214)**	(6,225)
Net cash from financing activities	**(8,018)**	(5,805)
Net (decrease)/increase in cash and cash equivalents	**(3,221)**	3,302
Cash and cash equivalents at beginning of the year	**9,853**	6,551
Cash and cash equivalents at end of the year	**6,632**	9,853

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information, which comprises the consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of changes in shareholders' equity, consolidated cash flow statement and related notes, is derived from the Group financial statements for the year ended 31 December 2012, which have been prepared under International Financial Reporting Standards as adopted by the European Union (IFRS) and those parts of the Isle of Man Companies Act 2006 applicable to companies reporting under IFRS. It does not constitute full accounts within the meaning of the Isle of Man Companies Act 2006. This financial information has been agreed with the auditors for release.

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 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. SEGMENTAL REPORTING

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

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

2.1 Geographical Analysis

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

	2012	2011
	€000's	€000's
Europe	**49,304**	35,527
Latin America	**10,292**	8,813
Total	**59,596**	44,340

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 €57,026,000 (2011: €57,096,000) and the total located in other regions is €9,067,000 (2011: €10,597,000).

The total deferred tax asset located in Europe is €83,000 (2011: €83,000). 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.

2.2 Reporting by Segment

2012

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Un -allocated central costs €000's	**Total €000's**
STATEMENT OF TURNOVER						
Sports wagers	-	44,117	44,117	474,814	-	**518,931**
Sports margin		8.5%	8.5%	11.6%		**11.3%**
Gross margin	-	3,752	3,752	54,895	-	**58,647**
Sports NGR	-	2,628	2,628	45,385	-	**48,013**
Gaming NGR	28,134	7,664	35,798	17,975	-	**53,773**
Other revenue from customers	-	-	-	2,378	-	**2,378**
	28,134	10,292	38,426	65,738	-	**104,164**
Revenue recognised by GVC	28,134	10,292	38,426	21,170	-	**59,596**
Revenue recognised by B2B partners	-	-	-	44,568	-	**44,568**
	28,134	10,292	38,426	65,738	-	**104,164**
SEGMENTAL REPORTING						
Total revenue	**28,134**	**10,292**	**38,426**	**21,170**	**-**	**59,596**
Variable costs	(11,797)	(6,720)	(18,517)	(5,996)	-	**(24,513)**
Contribution	**16,337**	**3,572**	**19,909**	**15,174**	**-**	**35,083**
Other operating costs (note 3)	(6,778)	(4,977)	(11,755)	(7,876)	-	**(19,631)**
Clean EBITDA	**9,559**	**(1,405)**	**8,154**	**7,298**	**-**	**15,452**
Exceptional items (note 3.1)	208	-	208	-	-	**208**
Share option charges	-	-	-	-	(79)	**(79)**
EBITDA	**9,767**	**(1,405)**	**8,362**	**7,298**	**(79)**	**15,581**
Depreciation and amortisation	(534)	(1,533)	(2,067)	(479)	(1)	**(2,547)**
Financial (expense)/income*	-	(2,206)	(2,206)	-	2	**(2,204)**
Profit/(loss) before tax	**9,233**	**(5,144)**	**4,089**	**6,819**	**(78)**	**10,830**
Taxation	(369)	-	(369)	(21)	(90)	**(480)**
Profit/(loss) after tax from continuing operations	**8,864**	**(5,144)**	**3,720**	**6,798**	**(168)**	**10,350**
Net assets						
Non-current assets	56,016	3,907	59,923	6,161	92	**66,176**
Current assets	4,341	2,696	7,037	15,847	2,047	**24,931**
Current liabilities	(1,440)	(1,188)	(2,628)	(13,596)	(4,129)	**(20,353)**
Net current assets	2,901	1,508	4,409	2,251	(2,082)	**4,578**
Long term liabilities	-	(12,283)	(12,283)	-	-	**(12,283)**
Net assets	**58,917**	**(6,868)**	**52,049**	**8,412**	**(1,990)**	**58,471**
Total assets	**60,357**	**6,603**	**66,960**	**22,008**	**2,139**	**91,107**
Total liabilities	**(1,440)**	**(13,471)**	**(14,911)**	**(13,596)**	**(4,129)**	**(32,636)**
OTHER INFORMATION AND KPI's						
Revenue per day	77	28	105	58	-	163
Contribution margin	58%	35%	52%	72%	-	59%
Sports wagers per day	-	121	121	1,297	-	1,418

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

2011

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Un -allocated central costs €000's	Total €000's
STATEMENT OF TURNOVER						
Sports wagers	-	24,439	24,439	82,535	-	106,974
Sports margin		10.8%	10.8%	10.6%		10.6%
Gross margin	-	2,629	2,629	8,759	-	11,388
Sports NGR	-	2,193	2,193	6,546	-	8,739
Gaming NGR	29,399	6,620	36,019	3,247	-	39,266
Other revenue from customers	-	-	-	280	-	280
	29,399	8,813	38,212	10,073	-	48,285
Revenue recognised by GVC	29,399	8,813	38,212	6,128	-	44,340
Revenue recognised by B2B partners	-	-	-	3,945	-	3,945
	29,399	8,813	38,212	10,073	-	48,285
SEGMENTAL REPORTING						
Total revenue	29,399	8,813	38,212	6,128	-	44,340
Variable costs	(13,923)	(6,532)	(20,455)	(3,335)		(23,790)
Contribution	15,476	2,281	17,757	2,793	-	20,550
Other operating costs (note 3)	(5,810)	(3,763)	(9,573)	(2,595)		(12,168)
Clean EBITDA	9,666	(1,482)	8,184	198	-	8,382
Exceptional items (note 3.1)	(334)	-	(334)	(3,585)	-	(3,919)
Share option charges	-	-	-	-	(440)	(440)
EBITDA	9,332	(1,482)	7,850	(3,387)	(440)	4,023
Depreciation and amortisation	(457)	(1,344)	(1,801)	(223)	-	(2,024)
Financial (expense)/income*	-	(2,387)	(2,387)	1	1	(2,385)
Profit/(loss) before tax	8,875	(5,213)	3,662	(3,609)	(439)	(386)
Taxation	(162)	-	(162)	-	(74)	(236)
Profit/(loss) after tax from continuing operations	8,713	(5,213)	3,500	(3,609)	(513)	(622)
Net assets						
Non-current assets	56,151	5,436	61,587	5,917	272	67,776
Current assets	3,866	2,801	6,667	8,698	5,000	20,365
Current liabilities	(3,978)	(1,271)	(5,249)	(8,719)	(4,059)	(18,027)
Net current assets	(112)	1,530	1,418	(21)	941	2,338
Long term liabilities	-	(12,940)	(12,940)	-	-	(12,940)
Net assets	56,039	(5,974)	50,065	5,896	1,213	57,174
Total assets	60,017	8,237	68,254	14,615	5,272	88,141
Total liabilities	(3,978)	(14,211)	(18,189)	(8,719)	(4,059)	(30,967)
OTHER INFORMATION AND KPI's						
Revenue per day	81	24	105	17	-	122
Contribution margin	53%	26%	46%	46%	-	46%
Sports wagers per day	-	67	67	226	-	293

** 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.

2.3 Business Line Performance Summary

	CasinoClub €000's	Betboo €000's	B2C €000's	B2B €000's	**Total €000's**
Revenue					
H2-2012	14,007	5,243	19,250	11,238	**30,488**
H1-2012	14,127	5,049	19,176	9,932	**29,108**
H2-2011	14,767	5,004	19,771	4,741	**24,512**
H1-2011	14,632	3,809	18,441	1,387	**19,828**
Contribution					
H2-2012	8,029	2,012	10,041	8,007	**18,048**
H1-2012	8,308	1,560	9,868	7,167	**17,035**
H2-2011	8,106	523	8,629	2,370	**10,999**
H1-2011	7,370	1,758	9,128	423	**9,551**
Clean EBITDA					
H2-2012	4,560	(707)	3,853	3,923	**7,776**
H1-2012	4,999	(698)	4,301	3,375	**7,676**
H2-2011	4,992	(1,497)	3,495	649	**4,144**
H1-2011	4,674	15	4,689	(451)	**4,238**

2.4 Proforma Segmental Reporting Consolidating B2B Businesses in 2012

	CasinoClub €000's	Betboo €000's	Total B2C €000's	B2B €000's	Un -allocated central costs €000's	Total €000's
Total revenue	**28,134**	**10,292**	**38,426**	**65,738**	**-**	**104,164**
Variable costs	(11,797)	(6,720)	(18,517)	(50,564)	-	(69,081)
Contribution	**16,337**	**3,572**	**19,909**	**15,174**	**-**	**35,083**
Other operating costs	(6,778)	(4,977)	(11,755)	(7,876)	-	(19,631)
Clean EBITDA	**9,559**	**(1,405)**	**8,154**	**7,298**	**-**	**15,452**
Exceptional items	208	-	208	-	-	208
Share option charges	-	-	-	-	(79)	(79)
EBITDA	**9,767**	**(1,405)**	**8,362**	**7,298**	**(79)**	**15,581**
Depreciation and amortisation	(534)	(1,533)	(2,067)	(479)	(1)	(2,547)
Financial (expense)/income*	-	(2,206)	(2,206)	-	2	(2,204)
Profit/(loss) before tax	**9,233**	**(5,144)**	**4,089**	**6,819**	**(78)**	**10,830**
Taxation	(369)	-	(369)	(21)	(90)	(480)
Profit/(loss) after tax from continuing operations	**8,864**	**(5,144)**	**3,720**	**6,798**	**(168)**	**10,350**
Net assets						
Non-current assets	56,016	3,907	59,923	6,161	92	66,176
Current assets	4,341	2,696	7,037	*15,964	2,047	*25,048
Current liabilities	(1,440)	(1,188)	(2,628)	*(13,713)	(4,129)	*(20,470)
Net current assets	2,901	1,508	4,409	2,251	(2,082)	4,578
Long term liabilities	-	(12,283)	(12,283)	-	-	(12,283)
Net assets	58,917	(6,868)	52,049	8,412	(1,990)	58,471
Total assets	**60,357**	**6,603**	**66,960**	***22,125**	**2,139**	***91,224**
Total liabilities	**(1,440)**	**(13,471)**	**(14,911)**	***(13,713)**	**(4,129)**	***(32,753)**

* These figures reflect the small accounting changes had East Pioneer Corporation been fully consolidated at 31 December 2012.

3. OPERATING COSTS

	Notes	**2012 €000's**	2011 €000's
Wages and salaries, including Directors remuneration		**8,700**	4,717
Amounts paid to long term contractors		**868**	588
Compulsory social security contributions		**718**	401
Compulsory pension contributions		**195**	139
Health and other benefits		**45**	22
Recruitment and training		**285**	161
Personnel expenditure (excluding share option charges)		**10,811**	6,028
Professional fees		**1,177**	932
Technology costs		**1,463**	617
Office, travel and other costs		**1,909**	1,329
Third party service costs*		**3,925**	3,088
Foreign exchange differences		**346**	174
Other operating costs		**19,631**	12,168
Share option charges		**79**	440
Exceptional items	3.1	**(208)**	3,919
Depreciation		**248**	197
Amortisation		**2,299**	1,827
		22,049	18,551

**provided to Betboo by external providers*

3.1 Exceptional Items

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

	Notes	**2012 €000's**	2011 €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
Boss dispute	b	**(208)**	334
		(208)	3,919

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: The Group has been in a number of legal disputes with Boss Media and these have now ended. The legal costs incurred by the Group relating to these disputes has been taken as an exceptional item.

3.2 Employees

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

	2012	2011
Number of personnel		
With employment contracts or service contracts	**153**	116
Contractors	**7**	7
	160	123

4. FINANCIAL INCOME AND EXPENSES

	2012 **€000's**	2011 €000's
Financial income – interest income	**2**	5
Financial expense – interest payable		
- Unwinding of discount on deferred consideration	**(2,206)**	(2,387)
	(2,204)	(2,382)

5. 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 from continuing operations of €480k (net of tax receivable amounts) at 31 December 2012 (2011: Current tax liability from continuing operations of €319k (net of tax receivable amounts)).

	2012 **€000's**	2011 €000's
Current tax expense		
Current year	**410**	256
Prior year	**70**	63
	480	319
Deferred tax		
Origination and reversal of temporary differences	**-**	(83)
Total income tax expense in income statement	**480**	236

The tax for the year is different from that which would result from applying the standard rate of Corporation Tax in the UK (24.5%, 2011: 26.5%*). A reconciliation is shown below:

Profit/(loss) before tax	**10,830**	(386)
Income tax using the domestic corporation tax rate	**2,653**	(102)
Effect of tax rates in foreign jurisdictions (rates decreased)	**(2,460)**	(69)
Expenses not deductible for tax purposes	**504**	482
Utilisation of tax losses	**(242)**	(13)
Tax losses for which no deferred tax assets have been recognised	**31**	25
Adjustment in respect of prior years – corporation tax	**70**	61
Adjustment in respect of prior years – deferred tax	**-**	(38)
Capital allowances for period in excess of depreciation	**(76)**	(110)
	480	236

**From 1 April 2012 the UK Corporation Tax rate changed from 26% to 24% and from 1 April 2013 the rate will reduce to 23%.*

5.1 Taxation Amounts Recognised in the Balance Sheet

	Current Tax		**Deferred Tax**		
	Payable €000's	Receivable €000's	Asset €000's	Liability €000's	**Total €000's**
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)**
Balances at 1 January 2012	(1,771)	1,529	83	-	**(159)**
Paid/(received) during the year ended 31 December 2012	1,946	(1,529)	-	-	**417**
Charge in income statement for prior years	(70)	-	-	-	**(70)**
(Charge)/credit in income statement for the year ended 31 December 2012	(1,290)	943	-	-	**(347)**
Balances at 31 December 2012	**(1,185)**	**943**	**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 €595,000.

6. DISCONTINUED OPERATIONS

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

	2012 €000's	2011 €000's
Net gaming revenue	**4,500**	20,006
Cost of sales	**(1,451)**	(3,041)
Gross profit	**3,049**	16,965
Marketing and revenue shares	**(2,995)**	(12,806)
Contribution	**54**	4,159
Other operating costs	**(1,059)**	(2,524)
Clean EBITDA/cash flow from operating activities	**(1,005)**	1,635
Exceptional items*	**-**	(904)
EBITDA	**(1,005)**	731
Depreciation and amortisation	**(173)**	(233)
Financial income and expenses	**1**	3
Loss before tax	**(1,177)**	501
Tax	**63**	(24)
Loss after tax	**(1,114)**	477

*Provision against deferred proceeds on the disposal of Betpro

There were no cash flows from financing or investing activities in the period before disposal or in the prior year.

7. EARNINGS PER SHARE

7.1 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.

	2012	2011
Profit/(loss) for the year from continuing operations attributable to ordinary shareholders	**10,350,000**	(622,000)
(Loss)/profit for the year from discontinued operations attributable to ordinary shareholders	**(1,114,000)**	477,000
Profit/(loss) for the year attributable to ordinary shareholders	**9,236,000**	(145,000)
Weighted average number of shares	**31,553,164**	31,170,465
Basic EPS from continuing operations (in €)	**0.328**	(0.020)
Basic EPS from discontinued operations (in €)	**(0.035)**	0.015
Basic earnings per share (in €)	**0.293**	(0.005)
Exceptional items	**(208,000)**	3,919,000
Profit for the year from continuing operations attributable to ordinary shareholders before exceptional items	**10,142,000**	3,297,000
Basic earnings per share from continuing operations before exceptional items (in €)	**0.321**	0.106

7.2 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.

	2012	2011
Profit/(loss) for the year from continuing operations attributable to ordinary shareholders	**10,350,000**	(622,000)
(Loss)/profit for the year from discontinued operations attributable to ordinary shareholders	**(1,114,000)**	477,000
Profit/(loss) for the year attributable to ordinary shareholders	**9,236,000**	(145,000)
Weighted average number of shares	**31,553,164**	31,170,465
Effect of dilutive share options	**505,663**	396,565
Weighted average number of dilutive shares	**32,058,827**	31,567,030
Diluted EPS from continuing operations (in €)	**0.323**	(0.020)
Diluted EPS from discontinued operations (in €)	**(0.035)**	0.015
Diluted earnings per share (in €)	**0.288**	(0.005)
Exceptional items	**(208,000)**	3,919,000
Profit for the year from continuing operations attributable to ordinary shareholders before exceptional items	**10,142,000**	3,297,000
Diluted earnings per share from continuing operations before exceptional items (in €)	**0.316**	0.104

- Ends -