



Playtech plc

("Playtech" or the "Company" or the "Group")

Interim Results for the six months ended 30 June 2013

Playtech (LSE: PTEC), the international designer, developer, licensor and provider of software and services for the online, mobile, TV and land-based gaming industry, today announces its unaudited interim results for the six months ended 30 June 2013 (the "Period") and a trading update for the period to 29 August 2013.

Financial highlights

- Gross income* up by 10% to €194.9 million (H1 2012: €176.5 million)
- Total revenues up by 15% to €176.8 million (H1 2012: €153.8 million)
- Adjusted EBITDA** up 3% to €94.3million (H1 2012: €91.2 million)
- Underlying adjusted EBITDA*** up 13% to €78.9 million (H1 2012: €69.8 million)
- Adjusted net profit** up 0.5% to €84.9 million (H1 2012: €84.5 million)
- Underlying adjusted net profit*** up 11% to €69.7 million (H1 2012: €62.8 million)
- Underlying adjusted EPS*** up 10% to 23.9 € cents (H1 2012: 21.7 € cents)
- Interim dividend of 7.8 € cents per share, maintaining the same per share level as last year. Commitment to maintain final per share dividend at least at last year's level
- Cash balances at 30 June 2013 of €576.2 million (H1 2012: €139.3 million)

* Gross income is defined as total revenue plus income from associate

** Adjusted EBITDA, Adjusted EPS and Adjusted net profit are calculated after adding back certain non-cash charges, cash expenses relating to professional costs on acquisitions, gains on sale of investments and a one-off provision against irrecoverable cash (see reconciliation in Financial and Operating Overview below)

*** Underlying adjusted EBITDA, underlying adjusted EPS and underlying adjusted net profit excludes share of profit from William Hill Online, acquisitions made in the past 18 months and cost and revenue relating to Skywind Holdings

Operational highlights

- Playtech signed landmark agreements with Ladbrokes to provide a full product suite and innovative marketing services from 1 May 2013 and launched the Vegas tab in July
- Bolt-on acquisition of PokerStrategy.com, complements Playtech's poker offering and PTTS marketing division
- Betfair's migration onto the iPoker network successfully completed in June and launched Playtech bingo

- A number of important mobile launches, including:
 - Betfred launched mobile casino and mobile live casino, marking the first steps towards a full mobile offering planned to launch in 2014
 - Sky launched a mobile bingo app on Apple iOS
 - Bet365 launched mobile live
- Further significant progress with live gaming offering, including
 - Launch of live gaming in Spain in partnership with Casino Gran Madrid
 - Paddy Power migrated its live Casino to Playtech in April with a dedicated facility

Playtech also completed a number of other important operational initiatives in the period:

- Further penetration into regulated markets including France, Mexico and Spain
- Geneity's sports platform is gaining significant traction and signed a number of new licensees
- Playtech won EGR awards for best bingo network of the year, best bingo supplier of the year, best poker network of the year and best slot provider of the year
- Playtech won Best iGaming Software Provider Award at the International Gaming Awards - for the third year in row

Current trading and outlook

Daily average revenues for the first 60 days of Q3/12 are up over 10% versus the comparable period and down approximately 1% from Q2/13 in line with the traditionally slowest part of the year. Management is highly confident of achieving market expectations for the full year.

Roger Withers, Non-executive Chairman, said:

“Once again Playtech’s tenacity and drive have been demonstrated in these results as it has focused on deepening its licensee relationships; creating innovative new content; and providing its customers with cutting edge products and services. As online gaming continues to focus on mobile, it is pleasing to see our investment in this increasingly important market paying-off across many product areas. I am pleased to announce an interim dividend of 7.8 € cents. The Company continues to capitalise on its customer-focused strategy and strong balance sheet: Playtech remains the world’s leading supplier of technology and services for the online gaming industry and can look to the future with confidence and optimism.”

– Ends –

The Company will hold a presentation for analysts at 9.30 am on Thursday, 29 August at the Lincoln Centre, 18 Lincoln's Inn Fields, London, WC2A 3ED.

The presentation will be webcast live and accessible via the corporate website at: <http://playtech.com/html/page/investors>.

The presentation will also be available via a live conference call. To dial in to the presentation:

Dial-in no UK: +44 20 3427 1913

Dial-in no US: +1 212 444 0481

Conference ID: 8678171

An on demand replay will also be available on the Playtech website following the presentation.

Further information

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Chairman's statement

Playtech continued to deliver impressive results, with double-digit revenue and underlying adjusted EBITDA growth. The Company's continued growth has been achieved by developing existing and cultivating new relationships as demonstrated by the agreements signed in March with Ladbrokes to develop its digital business.

The Group is particularly pleased with the outcome of the sale of its stake in William Hill Online ("WHO") earlier this year for €492.4 million, delivering a cash-on-cash return of more than 3.5 times including the share of profits received and excluding software royalties.

I am pleased to announce that in line with comments made at the time of the Q1 Interim Management Statement, the Board has declared an interim dividend of 7.8 € cents per share (H1 2012: 7.8 € cents). The Board has also resolved to maintain a final dividend in respect of 2013 at least equal to that of 2012.

Since receiving the proceeds from the sale of our stake in WHO, we have repaid all outstanding bank borrowings, acquired PokerStrategy for €38.3 million, and continued to explore strategic alternatives that will enable us grow and develop the business. As announced at the time of our annual general meeting, the Board has been undertaking a broad assessment of the most effective ways of deploying the proceeds of the WHO sale to deliver maximum benefit to the Group and its shareholders. The Company is looking at significant opportunities to drive Playtech to the next level and the Board will take the appropriate time needed to ensure we deploy the Company's capital in the most effective manner.

The last seven years since my appointment as Chairman of Playtech have been a very exciting journey and the Group has achieved many significant milestones including, growing into a FTSE 250 company, successfully negotiating the vagaries of regulatory change, expanding our geographical footprint and growing the licensee base to over 120. I have now decided that this is an appropriate time to announce that I will step down as Chairman and as a non-executive director of the Group in October 2013.

I am pleased to announce that Alan Jackson, currently Senior Non-executive Director, will take over as Chairman. Alan has been on the Board since the IPO in 2006, and is currently also Chairman of The Restaurant Group PLC and Deputy Chairman and Senior non-Executive Director of Redrow plc, and so brings a wealth of experience to Playtech.

The Board is currently well advanced in the search for an additional independent non-executive director to ensure that its composition remains compliant with the requirements of the UK Corporate Governance Code. I have also agreed with the Board to remain as an advisor to the Group in order to advise on strategic initiatives in the gambling industry.

In summary, Playtech has enjoyed an excellent start to the financial year, and the trends in current trading indicate that the Group continues to capitalise on its strong market positioning. The Board remains highly confident of the Group's prospects for 2013 and beyond.

Chief Executive Officer's report

Overview

Playtech has continued to make significant progress across the business, developing its strategic initiatives, extending its channels to market and expanding its geographical footprint. During the Period, the Group successfully completed the sale to William Hill of its 29% stake in William Hill Online and signed a landmark agreement with Ladbrokes. Playtech continued to develop its industry-leading product and service offering, particularly its cutting edge mobile solution, which is a significant growth driver for the Group.

Playtech saw strong organic revenue growth and the Group continues to win new business. During the period, Playtech achieved double-digit financial growth, with gross income up 10% to €194.9 million (H1 2012: €176.5 million), which included only three and a half months share of profits from William Hill Online. Revenues increased 15% to €176.8 million (H1 2012: €153.8 million), driven by a combination of new business wins and organic growth. Despite the continued economic uncertainty in some European markets, Playtech delivered strong growth and made significant operational progress across the Group.

Strategy

The Group's strategy is to maintain and extend its industry-leading position to offer the broadest and most complete product suite and service offering, underpinned by a pre-eminent technology platform. In support of this strategy, the Group focuses on developing its highly complementary business channels, products and services, turnkey solutions, joint ventures and structured agreements. Through a combination of organic growth, cross selling to existing licensees, new licensees and targeted acquisitions, the Group looks to maximise growth opportunities as the online and land-based gambling industries continue to evolve.

Mobile gambling is becoming increasingly important, as are the convergence of betting and gaming through one set of management tools as well as the convergence of online and land-based channels and the changing balance between traditional online gambling and social gaming. Playtech has developed its offering to take advantage of these market trends, focusing on making its products channel agnostic, and increasing its penetration of the sport and lottery markets. In addition, we remain focused on broader industry developments as further markets regulate creating incremental opportunities for the Group with both existing licensees and new entrants to the online gaming market.

Operators can generate incremental growth by adding a mobile distribution channel to their existing operations. The mobile hub, which includes betting and gaming within one application, enables players using mobile and tablet devices to make a smooth transition across product verticals leading to increased frequency and opportunity of play. This segment saw triple digit growth over the first half and management sees opportunities for further growth in this new channel, augmented by technological evolution, such as the rollout of 4G services.

Licenses and regulated markets

The Group has made significant progress adding new licensees and extending its relationships with existing licensees by launching further products in existing markets and penetrating new markets. In the first half of the year, Playtech's cross selling activities saw Betfair launch live dealer services, Bet365 and Paddy Power launching exclusive bespoke branded areas in the live dealer facility with Betfred and Bet365 introducing mobile live. Playtech also gained a number of licensees on its Geneity sport betting platform.

In bingo, Sky launched mobile bingo, and Betfair, Premier Bingo and Euro Juego Star launched in Spain. In poker, Betfair launched in Spain and Denmark and migrated its entire dotcom business to iPoker, Betclac launched in France and on dotcom and Unibet launched in France with Paddy Power and Sportingbet launching casino and William Hill launching poker in Italy.

The performance of Gala Coral has exceeded all expectations since completion of its migration on to Playtech's platform, including the launch of its mobile offering and the integration of its third party sportsbook on to the IMS platform being the infrastructure for the entire betting and gaming operation.

In March, Playtech signed a landmark agreement with Ladbrokes to provide its full product suite and marketing advisory services. The first step in the migration to Playtech's platform and software has recently been taken with the launch of a Vegas games tab, which offers players the ability to enjoy leading Playtech content including branded games. In parallel, our efforts remain on target with Ladbrokes restructuring its operational teams. Ladbrokes online performance is expected to gain further traction, following the phased migration of additional products over the coming months, after which extensive marketing initiatives will commence. The Group is confident that the partnership will create for Ladbrokes an enhanced digital offering, capable of achieving revenue targets set by both management teams.

The Group remains focused on regulated and soon to be regulated markets where they are commercially viable and present a significant opportunity for the Company. Playtech is actively pursuing a number of markets in Europe and Asia that are or shortly will be undergoing regulatory change. The US remains an opportunity, with some larger states considering regulation, and the Group will consider targeting those states from which it believes the business will be commercially attractive.

Acquisitions

Playtech continues to develop the scale and breadth of its product range and depth of the services it can offer. The Group is committed to extending its technological, marketing, service and creative capabilities to maintain its position as the world's leading software and services provider to the gaming industry.

In July, the Group acquired PokerStrategy which operates the world's biggest online poker school, player community and a poker affiliate business. The acquisition is complementary to both Playtech's PTTS marketing division and its overall poker offering. It further strengthens Playtech's leading poker offering and provides a community-based model for player acquisition and retention, which is attractive to both social and real-money players in existing and soon-to-be-regulated markets. PokerStrategy is a significant asset as poker is one of the first products to be introduced in regulated markets. PokerStrategy under Playtech ownership, has already signed its first new contract with a leading poker operator in a regulated market.

Since receiving the proceeds from the sale of Playtech's stake in WHO, the Board continues to seek opportunities to invest in other bolt-on acquisitions, along with more strategic alternatives to grow and develop the business.

Products

During the period, Playtech enhanced its offering by creating wider gaming content; improving the existing product suite and back office tools, with a strong focus on its mobile and social gaming capabilities.

Playtech's licensees benefit from a highly flexible gaming platform and market-leading product suite covering all verticals in the online gambling market. The Group continues to devote significant resources to the enhancement of its product and service offering. In addition, its proprietary Enhanced Gaming Engine (EdGE™) technology enables licensees to offer their players access to a diverse range of third party gaming content which is fully integrated onto Playtech's IMS and single wallet back office system. As a result, licensees have the capability to use Playtech's business tools for both its games and those of third parties, available on both web and mobile channels. This optimises licensees' marketing and operational efforts whilst simultaneously enabling players to benefit from a seamless user experience. The ability to have a single view of a player's activity across all channels and products is a unique feature of Playtech's IMS offering and allows operators to evaluate the performance and the resultant returns on their marketing investment.

Casino

Playtech's flagship product continued to grow strongly. During the period, Playtech released four non-branded and 16 branded games under its casino client, including *Iron Man 3*, *Wolverine* and *The Avengers*. Ash Gaming transferred eight of its top 10 revenue grossing games to mobile over the period and also released a *Little Britain* game on both web and mobile. The casino team released six new games on mobile, including *Iron Man 2*, *Hulk*, *Fantastic Four*, *Halloween Fortune*, *A Night Out* and *Lotto Madness*. Playtech's development teams continue to focus on creating new content and transferring top performing web content on to mobile.

Further significant launches for mobile are planned during the remainder of 2013 including *The Sopranos*, *Gladiator* and *Iron Man 3*, with the launch of an enhanced roulette product planned for later this year. More recent content initiatives include the rights acquisition for games using the *Spiderman*, *Loveboat* and *Chippendales* brands. We have created a proprietary technology framework, which we have called Next Generation Mobile ('NGM'), that allows the Group to release games for web and mobile and simultaneously develop new games for all mobile formats including HTML5, Apple iOS and Android, more rapidly than has historically been the case.

Paddy Power successfully migrated its live gaming activity on to Playtech's platform during the first half to a dedicated fully branded live gaming facility, maximising the player experience. Other licensees, including Ladbrokes, Betfair and Winner, have opted for dedicated fully branded facilities, which are expected to launch in the second half of 2013.

Services

Playtech has a unique ability to act as a single source supplier of gambling solutions, particularly to new entrants targeting regulated markets. It also has the opportunity to cross-sell the expertise of its services division to existing licensees, to which it can offer marketing, sophisticated CRM and other support services, combined with advanced player management systems. One such example is the broad services agreement with Ladbrokes, which will deliver significant revenue and share of profits if certain targets are met apart from software revenues received in the normal course of business. The ability to offer such services allows Playtech to further diversify its business and create additional revenue streams not only for PTTS but the core software licensing business. Since the announcement of the Ladbrokes agreements, we have seen an increased level of interest from companies in regulated markets. The PTTS offering has been expanded by the acquisition of PokerStrategy.

Bingo

A number of new branded mini games were launched for web and mobile, including the popular *Ant and Dec's Saturday Night Takeaway*, *Alice in Wonderland*, *Chest of Plenty* and *Amazon Wild*.

Playtech has once again won a number of industry awards, including *eGaming Review's* Bingo Network of the Year and the Bingo Summit's Best Bingo Software for the fourth year running. The Group's focus is to continue the rollout of bingo on different types of mobile device, improve content on both web and mobile and expand its offering in other jurisdictions.

Sport

Playtech signed a number of new licensees in the first half of the year and is in discussion with a number of additional licensees in various jurisdictions. The product is performing ahead of expectations and management believes that sport betting will contribute a significant portion of the Group's future growth. The combination of Geneity and Mobenga ideally positions Playtech to increase its market penetration in this important segment of the gambling market.

The Group is optimistic about the second half of the year with additional licensees expected to be rolled out on Playtech's mobile sport platform and seasonally higher volumes in the second half of August and September, coinciding with the start of the new football season.

Poker

The international poker market remained challenging for all poker networks over the first six months of 2013. Playtech launched a number of new initiatives in the period, including new tournament features and new structures to attract players. Over time these initiatives will link with PokerStrategy.com to improve the poker offering to new and existing licensees, attract new players and lower the cost of player acquisition through more efficient use of marketing spend.

The iPoker network maintained its position as the leading poker network, benefitting from new licensees signed last year, such as Betclix Everest, Unibet, Betfair and Bet365, in both regulated and dotcom.

There has been a strong focus on mobile solutions for poker, and the product is expected to be launched on a multiplatform basis including, native iOS, native Android and HTML5, across several geographical markets and on dotcom.

Videobet

Playtech's server-based gaming terminal division, Videobet, performed well throughout the period, following the deployment of 4,000 additional terminals in Puerto Rico, Mexico and the UK, which more than mitigated the loss of 2,000 terminals operated by William Hill in June 2012, and the weakening of sterling against the euro.

Lottery

Playtech powers the UK's second largest lottery, along with other smaller lotteries in other jurisdictions; and is actively looking to leverage this expertise to develop its lottery product and to expand the number of international licensees for this product. Lottery has the potential to become a significant growth driver for the future.

Mor Weizer
Chief Executive Officer
29 August 2013

Financial and operational review

Playtech reported another period of strong financial performance, with revenues increasing by 15% to €176.8 million (H1 2012: €153.8 million) driven by new business and strong organic growth. During the first half, Playtech completed a transformational transaction with the sale of its 29% stake in William Hill Online ("WHO"). After four years of partnership between William Hill and Playtech, WHO has become one of the world's leading online gambling operators. Playtech received consideration of

€492.4 million from the sale of its stake. Playtech's entitlement to a share of profit from WHO ceased on this date but the Company continues to receive software revenues.

Adjusted EBITDA for the six month period increased by 3% to €94.3 million (H1 2012: €91.2 million), and adjusted net profit attributable to owners of the parent was €84.9 million on the same basis, up slightly on the comparable period (H1 2012: €84.5 million).

Underlying adjusted EBITDA of the business for the six month period, which excludes the share of profit of WHO, acquisitions made in the last 18 months and the agreement signed with Skywind relating to social gaming and mobile, was €78.9 million (2012: €69.8 million), up by 13%. Underlying adjusted net profit attributable to owners of the parent was €69.7 million (H1 2012: €62.8 million) up 11%. The percentage increase in underlying adjusted net profit is slightly lower than the increase in underlying adjusted EBITDA, mainly as a result of the sterling / euro exchange rate weakening, adversely impacting adjusted net profit by €2.3 million (H1 2012: €2.0 million benefit). Excluding this impact, underlying adjusted net profit increased by 18%.

Adjusted earnings per share ("adjusted EPS") and diluted adjusted EPS changed little over the comparable period, while underlying adjusted EPS and diluted underlying adjusted EPS increased 10% to 23.9 € cents and 23.6 € cents respectively (H1 2012: 21.7 € cents and 21.4 € cents).

Playtech remains highly cash generative, with a high cash conversion rate from adjusted EBITDA. Cash and cash equivalents on 30 June 2013 was €576.2 million (30 June 2012: €139.3 million), following receipt of the proceeds from the sale of the Group's 29% stake in WHO, full repayment in the period of all bank borrowings, payment of €35 million on behalf of the consideration for PTTS and the final 2012 dividend payment.

Revenues

Six months ended €'000	30 June 13	30 June 12	Change %
Total	176,832	153,759	15%
Casino	90,264	71,502	26%
Services	51,595	52,452	-2%
Bingo	9,297	8,792	6%
Sport	9,149	4,812	90%
Poker	8,008	9,700	-17%
Videobet	5,693	5,186	10%

Total revenue increased by 15% to €176.8 million (H1 2012: €153.8 million). Of the increase, 11% was derived from new business, defined as new licensees or new products launched in the preceding 18 months, and 4% was organic growth from existing licensees.

Casino revenue was €90.3 million (H1 2012: €71.5 million), an increase of 26%, of which 14% was derived from core casino, 5% from mobile, 4% from live and 3% from premium content.

Services revenue was €51.6 million (H1 2012: €52.5 million). The decrease was due to the cessation of certain services previously provided to WHO by a dedicated team in the Philippines until the end of 2012. This element contributed a low level of operating profit to Playtech, while contributing approximately €2.7 million to the services revenue line in the comparable six month period. Excluding these revenues, total services revenue increased by 4% over the same period in 2012.

Bingo revenue was up by 6% to €9.3 million (H1 2012: €8.8 million), driven by the launch of Gala Bingo and the introduction of mobile bingo in 2012, partly offset by the weakening of sterling against the euro. On a constant currency basis, bingo increased 9% over the comparable period. Mobile bingo accounted for 7% of total bingo revenue (H1 2012: 2%). Casino side games on both web and mobile were equivalent to 59% of bingo revenue (H1 2012: 55%).

Sport revenue was €9.1 million (H1 2012: €4.8 million), an increase of 90%, due to the significant growth of Mobenga mobile sport revenue reflecting organic growth, the launch of Gala Coral, certain set up fees and new launches on the Geneity sports platform.

Poker revenue was €8.0 million (H1 2012: €9.7 million), down 17% reflecting market trends. Revenue generated in H1 2013 was down 2% on H2 2012 due to new licensees, partially mitigating some of the secular weakness.

Videobet revenue increased by 10% to €5.7 million (H1 2012: €5.2 million). This increase followed the deployment of 4,000 additional terminals in Puerto Rico, Mexico and the UK, which more than mitigated the loss of revenue from 2,000 terminals operated by William Hill, before ending their agreement with The Global Draw in June 2012, and the impact of sterling weakening against the euro. On a constant currency basis and excluding William Hill revenue from the comparable period, Videobet revenue increased 20%.

The mobile channel as a whole, including Mobenga's mobile sports offering, mobile casino and mobile bingo, increased by over 150% to €13.8 million (H1 2012: €5.5 million) over the comparable period. Sport is the primary product vertical for mobile increasing 92% over the comparable period, enjoying both significant organic growth and contribution of new business. Mobile casino has become more material as further casino games are deployed and grew over 300% to €5.2 million (H1 2012: €1.2 million). This channel was further complemented with the introduction of mobile bingo which is gaining traction with revenues of €0.7 million in the period (H1 2012: €0.1 million). Mobile is still in its infancy and presents a major platform for future growth.

Revenue – share of geographical diversity

Six months ended	H1/13	H1/12
Europe	64%	69%
Asia	24%	19%
Rest of the world	12%	12%

Revenue – nominal change in geographical regions

Period	H1/13 to H1/12
Europe	7%
Asia	41%
Rest of the world	21%

Adjusted EBITDA

	H1-2013 €'000	H1-2012 €'000
EBITDA	444,284	87,486
Employee stock option expenses	696	1,673
Gain on sale of available for sale investments	(9,909)	-
Admission to premium listing on the main market	-	1,913
Gain on sale of investment in WHO	(340,819)	-
Professional expenses on acquisitions	52	155
Adjusted EBITDA	94,304	91,227
Share of profit of WHO	18,086	22,720
Adjusted EBITDA excluding share of profit of WHO	76,218	68,507
Adjusted EBITDA margin, excluding share of profit of WHO	43.1%	44.6%

The adjusted EBITDA margin, excluding Playtech's share of profit from WHO was 43.1% (H1 2012: 44.6%, FY2012: 42.9%). The decrease was mainly due to the impact of the licensing agreement entered into in June 2012 with Skywind. The underlying adjusted EBITDA margin remains consistent and was 45.2%, only slightly lower than the comparable period (H1 2012: 45.5%).

Cost of operations

Adjusted operating expenses, before depreciation and amortisation were €100.7 million (H1 2012: €85.2 million). The increase was mainly due to an uplift in employee-related costs primarily related to further expansion in mobile and sports operations, and the impact of the licensing agreement with Skywind.

Revenue-driven costs comprise mainly direct marketing costs related to PTTS, fees paid to sales agents and license fees paid to third parties, including games developers, IP owners and branded content, which are typically calculated as a share of the licensee revenues generated. Revenue-driven costs as a proportion of total revenue improved to 10.8% from 11.4%, mostly as a result of certain commercial changes.

Employee-related costs were €52.2 million (H1 2012: €47.0 million), net of capitalised development costs of €7.5 million (H1 2012: €4.5 million). The increase in capitalisation level is attributed to further development in areas of mobile, such as mobile live, mobile hub, further mobile casino games, mobile poker, in addition to sport. Employee costs as a proportion of adjusted operating expenses excluding revenue-related costs, improved to 64% from 70%, partly as a result of an increase in capitalised projects and as a result of the increase in cost of service, which increased to €9.0 million (H1 2012: €4.8 million) primarily due to the licensing agreement with Skywind.

Other costs increased mainly as a result of consultancy expenses relating to M&A activity and compliance relating to the entrance into regulated markets.

Playtech continues to focus on managing cost inflation across the business.

Analysis of adjusted operating expenses

	H1-2013		H1-2012	
	€'000		€'000	
Adjusted operating expenses	100,680		85,164	
Revenue-driven cost	19,073		17,602	
Adjusted operating expenses excluding revenue driven costs	81,607		67,562	
Employee related costs	52,249	64.0%	47,032	69.6%
Administration and office costs	8,810	10.8%	7,089	10.5%
Travel, exhibition and marketing costs	4,627	5.7%	3,534	5.3%
Cost of service	8,985	11.0%	4,752	7.0%
Other costs	6,936	8.5%	5,155	7.6%

Financial income, financial cost and tax

Financial income was €3.5 million (H1 2012: €3.9 million), €3.0 million of which was received as a dividend from the investment in AsianLogic Limited (H1 2012: €1.5 million). Financial expenses include €1.8 million related to the outstanding balance on deferred consideration (H1 2012: €37.8 million, as a result of the movement on the outstanding balance of deferred and contingent consideration) and €2.3 million related to exchange rate differences (H1 2012: €2.0 million income).

The Group is tax registered, managed and controlled from the Isle of Man, where the corporate tax rate is set at zero. The Group's subsidiaries are located in other jurisdictions and operate on a cost plus basis, and are taxed on their residual profit.

The tax charge in the first six months of 2013 was €1.0 million (H1 2012: €0.9 million). The effective tax rate, excluding profits on disposals and the finance costs on the movement in consideration was 1.3% (H1 2012: 1.3%).

Net profit and earnings per share

Reported net profit for the first six months of 2013 attributable to owners of the parent was €413.6 million (H1 2012: €26.2 million). A significant profit made during the reporting period was the gain on sale of the investment in WHO of €340.8 million (H1 2012: A significant adjustment was made due to the recognition of €37.8 million of finance costs in respect of the movement in fair value on deferred and contingent consideration relating to the acquisition of PTTS, which fulfilled the conditions relating to the acceleration of the additional consideration earlier than originally expected).

Reported EPS for the half year was 141.8 € cents based on a weighted average number of shares of 291.6 million (H1 2012: 9.0 € cents, 289.2 million shares). Diluted EPS for the period was 139.9 € cents, based on a weighted average number of shares of 295.7 million (H1 2012: 8.9 € cents, 293.1 million shares). Adjusted basic EPS, excluding share of profit from WHO was 22.9 € cents.

Adjusted net profit and adjusted earnings per share

	H1-2013 €'000	H1-2012 €'000
Net profit attributable to owners of the parent	413,642	26,150
Amortisation on acquisitions	16,480	14,003
Amortisation of investment in William Hill Online	1,671	2,864
Finance costs - movement in deferred and contingent consideration	1,782	37,766
Employee stock option expenses	696	1,673
Admission to premium listing on the main market	-	1,913
Professional costs on acquisitions	52	155
One-off provision against irrecoverable cash	1,330	-
Gain on sale of available for sale investments	(9,909)	-
Gain on sale of investment in WHO	(340,819)	-
Adjusted net profit	84,925	84,524
Adjusted basic EPS (in euro cents)	29.1	29.2
Adjusted diluted EPS (in euro cents)	28.7	28.8
Share of profit of WHO	18,086	22,720
Adjusted net profit excluding share of profit of WHO	66,839	61,804
Adjusted basic EPS, excluding share of profit of WHO (in euro cents)	22.9	21.4
Adjusted diluted EPS, excluding share of profit of WHO (in euro cents)	22.6	21.1

Amortisation on acquisitions of €16.5 million (H1 2012: €14.0 million) comprises amounts relating to Tribeca (€1.6 million), Virtue Fusion (€1.7 million), GTS (€0.7 million), PTTS (€10.9 million), Ash Gaming (€0.6 million) and other acquisitions. The businesses acquired are fully integrated into the Group and are therefore treated by management as one business unit, together with the Group's core businesses.

Cash flow

Playtech continues to be a highly cash generative business. Cash and cash equivalents as at 30 June 2013 were €576.2 million (30 June 2012: €139.3 million). The increase is mostly due to the proceeds from the sale of the Group's 29% stake in William Hill Online for a net consideration of €492.4 million.

In the six month period, the Group generated €87.0 million from operating activities (H1 2012: €57.9 million). The cash conversion rate from adjusted EBITDA was over 100% (H1 2012: 85%), the improvement being mainly due to the timing of collection of receivables outstanding at year end.

The Group's cash outflow from investing activities (excluding the dividends received from WHO of €22.2 million and the net proceeds from the sale of investment in WHO) was €31.2 million (H1 2012: €105.2 million), mainly due to acquisition payments of €37.7 million (H1 2012: €95.2 million), of which €35.0 million related to the second payment of the PTTS accelerated contingent consideration, and

€8.5 million (2012: €6.9 million) related to capitalised development costs, offset by the net proceeds received from the sale of Sportech shares of €18.2 million.

Cash outflow from financing activities was €115.1 million (H1 2012: €0.7 million), comprising the repayment of bank borrowings of €69.2 million (H1 2012: €27.5 million) and a final dividend payment of €45.0 million (H1 2012: €47.9 million). In the comparable period, both the dividend payment and the repayment of the loan were offset by proceeds from bank borrowings of €75.0 million.

Balance sheet

At 30 June 2013, cash and cash equivalents were €576.2 million (30 June 2012: €139.3 million) including monies held on behalf of operators in respect of jackpot games and poker operations in the amount of €33.1 million (30 June 2012: €30.3 million). Trade receivables were €39.3 million (30 June 2012: €36.8 million).

Intangible assets as at 30 June 2013 were €360.4 million (30 June 2012: €373.1 million), of which €190.2 million comprised assets acquired from PTTS (30 June 2012: €209.4 million), and the remainder relate to assets and associated goodwill from the acquisitions of Tribeca, GTS, VF, IGS, Mobenga, Ash Gaming, Geneity and Juego; patent and other intellectual property rights and development costs of new games and products.

Available for sale investments were €19.8 million (30 June 2012: €16.2 million) comprising the Group's investments in AsianLogic and PhilWeb. The Group sold its entire holding in Sportech PLC during the Period for a total consideration of €18.2 million, generating a profit of €6.9 million, representing a return on investment of 61%.

Investments in equity-accounted associates were €4.8 million (30 June 2012: €159.2 million), related to the investment in ITL. The prior year balance also included the investment in WHO, which was sold during the period.

The long and short term deferred consideration balance at the 30 June 2013 was €76.4 million (30 June 2012: €147.9 million, included the present value of the full accelerated contingent consideration of PTTS) principally relating to the present value of two final instalments of the accelerated contingent consideration for PTTS.

Ladbrokes software and services agreement

In March 2013, the Group entered into a landmark transaction with Ladbrokes plc, which includes two significant agreements covering software licensing and advisory services.

The software license agreement will expand Ladbrokes existing product agreement, to include licensing of Playtech's full product suite and technology including the IMS back office system to provide the platform for its entire online operations.

As part of the advisory services agreement, Playtech, through its PTTS marketing division, will have significant influence over the operational decision making of the Ladbrokes digital business, including proven sophisticated marketing techniques, business intelligence and CRM capabilities over the five year term of the agreement, with a plan to grow the Ladbrokes digital business. Playtech will receive a share of profit based on the EBITDA performance of the Ladbrokes digital business over and above that achieved in the financial year ended 31 December 2012, as adjusted (the "Base EBITDA"). The profit share will be equal to 27.5% of the increase in adjusted EBITDA multiplied by the then EV/EBITDA multiple of the Ladbrokes Group. Interim installments fall due on the achievement of uplifts in EBITDA of £35 million, £70 million and £100 million in an earlier year. 75% of any share of profit is payable in cash, with the balance payable in Ladbrokes shares. Playtech can elect to receive a greater proportion of the profit share in Ladbrokes shares. It is anticipated that the Group will only recognise its share of profits once they have been achieved.

Post balance-sheet event - Acquisition of PokerStrategy.com

On 11 July 2013, the Group acquired 100% of the shares of PokerStrategy.com Limited and certain associated businesses ("PokerStrategy").

PokerStrategy operates one of the world's largest poker affiliate businesses, targeting European markets and utilising an online poker school and player community with the goal to ultimately increase player value.

This acquisition is complementary to both the PTTS marketing division and the Group's overall poker offering, and will further strengthen Playtech's leading position as a B2B poker provider. The PokerStrategy offering is attractive to both social and real-money players in existing and soon to be regulated markets and will allow Playtech to further diversify its business, cement its relationships with licensees and create incremental opportunities for both software and PTTS marketing.

The total cash consideration for the acquisition was €38.3 million, subject to working capital adjustment.

Dividend

The Board has a stated policy of paying out up to 40 per cent. of adjusted net profit in any financial year by way of dividend which, it is intended, would be paid as one-third as an interim dividend and two-thirds as a final dividend. In May this year the Group paid a final dividend for 2012 of €45.0 million, representing 15.4 € cents per share.

At the time of the Q1 IMS, the Board made a commitment to pay an interim dividend at least equal to that of last year. On 28 August 2013, in line with this commitment, the Board declared an interim dividend of 7.8 € cents per share (2012: 7.8 € cents per share) payable on 28 October to shareholders on the register as at 27 September 2013.

The Board also resolved to recommend a final dividend in respect of 2013 at least equal to that of last year, which included a full year's share of profits from WHO, notwithstanding that this may require a higher percentage of net profits being distributed than justified by the Board's stated policy.

Principal risks and uncertainties

The key risks areas for the remainder of the current financial year, which have not changed from those set out on pages 48 and 49 of our 2012 Annual Report, are as follows:

- the impact of changes in regulation of online gambling impacting the Group's reputation or revenues;
- the effect of changes in taxation rates or legislation impacting net earnings;
- competition may lead to loss of customers and revenues;
- the impact of the economic climate may reduce discretionary spend on gambling;
- the loss of key personnel may adversely impact operations; and
- business continuity and technology risks.

For a discussion of these risks and how we are addressing them, please refer to our 2012 Annual Report and Accounts which is available in the investor relations section of the corporate website at www.playtech.com.

Dividend timetable: interim dividend

Ex dividend date:	25 September 2013
Record date for dividend:	27 September 2013
Currency election date:	4 October 2013
Payment date:	28 October 2013

Other

As stated in the Audit Committee report in the Company's 2012 accounts, the audit engagement partner would have ceased to act in this capacity in accordance with Auditing Practices Board (APB) Ethical Standards in 2013. Due to the recent changes made to the Group, principally the move to a premium listing, the significant acquisitions, disposals and restructuring activity that has taken place during the current and previous financial year and changes in key management, the Group's Audit Committee has determined, with the agreement of BDO LLP, that it is necessary for the current audit engagement partner to continue in this role until the AGM in 2014 in order to safeguard audit quality, as permitted by the APB Ethical Standard 3 (Revised). This will allow him to sign the report and accounts for the year ended 31 December 2013.

Directors' responsibility statement

We confirm to the best of our knowledge that this unaudited consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related-party transactions described in the last Annual Report.

The Directors of Playtech plc are listed in the Group's Annual Report and Accounts for the year ended 31 December 2012, A list of current directors is maintained on Playtech's website, at www.playtech.com.

By order of the Board,

Mor Weizer
Chief Executive Officer

Ron Hoffman
Chief Financial Officer

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ending 30 June 2013		Six months ending 30 June 2012	
		Actual €'000	Adjusted* €'000	Actual €'000	Adjusted* €'000
Revenues	3	176,832	176,832	153,759	153,759
Distribution costs before depreciation and amortisation		(85,432)	(84,880)	(74,573)	(73,357)
Administrative expenses before depreciation and amortisation		(15,996)	(15,800)	(14,332)	(11,807)
Gain on sale of available-for-sale investment	8	9,909	-	-	-
Operating profit before depreciation and amortisation		85,313	76,152	64,854	68,595
Share of profit of associate		16,415	18,086	19,856	22,720
Amortisation of intangibles in associate		1,671	-	2,864	-
Income from associate		18,086	18,086	22,720	22,720
Gain on sale of investment in associate	7	340,819	-	-	-
Share of profit/(loss) from joint ventures, net		66	66	(88)	(88)
EBITDA		444,284	94,304	87,486	91,227
Depreciation and amortisation, including amortisation of intangibles in associate		(26,839)	(8,688)	(25,009)	(8,142)
Financing income		3,532	3,532	3,852	3,852
Finance cost - movement in deferred and contingent consideration		(1,782)	-	(37,766)	-
Finance cost - other		(4,427)	(3,097)	(1,480)	(1,480)
Total financing cost		(6,209)	(3,097)	(39,246)	(1,480)
Profit before taxation		414,768	86,051	27,083	85,457
Tax expense		(999)	(999)	(862)	(862)
Profit for the period		413,769	85,052	26,221	84,595
Profit for the period attributable to:					
Owners of the parent		413,642	84,925	26,150	84,524
Non-controlling interest		127	127	71	71
		413,769	85,052	26,221	84,595
Earnings per share for profit attributable to the owners of the parent during the period:					
Basic (cents)	5	141.8	29.1	9.0	29.2
Diluted (cents)	5	139.9	28.7	8.9	28.8
Other comprehensive income for the period:					
<i>Items that will be classified to profit or loss:</i>					
Transfer to profit and loss on sale	8	(9,909)	-	-	-
Adjustments for change in fair value of available for sale equity instruments	8	2,653	2,653	3,809	3,809
<i>Total items that will be classified to profit or loss</i>		<i>(7,256)</i>	<i>2,653</i>	<i>3,809</i>	<i>3,809</i>
Total comprehensive income for the period		406,513	87,705	30,030	88,404
Total comprehensive income attributable to:					
Owners of the parent		406,386	87,578	29,959	88,333
Non-controlling interest		127	127	71	71
		406,513	87,705	30,030	88,404

* Adjusted numbers relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, amortisation of intangibles in associate, professional costs on acquisitions, finance costs on acquisitions, costs of admission to a premium listing on the main market, gain on sale of investment in associate and available for sale investment, one-off provision against irrecoverable cash, and additional various non-cash charges. The directors believe that the adjusted profit represents more closely the underlying trading performance of the business. A full reconciliation between the actual and adjusted results is provided in note 4.

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Additional paid in capital	Available for sale reserve	Retained earnings	Total attributable to equity holders of parent	Non- controlling interest	Total equity
	€'000	€'000	€'000	€'000	€'000	€'000
Period ending 30 June 2013						
Balance at 1 January 2013	310,469	17,222	186,359	514,050	125	514,175
Changes in equity for the period						
Total comprehensive income for the period	-	(7,256)	413,642	406,386	127	406,513
Dividend paid	-	-	(45,045)	(45,045)	-	(45,045)
Exercise of options	9,007	-	-	9,007	-	9,007
Purchase of share options	-	-	(9,849)	(9,849)	-	(9,849)
Employee stock option scheme	-	-	696	696	-	696
Balance at 30 June 2013	319,476	9,966	545,803	875,245	252	875,497
Period ending 30 June 2012						
Balance at 1 January 2012	307,853	1,995	168,891	478,739	(49)	478,690
Changes in equity for the period						
Total comprehensive income for the period	-	3,809	26,150	29,959	71	30,030
Dividend paid	-	-	(47,890)	(47,890)	-	(47,890)
Prior period share issue costs	(57)	-	-	(57)	-	(57)
Exercise of options	197	-	-	197	-	197
Purchase of share options	-	-	(512)	(512)	-	(512)
Cancellation of treasury shares	(366)	-	366	-	-	-
Employee stock option scheme	-	-	1,673	1,673	-	1,673
Balance at 30 June 2012	307,627	5,804	148,678	462,109	22	462,131

UNAUDITED CONSOLIDATED BALANCE SHEET

		At 30 June 2013 €'000	At 30 June 2012 €'000	At 31 December 2012 €'000
	Note			
NON-CURRENT ASSETS				
Property, plant and equipment		18,658	20,810	20,304
Intangible assets		360,385	373,104	372,387
Investments in equity accounted associates & joint ventures	7	4,839	159,224	156,036
Available for sale investments	8	19,751	16,184	35,333
Other non-current assets		6,070	3,640	5,175
		409,703	572,962	589,235
CURRENT ASSETS				
Trade receivables		39,289	36,786	47,784
Other receivables		20,639	20,010	26,560
Cash and cash equivalents		576,221	139,316	120,880
		636,149	196,112	195,224
TOTAL ASSETS		1,045,852	769,074	784,459
EQUITY				
Additional paid in capital		319,476	307,627	310,469
Available for sale reserve		9,966	5,804	17,222
Retained earnings		545,803	148,678	186,359
Equity attributable to equity holders of the parent		875,245	462,109	514,050
Non-controlling interest		252	22	125
TOTAL EQUITY		875,497	462,131	514,175
NON CURRENT LIABILITIES				
Loans and borrowings	9	-	37,500	31,250
Other non-current liabilities		212	655	215
Deferred revenues		8,802	8,804	9,092
Deferred tax liability		4,913	5,886	5,232
Deferred and contingent consideration	10	-	71,580	42,561
		13,927	124,425	88,350
CURRENT LIABILITIES				
Loans and borrowings	9	-	38,104	37,970
Trade payables		19,407	12,931	14,522
Jackpots and poker security deposits		33,139	30,318	31,607
Tax liabilities		1,777	1,457	1,946
Deferred revenues		3,488	4,078	3,679
Deferred and contingent consideration	10	76,359	76,316	69,749
Other payables		22,258	19,314	22,461
		156,428	182,518	181,934
TOTAL EQUITY AND LIABILITIES		1,045,852	769,074	784,459

The financial statements were approved by the Board and authorised for issue on 29 August 2013.

Mor Weizer
Chief Executive Officer

Ron Hoffman
Chief Financial Officer

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ending 30 June 2013 €'000	Six months ending 30 June 2012 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after tax	413,769	26,221
Adjustments to reconcile net income to net cash provided by operating activities (see below)	(325,320)	33,343
Income taxes paid	(1,486)	(1,657)
Net cash provided by operating activities	86,963	57,907
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits and loan advances	(895)	(352)
Dividend received from equity-accounted associate	22,167	22,471
Acquisition of property, plant and equipment	(2,797)	(3,192)
Proceeds from sale of investment in associate	492,528	-
Proceeds from sale of available for sale investment	18,236	-
Return on investment in joint venture	702	719
Acquisition of intangible assets	(367)	(230)
Acquisition of subsidiaries, net of cash acquired	(37,734)	(95,152)
Capitalised development costs	(8,548)	(6,949)
Proceeds from sale of property, plant and equipment	193	-
Net cash provided by/(used in) investing activities	483,485	(82,685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the holders of the parent	(45,045)	(47,890)
Purchase of share options	(9,849)	(512)
Proceeds from bank borrowings	-	75,000
Repayment of bank borrowings	(69,220)	(27,533)
Exercise of options	9,007	197
Net cash used in financing activities	(115,107)	(738)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	455,341	(25,516)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	120,880	164,832
CASH AND CASH EQUIVALENTS AT END OF PERIOD	576,221	139,316

	Six months ending 30 June 2013 €'000	Six months ending 30 June 2012 €'000
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income and expenses not affecting operating cash flows:		
Depreciation	4,250	3,956
Amortisation, including amortisation of intangibles in associate	22,589	21,053
Income from associate	(18,086)	(22,720)
Share of net (profit)/loss in joint ventures	(66)	88
Gain on sale of available for sale investment	(9,909)	-
Gain on sale of investment in associate	(340,819)	-
Employee stock option plan expenses	696	1,673
Income tax expense	989	862
Movement in deferred and contingent consideration	1,782	37,766
Others	8	(17)
Changes in operating assets and liabilities:		
Decrease/(increase) in trade receivables	8,495	(6,605)
(Increase)/decrease in other receivables	(978)	100
Increase/(decrease) in trade payables	4,885	(985)
Increase/(decrease) in progressive and other operators' jackpot	1,532	(4,323)
(Decrease)/increase in other payables	(207)	3,518
Decrease in deferred revenues	(481)	(1,023)
	(325,320)	33,343

Acquisition of subsidiary, net of cash acquired

	Six months ending 30 June 2013 €'000	Six months ending 30 June 2012 €'000
	Note	
A. Acquisition of Intelligent Gaming Systems Limited	734	952
B. Acquisition of PT Turnkey Services Limited	35,000	76,000
C. Acquisition of Geneity Limited	11	-
D. Acquisition of Mobenga AB Limited	2,000	-
	37,734	95,152

NOTE 1 – GENERAL

- A. On 21 June 2012 Playtech plc (the 'Company') re-domiciled as a company in the Isle of Man, United Kingdom. Prior to this date, it was a company domiciled in the British Virgin Islands and was incorporated on 12 September 2002 as an offshore company with limited liability.
- B. On 8 May 2013, the Company changed its name from Playtech Limited to Playtech plc by special resolution.

Playtech and its subsidiaries ('the Group') develop unified software platforms for the online and land based gambling industry, targeting online and land based operators. Playtech's gaming applications – online casino, poker and other P2P games, bingo, mobile, live gaming, land-based kiosk networks, land based terminal and fixed-odds games – are fully inter-compatible and can be freely incorporated as stand-alone applications, accessed and funded by the operators' players through the same user account and managed by the operator by means of a single powerful management interface.

- C. The interim financial statements as at 30 June 2013 and 30 June 2012 and the six months then ended, respectively, have been reviewed by the Group's external auditors.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The annual financial statements of the Group were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

These consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2012 Annual Report.

The same accounting policies, presentation and methods of computation are followed in these consolidated financial statements as were applied in the Group's latest annual audited financial statements except that the Group has adopted new and amended standards as noted below.

The Group had adopted IFRS 13 Fair Value Measurement. It establishes a single source of guidance for fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and required disclosures about fair value measurements. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. The adoption of this standard did not have a significant impact on the results or financial position of the Group.

The Group had adopted the amendments to IAS 1 Presentation of Financial Statements, which require the Group to separate items of other comprehensive income into two distinct categories: items that will not be reclassified subsequently to the income statement; and items that will be reclassified subsequently to the income statement when specific conditions are met.

The Group had adopted the amendment of IFRS 7. The most significant change relates to offsetting financial assets and liabilities. The amendments require disclosure about rights of set-off and related arrangements and are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to financial instruments that are subject to an enforcement master netting arrangement irrespective of whether they are set off in accordance with IAS 32. The adoption of this standard did not have a significant impact on the results, financial position or disclosures of the Group.

The comparative financial information for period ended 30 June 2012 included within this report does not constitute the full statutory accounts for that period. The Independent Auditors' Report on the Annual Report for the year ended 31 December 2012 was unqualified, and did not draw attention to any matters by way of emphasis.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half-yearly consolidated financial statements.

Significant judgements and estimates

There has been no change in the nature of the critical accounting estimates and judgements as set out in Note 3 to the Group's audited financial statements for the year ended 31 December 2012.

NOTE 3 – SEGMENT INFORMATION

Management considers that the Group's activity as a single source supplier of online gaming solutions constitutes one operating and reporting segment, as defined under IFRS 8.

Management review the performance of the Group by reference to group-wide profit measures and the revenues derived from 7 (2012 - 6) main product groupings:

- Poker
- Casino
- Bingo
- Videobet
- Sport
- Services
- Other

The group-wide profit measures are adjusted EBITDA and adjusted net profit (see note 4). Management believes the adjusted profit measures represent more closely the underlying trading performance of the business. No other differences exist between the basis of preparation of the performance measures used by management and the figures in the group financial information.

There is no allocation of operating expenses, profit measures, assets and liabilities to individual product groupings. Accordingly the disclosures below are provided on an entity-wide basis

Revenue by product

	Six months ending 30 June 2013 €'000	Six months ending 30 June 2012 €'000
Casino	90,264	71,502
Services	51,595	52,452
Bingo	9,297	8,792
Sport	9,149	4,812
Poker	8,008	9,700
Videobet	5,693	5,186
Other	2,826	1,315
Total revenues	<u>176,832</u>	<u>153,759</u>

NOTE 4 – ADJUSTED ITEMS

The following tables give a full reconciliation between adjusted and actual results:

	Six months ending 30 June 2013 €'000	Six months ending 30 June 2012 €'000
Distribution costs before depreciation and amortisation- actual	85,432	74,573
Employee stock option expenses	(552)	(1,216)
Distribution costs before depreciation and amortisation – adjusted	<u>84,880</u>	<u>73,357</u>
Administrative expenses before depreciation and amortisation - actual	15,996	14,332
Employee stock option expenses	(144)	(457)
Professional fees on acquisitions	(52)	(155)
Admission to premium listing on main market	-	(1,913)

Total adjusted items	(196)	2,525
Administrative expenses before depreciation and amortisation – adjusted	15,800	11,807
Depreciation – distribution costs	3,548	3,413
Depreciation – administration costs	702	543
Amortisation – distribution costs	4,438	4,186
Depreciation and amortisation – adjusted	8,688	8,142
Amortisation of intangibles on acquisitions – distribution costs	16,480	14,003
Amortisation of intangibles in associate	1,671	2,864
Total depreciation and amortisation including amortisation of intangibles in associate	26,839	25,009
Finance cost – other - actual	4,427	-
One-off provision against irrecoverable cash	(1,330)	-
Finance cost - other - adjusted	3,097	-
EBITDA	444,284	87,486
Employee stock option expenses	696	1,673
Professional fees on acquisitions	52	155
Admission to a premium listing on the main market	-	1,913
Gain on sale of investment in associate	(340,819)	-
Gain on sale of available for sale investment	(9,909)	-
Adjusted EBITDA	94,304	91,227
Profit for the period	413,642	26,150
Employee stock option expenses	696	1,673
Professional fees on acquisitions	52	155
Admission to a premium listing on the main market	-	1,913
Amortisation of intangibles on acquisitions including amortisation on investment in associate	18,151	16,867
Gain on sale of available for sale investment	(9,909)	-
Gain on sale of investment in associate	(340,819)	-
One-off provision against irrecoverable cash	1,330	-
Movement in deferred and contingent consideration	1,782	37,766
Adjusted profit for the period	84,925	84,524

NOTE 5 – EARNINGS PER SHARE

Earnings per share have been calculated using the weighted average number of shares in issue during the relevant financial periods. The weighted average number of equity shares in issue and the earnings, being profit after tax, is listed below. In addition, adjusted earnings per share have been disclosed as the directors believe that the adjusted profit represents more closely the underlying trading performance of the business. The adjusted items are included in note 4.

	Six Months ending 30 June 2013		Six Months ending 30 June 2012	
	Actual €'000	Adjusted €'000	Actual €'000	Adjusted €'000
Profit for the period attributable to the owners of the parent	413,642	84,925	26,150	84,524
Earnings per share for profit attributable to the owners of the parent during the period:				
Basic (cents)	141.8	29.1	9.0	29.2
Diluted (cents)	139.9	28.7	8.9	28.8
		30 June 2013 Number	30 June 2012 Number	
<i>Denominator – basic</i>				
Weighted average number of equity shares		291,607,933	289,247,637	
<i>Denominator – Diluted</i>				
Weighted average number of equity shares		291,607,933	289,247,637	
Weighted average number of option shares		4,078,092	3,859,631	
Weighted average number of shares		295,686,025	293,107,268	

As at 30 June 2013, out of the entire share options outstanding, 20,901 (2012 – 8,182,121) have been excluded from the calculation of diluted EPS as their exercise price is greater than the weighted average share price during the year (i.e. – they are out of the money) and therefore it would not be advantageous for the holders to exercise those options.

NOTE 6 – SHAREHOLDERS' EQUITY

A. Share Capital

Share capital is comprised of no par value shares as follows:

	Number of Shares	
	30 June 2013	30 June 2012
Authorised	N/A(*)	N/A(*)
Issued and paid up	292,544,516	289,287,628

(*) The Group has no authorised share capital but is authorized under its memorandum and article of association to issue up to 1,000,000,000 shares of no par value.

B. Share option exercised

During the period 2,307,646 (2012– 73,280) share options were exercised. The Group also cash-settled 3,257,584 (2012 – nil) share options during the period. This resulted in a cash payment of €9.8m.

C. Distribution of Dividend

In May 2013, the Group distributed €45,044,837 as a final dividend for the year ended 31 December 2012.

NOTE 7 – INVESTMENTS IN EQUITY ACCOUNTED ASSOCIATES & JOINT VENTURES

	30 June 2013	31 December 2012
	€'000	€'000
Investment in equity accounted associates and joint ventures comprise:		
A. Investment in William Hill Online	-	150,692
B. Investment in International Terminal Leasing	4,839	5,344
	<u>4,839</u>	<u>156,036</u>

A. Investment in William Hill Online

The investment in WH Online was accounted for using the equity method in the consolidated financial information and was recognised initially at cost being the Group's 29% share of the fair value of the total net assets of the associate together with the goodwill on acquisition. In accordance with IAS 28, profits distributed to the Group in proportion of their respective shareholding were recognised as share of profits of associates. Software license royalty fees charged to WH Online have been recognised as revenues in the Group accounts.

On 15 April 2013, William Hill plc exercised its call option to acquire the Group's 29% stake in William Hill Online for a total consideration of €496.5 million (£423.8 million), less working capital adjustment of €4.1m.

The Group's gain on sale of the investment in WH Online was calculated as follows:

	€'000
Sale proceeds	496,466
Less: working capital adjustment	<u>(4,074)</u>
	492,392
Less: directly attributable costs	(3,938)
Less: carrying value of investment	<u>(147,635)</u>
	<u>340,819</u>

NOTE 8 - AVAILABLE FOR SALE INVESTMENTS

	30 June 2013	31 December 2012
	€'000	€'000
Available-for-sale investments comprise		
A. Investment in AsianLogic	13,346	12,513
B. Investment in Sportech plc	-	17,148
C. Investment in PhilWeb	6,405	5,672
	<u>19,751</u>	<u>35,333</u>

In June 2013, the Group sold all of its shares in Sportech plc for €18.2 million. Prior to the sale, the carrying value increased by €1.1 million in the period, and this has been recognised in the available for sale reserve within equity. On disposal, the available for sale reserve of €9.9 million has been transferred to the income statement.

NOTE 9 – LOANS AND BORROWINGS

	30 June 2013	31 December 2012
	€'000	€'000
Current bank borrowings	-	37,970
Non-current bank borrowings	-	31,250
	-	69,220

The loan outstanding at 31 December 2012 was fully repaid in May 2013.

The Group has undrawn committed borrowing facilities available at 30 June 2013 of €35.0 million.

NOTE 10 – DEFERRED AND CONTINGENT CONSIDERATION

	30 June 2013	31 December 2012
	€'000	€'000
Non-current deferred consideration		
Acquisition of PT Turnkey Services Limited	-	26,735
Non-current contingent consideration		
Acquisition of Intelligent Gaming Systems Limited	-	400
Acquisition of Mobenga AB Limited	-	15,426
	-	42,561

	30 June 2013	31 December 2012
	€'000	€'000
Current deferred consideration		
Acquisition of PT Turnkey Services Limited	62,204	69,015
Acquisition of Intelligent Gaming Systems Limited	-	734
Acquisition of Mobenga AB Limited	13,592	-
Acquisition of Intelligent Gaming Systems Limited	563	-
	76,359	69,749

NOTE 11 – ACQUISITIONS IN PRIOR PERIOD

Acquisition of Geneity Limited

On 23 January 2012, the Group acquired 100% of the shares of Geneity Limited (hereinafter "Geneity"). Geneity is a provider of e-gaming software products, focused primarily on the sportsbook and lottery sectors.

The Group paid an initial consideration, including working capital adjustment, of €15.1 million (£11.4 million) in cash of which €4.7 million (£4.0 million) is held in escrow for 30 months. A further €4.7 million (£4.0 million) was also being held in escrow to be released subject to certain agreed deliverables being met. These deliverables were met in September 2012.

NOTE 12 – RELATED PARTIES AND SHAREHOLDERS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial or operational decisions, or if both parties are controlled by the same third party.

Netplay TV plc, Skywind Holdings Limited ("Skywind") and Anise Development Limited ("Anise") are related by virtue of a common significant shareholder.

Sportech PLC is related by virtue of a common Non-executive Director. WH Online, Sciplay and International Terming Leasing (“ITL”) were or are associates of the Group.

The following transactions arose with related parties:

	30 June 2013	30 June 2012
	€'000	€'000
Revenue including income from associate		
Sportech	1,204	671
Netplay TV plc	2,108	1,604
Skywind	300	-
WH Online	26,095	38,730
Share of profit/(loss) in joint venture		
ITL	197	76
Sciplay	-	(164)
Operating expenses		
Anise	493	165
Skywind	3,000	333

NOTE 13 – CONTINGENT LIABILITIES

The Group is not a gaming operator and does not provide gaming services to players. As part of the Board’s ongoing regulatory compliance process, the Board continues to monitor legal and regulatory developments and their potential impact on the Group.

Management is not aware of any contingencies that may have a significant impact on the financial position of the Group.

NOTE 14 – POST BALANCE SHEET EVENTS

On 11 July 2013, the Group acquired 100% of the shares of PokerStrategy.com Limited and certain of its fellow subsidiaries (hereinafter “PokerStrategy”).

PokerStrategy operates one of the world’s largest poker affiliate businesses, targeting European markets and utilising an online poker school and player community with the goal to ultimately increase player value.

The Group paid total cash consideration of €38.3 million, subject to working capital adjustment.

Given the date of the acquisition, the initial accounting for the acquisition is incomplete at the time the financial statements were authorised for issue. Accordingly, management have not yet identified the fair value of net assets acquired.

