Playtech plc

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

Interim Results for the six months ended 30 June 2014

Excellent financial performance; major turnkey agreements won in key markets

Playtech (LSE: PTEC) today announces its unaudited interim results for the six months ended 30 June 2014 (the “Period”) and a trading update for the period to 28 August 2014.

Financial highlights

- Total revenues up by 21.2% to €214.4 million (H1/13: €176.8 million)
- Adjusted EBITDA* up 28.2% to €97.6 million (H1/13: €76.2 million)
- Adjusted Profit* up 44.8% to €96.8 million (H1/13: €66.8 million); reported profit attributable to the owners of the parent €75.6 million (H1/13: €413.6 million including gain on sale of 29% stake in William Hill Online)
- Adjusted EPS* up 45.4% to 33.3 € cents (H1/13: 22.9 € cents)
- Increased interim dividend of 8.9 € cents per share (H1/13: 7.8 € cents per share)
- Cash balances at 30 June 2014 of €366.0 million (30 June 2013: €576.2 million) following payment of special dividend

* Adjusted numbers exclude 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, share of profit from associate, 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.

Operational highlights

- Completion of Ladbrokes migration to Playtech's full product suite and IMS infrastructure at the end of April
- Signed agreement with Holland Casino for the provision of casino, Live casino, bingo and poker ahead of forthcoming regulations in the Netherlands, following a competitive tender
- Completion of roll-out of first to market Coral Connect multi-channel solution converging retail, online and mobile
- Signed significant turnkey white-label arrangement with Trinity Mirror
- Joined Gaming Standards Association as a platinum member and chair of the GSA's Online Gaming Committee
- Playtech named Best iGaming Software Provider Award at the International Gaming Awards

Post Balance sheet events

- Signed two landmark full turnkey agreements with a major media brand in Italy and with Caliente, the largest Mexican gambling group
- Set to become the principal software provider to BGO, a new and fast growing UK operator; will invest £10 million for a 33.3% equity stake
- Soft launch of web and mobile casino for Sky Bet; full launch of Live casino expected soon
- Launched dedicated Live casino service for Ray from licensee owned environment in Helsinki

Current trading and outlook

Daily average revenues for the first 59 days of Q3/14 are up over 21% versus the comparable period and down approximately 2% from Q2/14 due to Q3 being a traditionally quieter quarter, ahead of management’s expectations. Management is confident of exceeding current market expectations for the full year.

Alan Jackson, Non-executive Chairman, said:

“Playtech’s vision has allowed the Company to cement its position as the world’s leading supplier of technology and services in the online gambling industry. During the first six months of the year, Playtech continued to improve the way it develops its products, while growing revenue to an all-time high and managing its cost base, to again deliver an outstanding set of interim results. With an emphasis on customer needs and player experience, Playtech has added supplementary features to its web, mobile, land-based and live offering and continues to capitalise on its customer focused strategy.

“Our strategy for future success concentrates on improving and diversifying the quality of earnings with an emphasis on opportunities in regulated and soon to be regulated markets. Recent announcements of landmark turnkey agreements in three important regulated markets, combined with additional significant licensing agreements, such as Holland Casino and extensions of existing relationships, including Sky, reflect the Group’s ability to execute on its strategy and creates the building blocks for future growth.

“Playtech is the supplier of choice to the global online gambling market and we look to the future with confidence and optimism.”

– Ends –

The Company will hold a presentation for analysts at 9.30 am on Thursday, 28 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 0503
Dial-in no US: +1 212 444 0412
Conference ID: 9770057

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

Further information

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This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements. Any forward-looking statements in this announcement reflect Playtech’s view with respect to future events as at the date of this announcement. Save as required by law or by the Listing Rules of the UK Listing Authority, Playtech undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect events or circumstances after the date of this announcement.

Chairman's statement

During the first six months of the year, Playtech again delivered an outstanding performance, recording double digit growth: total revenues increased 21.2% to €214.4 million, Adjusted EBITDA increased by 28.2% to €97.6 million, and Adjusted Profit grew 44.8% to €96.8 million. These results demonstrate that Playtech's vision has cemented its position as the world's leading supplier of technology and services in the online gambling industry.

Playtech's impressive interim results have been achieved through the continued growth of its flagship casino product; strong growth in mobile gaming; the development of new and existing licensee relationships; and expanding our regulated markets presence. Accordingly, I am pleased to announce that the Board has declared an interim dividend of 8.9 € cents per share (H1/13: 7.8 € cents, which was already above the Group's dividend policy level following the disposal of the 29% stake in William Hill Online in that period), an increase of 14.1%.

The Group is a highly cash generative business with a proven ability to consistently drive value through successful acquisitions, joint ventures and strategic partnerships, such as those announced today with Trinity Mirror, Caliente and a major media brand in Italy. Cash balances at 30 June 2014 were €366.0 million (30 June 2013: €576.2 million). Following the payment of a substantial special dividend of £100 million in March 2014, the Company and its advisers continue to review the most effective use of its cash resources, assessing the potential for further strategic activity, with a particular focus on growing Playtech's presence in regulated and soon to be regulated markets, via bolt-on or more strategic acquisitions and partnerships that will also drive shareholder value in the short to medium term.

Playtech continues to monitor global regulatory developments as governments around the world increasingly appreciate the revenue potential of regulating online gambling. The Company is well positioned to benefit from opportunities in a geographically diverse range of regulated markets such as Italy, France, Spain, Estonia, Finland, Belgium, Denmark, Mexico and Puerto Rico; and soon-to-be-regulated markets such as the Netherlands, Switzerland, South Africa and more. Playtech monitors legislative and regulatory change and anticipates further positive regulatory developments in other markets where its licensees are active.

As the business continues to grow, access to Playtech's equity becomes more important for new and existing investors. It was therefore pleasing to see Playtech's largest shareholder, Brickington Trading Limited, released 45.0 million shares from its holding, increasing the Company's free float.

As market leader, it is appropriate that the Company should be at the forefront of developing industry operating standards; accordingly Playtech joined the Gaming Standards Association and chairs its Online Gaming Committee.

Playtech has an exceptional management team and the executives and Board are confident there are significant growth opportunities ahead for Playtech and remain focused on the Company's future prospects and continued growth and progress in 2014 and beyond.

Chief Executive's review

Overview

Playtech has again delivered a strong performance, driven principally by excellent growth in casino; sport, boosted by the World Cup; and multi-channel expansion, as mobile gambling gains further traction. Over a busy first half of the year, the Company continued to enhance its product offering, expanded its reach into newly regulating markets through new licensing agreements and secured full turnkey solution agreements, including two landmark structured contracts with Caliente and with a major media brand in Italy.

The Group continued to perform strongly, achieving growth of 21.2% in total revenue and 28.2% in Adjusted EBITDA. Playtech's organic growth accounted for approximately 8% of revenue growth, while new business, mostly driven by Ladbrokes, accounted for close to 6%. The balance is attributable to acquisitions, predominantly PokerStrategy, which was acquired last July, and performed well in a challenging poker environment.

Strategy

The Company has continued to build its industry-leading position as the most sophisticated, integrated offering across all channels and product verticals. In the first half of the year, the pre-eminent technology that underpins the Group's products was enhanced to include a data-driven personalised front end portal that significantly improves the player journey. It includes better marketing tools; player value prediction tools; additional player notification tools that allow operators to communicate with players outside their inbox; and innovative methods to reduce player attrition. These tools further enhanced the group's turnkey solutions as the combination of innovative technology, operational knowledge and gambling expertise position the Company as the natural choice for operators in newly regulating markets.

This integrated offering enables Playtech to take advantage of a number of significant industry growth trends: the increasing penetration of mobile gambling; the ever increasing importance of cross-selling; the continued convergence of betting and gaming across online and land-based channels and further efforts by local gaming companies and media groups to penetrate regulated and soon to be regulated jurisdictions.

Mobile gambling is a core element of Playtech's growth strategy as it becomes an increasingly important channel in both existing and newly regulating markets. The global growth in mobile gambling is supported by technological evolution such as the rollout of 4G services, as well as the increasing willingness and confidence of consumers to transact via their mobile devices. Over the first half of the year, Playtech's mobile revenue grew 56%, driven principally by the casino vertical, which almost doubled. Mobile now represents over 10% of overall revenue and is expected to remain a significant driver of future growth.

Playtech's platform and its in-house developed games optimise performance and player experience across the range of mobile devices and operating systems. This enables a seamless player journey across all channels, including web, tablets, smartphones and retail. The Group is uniquely positioned with the most extensive portfolio of mobile products covering sports; a large library of mobile games; casino and Live casino; bingo and poker, all offered in HTML5, native iOS and Android. The Playtech mobile platform enables both sports betting and gaming within the same application, creating cross-product sales opportunities for operators that accommodate player expectations and maximise player values. Playtech's integrated technology platform enables licensees to rapidly deploy a mobile channel to their current offering, and capitalise on this rapidly evolving market opportunity.

One of the Company's main priorities in the last six months was the roll out of Coral Connect, a unique converged retail and web offering for over 1,700 betting shops. This multi-channel offering enables players to use a single balance to bet or play across sports and gaming products in shop, on the web, by tablet or on smartphones. The offering provides the consumer with a seamless experience across all channels, improving the player experience and customer journey. Further take-up of Playtech solutions for land-based operators is a key growth driver for the Group as different governments adopt it as the preferable route forward.

Regulated markets continue to be the core strategic focus for the Group. Revenue from regulated markets improves the Group’s quality of earnings, particularly so with sport, which is generally regulated prior to other product verticals. Many operators across Europe and elsewhere have reached the limit of their in-house technological ability, so seek a strategic partner with a strong technical solution that answers their current and future technological needs; others will seek a software and service provider that offers them not only a software solution but also access to unrivalled sector expertise. Playtech is unique in offering a best-in-class multi-channel technical solution including land-based, online and mobile formats, supported by operational expertise and know-how with a proven track record.

Licensees and regulated markets

A significant part of new business growth over the first half resulted from Ladbrokes launching Playtech’s full service offering at the end of April. Playtech also supports Ladbrokes reach into developing markets such as Belgium and Spain, powering Ladbrokes retail, online and mobile initiatives.

Key customer wins during the past six months include Holland Casino, the largest Dutch land-based gaming operator, in advance of regulation of the Dutch online gambling industry, which is expected to occur early in 2015. The deal will provide Holland Casino with Playtech's entire gaming product suite including casino, Live casino, poker, bingo, mobile and portal.

Following the end of the period, Sky Bet extended the product portfolio taken from Playtech by soft launching Playtech’s online and Live casino products. Sky Bet is one of the largest and fastest growing operators in the UK.

At the time of the PTTS acquisition, we laid out how the future of online gambling services would increasingly involve wider service provision and integrated that thinking into our strategy. The importance of operational capabilities and best-in-class technology is becoming ever more evident in regulated markets. Delivery of the Company’s strategy is evidenced by three significant new partnerships for turnkey solutions, struck with Caliente for South America, Trinity Mirror for the UK and a major media brand in Italy. Playtech’s market-leading ability to provide both technology and services on a B2B basis is a significant competitive advantage – and will remain so in the future.

Africa presents Playtech with a number of small opportunities given that regulation is expected imminently in a number of countries across the region. The first new contract is expected shortly, while the Company deepens its relationships in the continent.

Looking further ahead, initial estimates in from the US from states that are already regulated are below market expectations and the Group stands by its decision to wait until market opportunities are evident. The US retains potential, and Playtech will consider targeting those opportunities that are considered to be commercially attractive.

New structured deals

Playtech is pleased to announce the signing of two structured deals for the provision of full turnkey solutions for the Italian and South American markets respectively, following the agreement with Trinity Mirror announced in June.

The first transaction is with Caliente, the largest land-based gambling group in Mexico with around 40 casinos and sports betting locations. It will see the group providing its retail sports betting software to 140 locations in Mexico and to 50 locations in 11 other countries across South America for a minimum period of 10 years and developing Caliente’s existing online business under a turnkey agreement.

Under the long term turnkey arrangement, Playtech will provide its full suite of both online and mobile products and a full range of operational services in order to grow Caliente’s existing online business. In addition to software royalties, Playtech will also be paid income on a performance basis for the provision of these services.

The second agreement is with a major Italian media brand in an exclusive commercial relationship, for a minimum of five years, where Playtech will provide the technology and operational sports betting and gaming expertise for the launch of a new website for the Italian market, and the group behind the brand will support the venture with its extensive marketing assets, in print and online and through multiple channels including social media, native mobile apps, and sponsorship.

Further partnership agreements will be based around a comprehensive software offering and are expected to earn a continual stream of revenue on an annual basis, with the possible injection of upfront cash by both parties so as to stimulate marketing efforts and fund working capital requirements. These contracts do more than provide a financial upside; they give greater control over our future, ensure we have the best commercial arrangements in all key regulated markets and create greater liquidity for the entire Playtech ecosystem.

Casino

Playtech's flagship casino product was again the key driver of company growth and within the vertical, growth in the first half of the year was broad-based, with core casino up by 31%, mobile by 94% and live by 18%. Organic growth was strong augmented by new business, including Ladbrokes and continued growth in Asia.

Playtech released 56 of its own new games during the first six months of the year, and made available 60 new third party games on its open platform. Overall, 116 games were rolled out during the first six months of the year (H1/13: 84).

Playtech's core casino product retains its pre-eminent, market-leading position. This Company maintains this with a continuous investment in new games, the best of third party content and specific content targeted at local markets, through an open platform given the global reach of Playtech's casino. Given its importance, Playtech's casino is supported by the best back end platform in the industry, specifically designed for the purpose of supporting operators. New enhanced Business Intelligence ("BI") tools were developed and launched for the IMS and the licensees that have chosen the new tools are beginning to see the benefit to themselves and players.

Casino games are now developed using state-of-the-art technology, which allows their simultaneous release for web and all mobile formats to support that rapidly growing segment.

Agreements already signed this year with Holland Casino, Sky Bet, Trinity Mirror, Caliente and a major media brand in Italy secure future casino growth, while additional regulating markets provide further opportunities over a longer term horizon.

Services

Regulatory changes and newly regulated markets across Europe, South America, Africa and elsewhere continue to create major opportunities for existing betting and gaming companies and for companies with an understanding of local market, such as media groups. Given the experience of various companies in such markets it is understood, more than ever, that online gambling operations are significantly different from those companies' existing core, land-based, operations and totally different in the case of media groups, hence requiring different technologies and skillsets. As further markets regulate, it is evident that only the combination of best-in-class technology, skills and expertise will enable local operators to leverage their brand recognition and local presence into a successful online operation.

Enhancements launched so far this year, include boosting player acquisition and retention tools, which have produced significant results for licensees. Algorithms are now better able to predict player value from sign-up; more accurately segment the player base, manage the player relationship better and reduce attrition rates, thereby lowering overall player acquisition cost and increasing player values. The close cooperation between our services division and our development teams allows for continuous enhancement of the functionality and tools offered by our systems, cementing Playtech's market-leading position.

The focus of the services division will continue to be on those companies without an online presence who wish to enter the online gambling market by gaining immediate access to a powerful combination of technology and sector expertise. These companies include retail-based operators, newly formed companies in regulating markets, media companies or land-based casino groups.

Bingo

The bingo market is undertaking a significant transformation, with large sports brands turning to bingo as a player acquisition tool, and then cross-selling players to casino games within the bingo product. Accordingly, while this places pressure on bingo revenue for some operators in the market, the wider casino offering benefits from this trend. As a result, over a third of a bingo player's lifetime value is being generated from casino games.

During the first half of the year, Playtech turned its focus to the broader 'white label' segment of the market, winning and launching the two key brands of the Trinity Mirror media group onto Playtech’s bingo platform. Playtech will be pursuing further deals of this type.

The Group also further developed its mobile and tablet bingo offerings, which grew over 30% on the comparable period. Playtech is planning to launch four new games every week for the remainder of the year for all channels via Playtech’s open platform, where such games are currently offered through other open platform content providers.

Playtech remains focused on working with its licensees to create market-leading network promotions, continuing to improve bingo content across all distribution channels and to expand the bingo product vertical geographically into newly regulating jurisdictions.

Recognising the innovative nature of the product, Playtech was awarded 'Best Online Bingo Software' at the recent ‘WhichBingo Awards’.

Sport

During the first six months of the year, Playtech focused on the completion of its unique multi-channel offering that supports the convergence of land-based and online gambling, which was successfully launched with Coral in the period. Playtech is the only company with an all-encompassing offering enabling online and land-based sport betting via the use of a connect card log-in on FOBTs, SSBTs, BiP (Bet in Play) and in-store tablets as well as web and mobile. Player response has been excellent, attracting many new customers for the licensee.

The performance of Playtech’s sports platform over major sporting events this year has been incredibly satisfying, and the technology is now seen by industry leaders to be robust, capable of delivering all features and a credible alternative to existing providers. This gives Playtech significant future opportunities as operators look to update their outdated sport technology.

Following the launch of Ladbrokes in Spain and Belgium, Playtech won turnkey contracts with Caliente in South America and with a major media brand in Italy. The Group’s focus remains on using the sport channel as a way into existing and newly regulating markets, particularly in Africa, where sports betting is growing strongly.

Land-based

The expansion of Videobet into other markets outside the UK remains a key focus for the Group, and it is attracting significant attention from other potential customers following the successful deployment for coral of Playtech's cross-channel solution, that relies on the capabilities of the Videobet platform.

Playtech’s management believes that as European operator’s existing technology reaches the end of its cycle, many will be seeking a new strategic technology partner. Against a backdrop of tightening regulation, operators look for a supplier that can provide both a first class land-based solution with a proven track record in developed countries such as the UK, and top-notch betting and online gaming products – preferably channel agnostic – that can be integrated and connected to legacy systems.

A further emerging trend is for existing online customers to approach Playtech seeking to extend their relationship to their land-based estate. This is in order to create multi-channel opportunities that provide a seamless customer journey using a single user name and password, giving a familiar experience and the same content.

The increase in non-UK terminals supplied, and the majority of UK-deployed terminals being on a fixed fee basis, ensure that forthcoming UK tax changes are unlikely to have a material impact on Playtech.

In casino management, Playtech was selected by Genting to provide its solution in its 41 UK casinos. Playtech also expanded its relationship with MSC Cruises, who have ordered the Neon™ casino management system for its newest ship, bringing to five the total number of MSC boats supplied.

Poker

Playtech continued to invest in its iPoker® network, which remains the leading independent poker network, by working with operators to devise a new rake distribution structure to protect them from cannibalising players within the network, which is expected to be rolled out in H2/14. This development is expected to encourage operators to invest into poker and therefore improve the ecology of the poker market, with the intention of boosting overall poker revenues through innovation and structural improvements to the offering.

In addition, the cost of player acquisition for participants in the network has further reduced due to initiatives launched by PokerStrategy.com.

Poker remains a small, but important, element of our overall offering, and given some of the changes in the market, there may be short to medium opportunities to expand the licensee base.

Other Investments

Playtech is about to sign a software licensing and investment deal with BGO, the fast-growing Alderney-licensed operator launched in late 2012.

As well as a long-term contract to supply its full software product range to BGO, Playtech has agreed to invest £10 million in BGO in exchange for a 33.33% equity stake on customary terms. The monies invested will be used primarily to fund BGO's innovative marketing strategy.

BGO's founders are the highly experienced gambling marketing entrepreneurs, who recently sold their Costa Bingo and Casino Choice business to Intertain Group. BGO's management team is led by Ohad Narkis, a long-standing gaming industry executive.

Outlook

Daily average revenues for the first 59 days of Q3/14 are up over 21% versus the comparable period and down approximately 2% from Q2/14 due to Q3 being a traditionally quieter quarter, ahead of management's expectations. Management is confident of exceeding current market expectations for the full year.

Financial and operational review

Playtech reported an excellent set of results for the six month period to 30 June 2014. Total revenue increased by 21.2% to €214.4 million (H1/13: €176.8 million), Adjusted EBITDA was up by 28.2% to €97.6 million (H1/13: €76.2 million) and Adjusted Profit attributable to owners of the parent was €96.8 million (H1/13: €66.8 million), up 44.8% on the comparable period complemented by forex gains on cash held.

The directors believe that in order to best represent the underlying trading performance and results of the Group, the reported numbers should exclude 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, share of profit from associate, 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 therefore that Adjusted Profit represents more accurately the underlying trading performance of the business and is the key performance metric used by the Board when assessing the Group's financial performance. A full reconciliation between the actual and Adjusted results is provided in Note 4 below.

When excluding acquisitions made in the last 18 months, Adjusted EBITDA was up 19.5% to €91.1 million (H1/13: €76.2 million), which was also complemented by the appreciation of foreign exchange rates. On the same basis, Adjusted Profit attributable to owners of the parent was €90.9 million (H1/13: €66.8 million), up 36% on the comparable period. The percentage increase in Adjusted Profit is higher than the increase in Adjusted EBITDA, mainly due to exchange rate differences amounting to €11.2 million profit (H1/13: €2.3 million loss), in relation the Group's significant sterling cash deposits.

Adjusted earnings per share ("Adjusted EPS") and diluted Adjusted EPS, increased by 45.4% and 46.5% to 33.3 € cents and 33.1 € cents respectively (H1/13: 22.9 € cents and 22.6 € cents), flattered marginally by the establishment of an employee benefit trust during the period.

Playtech remains highly cash generative, with an operating cash to Adjusted EBITDA conversion rate slightly over 100% for the first six months of 2014 (H1/13: over 100%), reflecting the strength of the Group's business model as repeatedly shown over the years. Cash and cash equivalents on 30 June 2014 was €366.0 million (30 June 2013: €576.2 million), following, in the first half, payment of the final and special dividend of €166.2 million, the purchase of €48.5 million of shares for the employee benefit trust and the final instalment of deferred consideration for PTTS of €28.0 million.

Revenue analysis

Total revenue increased by 21.2% to €214.4 million (H1/13: €176.2 million), 7.8% of the increase as a result of organic growth, including strong growth in casino in Asia, mobile casino and sports. New business, defined as new licensees or additional products sold to existing licensees in the preceding 18 months, contributed an additional 5.7%, which includes Ladbrokes, Paddy Power Live, Gala Coral and others. The remaining 7.7% of revenue growth was derived from acquisitions, predominantly being PokerStrategy.

Six months ended €m	**30 June 14**	**30 June 13**	**Change %**
Casino	116.2	90.3	28.7%
Services	61.3	51.6	18.7%
Sport	12.3	9.1	34.9%
Bingo	8.4	9.3	(9.4%)
Poker	7.4	8.0	(7.6%)
Land-based	5.8	5.7	2.2%
Other	3.0	2.8	4.4%
Total	**214.4**	**176.8**	**21.2%**

Casino continued to be the key driver of growth, and contributed €116.2 million (H1/13: €90.3 million), an increase of 28.7% over the same period in the prior year, driven by Ladbrokes, Gala Coral, Paddy Power live and casino, and organic growth in Asia. Approximately 70% of the growth in casino was attributable to core web casino, mainly consisting of slots and roulette, with the remainder attributable to mobile (19%), Live (10%) and premium content (1%).

Services revenue increased by 18.7% to €61.3 million (H1/13: €51.6 million), mostly due to the acquisition of PokerStrategy, which contributed €12.1 million during the first half of 2014 (H1/13: nil as it was acquired in July 2013). Excluding acquisitions, services revenue decreased 7.4%, mainly as a result of licensees re-evaluating their regulatory focus. It is important to note that when compared to H2/13, both revenue including and excluding acquisitions, increased by 2.9% and 2.7% respectively showing a positive trend. These numbers are prior to any contributions from new business including the new structured deals indicated in today's statement or the services agreement with Ladbrokes.

Sports revenue continued to grow strongly, increasing by 34.9% to €12.3 million (H1/13: €9.1 million). Mobile sports grew 31%, and comprises 84.6% of total sport revenue. Sports on web grew 57.3% mainly driven by the World Cup, and continues to be a major focus for future growth.

Bingo revenue was down 9.4% to €8.4 million (H1/13: €9.3 million), impacted by certain larger licensees opting to take further product verticals and the associated change in royalty structure, reduced marketing, in each case partially mitigated by an appreciation of sterling against the euro. On a constant currency basis, bingo decreased 12.7% over the comparable period. Mobile bingo accounted for 13.1% of total bingo revenue (H1/13 9.1%). In addition, bingo side games, which are reported under the casino line item, contributed an additional €5.4 million, representing a total bingo contribution of €13.8 million (H1/13: €14.7 million) to revenue.

Poker revenue was €7.4 million (H1/13: €8.0 million), down 7.5% reflecting continued market trends, however, revenue generated in H1/14 was up 10.9% compared to H2/13. In addition, poker side games, which are reported under the casino line item, contributed an additional €2.2 million, representing a total poker contribution of €9.6 million (H1/13: €11.3 million) to revenue.

Land-based revenue was €5.8 million (H1/13: €5.7 million), a marginal improvement over the prior year. The UK proportion of revenue was 71% (H1/13: 83%) reflecting increased diversification in this vertical. The impact to the current profit share element of revenue, which will be impacted by changes to UK regulation in March 2015, was not anticipated by management to be material.

In the first half, the mobile channel, including Mobenga's mobile sports offering, mobile casino, mobile bingo, and also mobile poker, increased by 53.2% to €21.8 million (H1/13: €13.8 million) and now accounts for more than 10% of overall revenue. Sport remains the primary product vertical for mobile, and increased 31.4% over the comparable period, enjoying significant organic growth driven by the World Cup. Mobile casino, which is now almost as large as mobile sports, increased 94.2% over the comparable period to €10.2 million, as popular web content is deployed on different forms of mobile operating systems and further market penetration is achieved. Management believes that mobile is still in its infancy and presents a major platform for future growth.

Revenue – share of geographical diversity

Six months ended	**H1/14**	**H1/13**
Europe	57%	64%
Asia	34%	24%
Rest of the world	9%	12%

Adjusted EBITDA

€000	**H1/14**	H1/13
EBITDA	**95,775**	444,218
Employee stock option expenses	275	696
Decline in fair value of available for sale investments	1,520	-
Gain on sale of available for sale investments	-	(9,909)
Gain on sale of investment in WHO	-	(340,819)

Professional expenses on acquisitions	27	52
Share of profit of WHO	-	(18,086)
Adjusted EBITDA	**97,597**	76,152
Adjusted EBITDA margin	**45.5%**	43.1%

The adjusted EBITDA margin was 45.5% (H1/13: 43.1%, FY/13: 43.4%). The following elements contributed to the increase in margin: increased capitalised development costs (80 bps); the appreciation of sterling versus the euro (60 bps); reduced revenue-driven costs (30 bps); the acquisition of PokerStrategy (30 bps); and certain one-off non-recurring costs in the prior period (40 bps).

Cost of operations

Adjusted operating expenses, before depreciation and amortisation were €116.8 million (H1/13: €100.7 million). The increase was mostly due to an increase in employee-related costs primarily related to the acquisition of PokerStrategy, and further expansion in mobile and sports operations.

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 8.0% from 10.8%, mostly as a result of revenue growth not associated with direct revenue-driven costs, in addition to a buy-out of reseller rights made in the second half of 2013.

Employee-related costs were €62.7 million (H1/13: €49.7 million), net of capitalised development costs of €11.2 million (H1/13: €7.5 million). Employee-related costs increased 26.0% over the prior period mostly as a result of the acquisitions of PokerStrategy and Eurolive. Excluding acquisitions, employee costs were €56.3 million. The increase in capitalisation rate is attributable to further development in areas of new content, Coral Connect multichannel solution, mobile, such as mobile live, further mobile casino games, mobile poker and other innovative solutions. Employee costs as a proportion of adjusted operating expenses excluding revenue-related costs remained flat.

Administration and office costs increased mainly due to the acquisition of PokerStrategy, and partly due to further costs relating to new offices in Ukraine and Israel. Travel, exhibition and marketing cost as a proportion of adjusted operating expenses excluding revenue costs, fell from 5.7% to 4.8%, mainly due to cost targeting initiatives implemented by the Group.

Playtech remains focused on managing cost inflation and creating efficiencies across the business.

Analysis of Adjusted operating expenses

	H1/14 €'000		H1/13 €'000	
Adjusted operating expenses	116,762		100,680	
Revenue-driven costs	17,056	8.0%	19,073	10.8%
Adjusted operating expenses excluding revenue-driven costs	99,706		81,607	
Employee-related costs	62,663	62.8%	49,745	61.0%
Administration and office costs	10,483	10.5%	8,424	10.3%
Travel, exhibition and marketing costs	4,790	4.8%	4,627	5.7%
Cost of service	14,357	14.4%	11,489	14.1%

Other costs	7,412	7.4%	7,321	9.0%

Finance income, financial cost and tax

Net finance income was €11.6 million (H1/13: €2.7 million loss), €11.2 million of which was in relation to foreign exchange movements, mainly on large sterling balances held. The remainder was due to other interest income and dividends received from investments held.

The Company is tax registered, managed and controlled from the Isle of Man, where the corporate tax rate is set at zero. The Group's trading subsidiaries are registered either in the Isle of Man, British Virgin Islands, Alderney, Gibraltar or Cyprus, where effective tax rates are low or set at zero. Other subsidiaries (normally related to the Group's development centres) are located in other jurisdictions and operate on a cost plus basis, and are taxed on their residual profits.

The tax charge in the first six months of 2014 was €1.3 million (H1/13: €1.0 million). The effective tax rate, excluding the finance costs on the movement in consideration was 1.7% (H1/13: 1.3%).

Profit and earnings per share

Reported profit attributable to owners of the parent for the first six months of 2014 was €75.6 million (H1/13: €413.6 million). Adjustments to arrive at Adjusted Profit attributable to owners of the parent, as stated in the table below, include the amortisation on acquisitions of €19.2 million, the movement in fair value of available for sale investments amounting to €1.5 million and other smaller items.

Reported EPS for the half year was 26.0 € cents based on a weighted average number of shares of 290.3 million (H1/13: 141.8 € cents, 291.6 million shares). Diluted EPS for the period was 25.9 € cents, based on a weighted average number of shares of 292.2 million (H1/13: 139.9 € cents; 295.7 million shares). Adjusted basic EPS, was up 45.4% to 33.3 € cents (H1/13: 22.9 € cents).

Adjusted Profit and adjusted earnings per share

	H1/14 €'000	H1/13 €'000
Profit attributable to owners of the parent	75,612	413,642
Amortisation on acquisitions	19,186	16,480
Amortisation of investment in William Hill Online	-	1,671
Finance costs - movement in deferred and contingent consideration	147	1,782
Employee stock option expenses	275	696
Professional costs on acquisitions	27	52
One-off provision against irrecoverable cash	-	1,330
Changes in fair value of available for sale investments	1,520	-
Gain on sale of available for sale investments	-	(9,909)
Gain on sale of investment in WHO	-	(340,819)
Share of profit of WHO	-	(18,086)
Adjusted Profit attributable to owners of the parent	96,767	66,839
Adjusted basic EPS (in euro cents)	33.3	22.9
Adjusted diluted EPS (in euro cents)	33.1	22.6

Amortisation on acquisitions of €19.2 million (H1/13: €16.5 million) comprises amounts relating to Tribeca (€1.6 million), Virtue Fusion (€1.7 million), GTS (€0.7 million), PTTS (€9.6 million), Ash Gaming (€0.6 million), PokerStrategy (€4.2 million) and other acquisitions. The majority of 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. Cash and cash equivalents as at 30 June 2014 were €366.0 million (30 June 2013: €576.2 million). The decrease in period end cash is mostly due to the payment of the special dividend declared in Q1/14 as well as the final dividend for 2013, cumulatively amounting to €166.2 million, the purchase of €48.5 million of shares for the employee benefit trust and the final instalment of the deferred consideration for PTTS of €28.0 million. Partially offsetting these outflows was an exchange rate gain, providing an inflow of €11.2 million (H1/13: €2.3 million outflow).

In the six month period, the Group generated €98.6 million of cash from operating activities (H1/13: €89.3 million), reflecting cash conversion rate from adjusted EBITDA at over 100%.

The Group's cash outflow from investing activities was €60.7 million (H1/13: €483.5 million inflow), consisting of acquisition payments of €29.8 million (H1/13: €37.7 million), of which €28.0 million related to the final payment of the PTTS accelerated contingent consideration, and €12.6 million (H1/13: €8.5 million) related to capitalised development costs.

Cash outflow from financing activities was €210.6 million (H1/13: €115.1 million), mostly comprising the payment of the Q1 2014 special dividend and the 2013 final dividend together amounting to €166.2 million (H1/13: €45.0 million relating to the 2012 final dividend), and the purchase of the employee benefit trust shares amounting to €48.5 million.

Balance sheet

At 30 June 2014, cash and cash equivalents were €366.0 million (30 June 2013: €576.2 million). Trade receivables were €45.7 million (30 June 2013: €39.3 million).

Intangible assets as at 30 June 2014 were €385.4 million (30 June 2013: €360.4 million), of which €169.3 million comprised assets acquired from PTTS (30 June 2013: €190.2 million), and the remainder relate to assets and associated goodwill from the acquisitions of Tribeca, GTS, VF, IGS, Mobenga, Ash Gaming, Geneity, Juego Online and PokerStrategy; patent and other intellectual property rights and development costs of new games and products.

Available for sale investments were €26.7 million (30 June 2012: €19.8 million) comprising the Group's investments in quoted equities.

Investments in equity-accounted associates were €6.8 million (30 June 2013: €4.8 million), related to the investment in ITL.

Deferred consideration at 30 June 2014 was €1.0 million (30 June 2013: €76.4 million).

Dividend

The Board has a stated policy of paying out 40% of adjusted net profit by way of dividend; approximately one-third as an interim dividend and two-thirds as a final dividend. In May this year the Group paid a final dividend for 2013 of €45.2 million, representing 15.4 € cents per share.

The Board has declared an interim dividend in respect of 2014 of 8.9 € cents per share (2013: 7.8 € cents per share, which was already above the Group's dividend policy level following the disposal of the 29% stake in William Hill Online in that period) payable on 27 October 2014 to shareholders on the register as at 26 September 2014. For those shareholders wishing to receive their dividends in Sterling the last date for currency elections is 3 October 2014.

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 34 and 35 of Playtech's 2013 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 impacting net earnings;
- competition may lead to loss of customers and revenues;
- the impact of the economic climate may reduce consumer spend on gambling;
- the loss of key personnel may adversely impact operations;
- cash management risks; and
- business continuity and technology risks.

For a discussion of these risks and how they are being addressed, please refer to Playtech's 2013 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:	24 September 2014
Record date for dividend:	26 September 2014
Currency election date:	3 October 2014
Payment date:	27 October 2014

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 as listed in the Group's Annual Report and Accounts for the year ended 31 December 2013, and 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
28 August 2014

Ron Hoffman
Chief Financial Officer
28 August 2014

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Six months ended 30 June 2014		Six months ended 30 June 2013	
	Note	Actual €'000	Adjusted* €'000	Actual €'000	Adjusted* €'000
Revenues	3	214,359	214,359	176,832	176,832
Distribution costs before depreciation and amortisation		(97,986)	(97,736)	(85,432)	(84,880)
Administrative expenses before depreciation and amortisation		(20,598)	(19,026)	(15,996)	(15,800)
Gain on sale of available-for-sale investment	7	-	-	9,909	-
EBITDA before income from associate and gain on sale		**95,775**	**97,597**	**85,313**	**76,152**
Income from associate		-	-	18,086	-
Gain on sale of share in associate		-	-	340,819	-
EBITDA		**95,775**	**97,597**	**444,218**	**76,152**
Depreciation and amortisation		(30,079)	(10,893)	(26,839)	(8,688)
Financing income		12,490	12,490	3,532	3,532
Finance cost - movement in deferred and contingent consideration		(147)	-	(1,782)	-
Finance cost - other		(780)	(780)	(4,427)	(3,097)
Total financing cost		(927)	(780)	(6,209)	(3,097)
Share of (loss)/profit from joint ventures		(388)	(388)	66	66
Profit before taxation		**76,871**	**98,026**	**414,768**	**67,965**
Tax expense		(1,282)	(1,282)	(999)	(999)
Profit for the period		**75,589**	**96,744**	**413,769**	**66,966**
Other comprehensive income for the period:					
Reclassify to profit and loss on sale		-	-	(9,909)	-
Total items that have been classified to profit or loss		-	-	(9,909)	-
Change in fair value of available for sale equity instruments	7	(5,470)	(5,470)	2,653	2,653
Total items that will be classified to profit or loss		(5,470)	(5,470)	2,653	2,653
Total comprehensive income for the period		**70,119**	**91,274**	**406,513**	**69,619**
Profit for the period attributable to:					
Owners of the parent		75,612	96,767	413,642	66,839
Non-controlling interest		(23)	(23)	127	127
		75,589	**96,744**	**413,769**	**66,966**
Earnings per share for profit attributable to the owners of the parent during the period:					
Basic (cents)	5	26.0	33.3	141.8	22.9
Diluted (cents)	5	25.9	33.1	139.9	22.6

Total comprehensive income attributable to:

Owners of the parent	70,142	91,297	406,386	69,492
Non-controlling interest	(23)	(23)	127	127
	70,119	**91,274**	**406,513**	**69,619**

* Adjusted numbers exclude 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, share of profit from associate, 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 €'000	**Available for sale reserve €'000**	**Retained earnings €'000**	**Employee benefit trust €'000**	**Total attributable to equity holders of parent €'000**	**Non-controlling interest €'000**	**Total equity €'000**
Period ended 30 June 2014							
Balance at 1 January 2014	323,187	1,578	596,256	-	921,021	-	921,021
Changes in equity for the period							
Total comprehensive income for the period	-	(5,470)	75,612	-	70,142	(23)	70,119
Dividend paid	-	-	(166,211)	-	(166,211)	-	(166,211)
Purchase of own shares	-	-	-	(48,546)	(48,546)	-	(48,546)
Exercise of options	1,410	-	(3,323)	6,503	4,590	-	4,590
Purchase of share options	-	-	(386)	-	(386)	-	(386)
Employee stock option scheme	-	-	275	-	275	-	275
Balance at 30 June 2014	**324,597**	**(3,892)**	**502,223**	**(42,043)**	**780,885**	**(23)**	**780,862**

	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Period ended 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**

UNAUDITED CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2014 €'000	At 30 June 2013 €'000	At 31 December 2013 €'000 (Audited)
NON-CURRENT ASSETS				
Property, plant and equipment		29,281	18,658	21,835
Intangible assets		385,388	360,385	393,121
Investments in equity accounted associates & joint ventures		6,845	4,839	1,633
Available-for-sale investments	7	26,671	19,751	33,661
Other non-current assets		19,777	6,070	20,517
		467,962	**409,703**	**470,767**
CURRENT ASSETS				
Trade receivables		48,650	39,289	41,336
Other receivables		20,618	20,639	26,475
Cash and cash equivalents		365,969	576,221	527,394
		435,237	**636,149**	**595,205**
TOTAL ASSETS		**903,199**	**1,045,852**	**1,065,972**
EQUITY				
Additional paid in capital		324,597	319,476	323,187
Available for sale reserve		(3,892)	9,966	1,578
Employee benefit trust		(42,043)	-	-
Retained earnings		502,223	545,803	596,256
Equity attributable to equity holders of the parent		**780,885**	**875,245**	**921,021**
Non-controlling interest		(23)	252	-
TOTAL EQUITY		**780,862**	**875,497**	**921,021**
NON CURRENT LIABILITIES				
Other non-current liabilities		616	212	245
Deferred revenues		7,231	8,802	7,064
Deferred tax liability		4,753	4,913	5,083
Progressive, operators' jackpots and security deposits		15,000	-	15,000
Contingent consideration	8	1,027	**-**	-
		28,627	**13,927**	**27,392**
CURRENT LIABILITIES				
Trade payables		13,929	19,407	21,175
Progressive, operators' jackpots and security deposits		37,592	33,139	33,544
Tax liabilities		1,269	1,777	1,720
Deferred revenues		4,699	3,488	4,741
Deferred consideration	8	-	76,359	28,630
Other payables		36,221	22,258	27,749
		93,710	**156,428**	**117,559**
TOTAL EQUITY AND LIABILITIES		**903,199**	**1,045,852**	**1,065,972**

The financial statements were approved by the Board and authorised for issue on 28 August 2014.

Mor Weizer
Chief Executive Officer

Ron Hoffman
Chief Financial Officer

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2014 €'000	Six months ended 30 June 2013 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after tax	75,589	413,769
Adjustments to reconcile net income to net cash provided by operating activities (see below)	26,539	(322,997)
Income taxes paid	(3,514)	(1,486)
Net cash provided by operating activities	**98,614**	**89,286**
CASH FLOWS FROM INVESTING ACTIVITIES		
Long term deposits and loan advances	(1,555)	(895)
Dividend received from equity-accounted associate	-	22,167
Acquisition of property, plant and equipment	(10,620)	(2,797)
Proceeds from sale of investment in associate	-	492,528
Proceeds from sale of available-for s-le investment	-	18,236
Investment in joint ventures	(7,372)	-
Return on investment in joint venture	1,931	702
Acquisition of intangible assets	(700)	(367)
Acquisition of subsidiaries, net of cash acquired (see below)	(29,826)	(37,734)
Capitalised development costs	(12,562)	(8,548)
Proceeds from sale of property, plant and equipment	-	193
Net cash provided by/(used in) investing activities	**(60,704)**	**483,485**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the holders of the parent	(166,211)	(45,045)
Purchase of share options	(386)	(9,849)
Purchase of own shares	(48,546)	-
Repayment of bank borrowings	-	(69,220)
Exercise of options	4,590	9,007
Net cash used in financing activities	**(210,553)**	**(115,107)**
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(172,643)	457,664
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	527,394	120,880
Exchange gains/(losses) on cash and cash equivalents	11,218	(2,323)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**365,969**	**576,221**

	Six months ended 30 June 2014 €'000	Six months ended 30 June 2013 €'000
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Income and expenses not affecting operating cash flows:		
Depreciation	4,540	4,250
Amortisation, including amortisation of intangibles in associate	25,539	22,589
Income from associate	-	(18,086)
Share of net (profit)/loss in joint ventures	388	(66)
Gain on sale of available-for-sale investment	-	(9,909)
Decline in fair value of available-for-sale investment	1,520	-
Gain on sale of investment in associate	-	(340,819)
Employee stock option plan expenses	275	696
Income tax expense	1,282	989

Exchange (gains)/losses on cash and cash equivalents	(11,218)	2,323
Movement in deferred and contingent consideration	147	1,782
Others	1	8
Changes in operating assets and liabilities:		
(Increase)/decrease in trade receivables	(6,804)	8,495
Decrease/(increase)in other receivables	4,721	(978)
(Decrease)/increase in trade payables	(7,332)	4,885
Increase in progressive and other operators' jackpots	4,048	1,532
Increase/(decrease) in other payables	9,307	(207)
Increase/(decrease) in deferred revenues	125	(481)
	26,539	**(322,997)**

Acquisition of subsidiaries, net of cash acquired

	Note	Six months ended 30 June 2014 €'000	Six months ended 30 June 2013 €'000
A. Acquisition of Intelligent Gaming Systems Limited		727	734
B. Acquisition of PT Turnkey Services Limited		28,000	35,000
C. Acquisition of Mobenga AB Limited		-	2,000
D. Acquisition of Euro Live Technologies Limited	9A	289	-
E. Acquisition of Psiclone Games Limited	9B	810	-
		29,826	**37,734**

NOTE 1 – GENERAL

A. Playtech plc (the 'Company') is a company domiciled in the Isle of Man.

   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.

B. The interim financial statements as at 30 June 2014 and 30 June 2013 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 2013 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.

New standards, interpretations and amendments effective from 1 January 2014

The following key new standards, interpretations and amendments, applied for the first time from 1 January 2014:

- IFRS 10 Consolidated Financial Information
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- The related revisions to IAS 27 Separate Financial Statements for the above
- The related revisions to IAS 28 Investments in Associates and Joint Ventures for the above

None of the above, nor other new standards, interpretations and amendments, which are effective for periods beginning after 1 January 2015 and which have not been adopted early, are expected to have a material effect on the Group's future financial information.

The comparative financial information for period ended 31 December 2013 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 2013 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 2013.

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 six main product groupings:

- Casino
- Services
- Sport
- Bingo
- Poker
- Land-based

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 a Group-wide basis

Revenue by product

	Six months ended 30 June 2014 €'000	**Six months ended 30 June 2013 €'000**
Casino	116,171	90,264
Services	61,254	51,595
Sport	12,338	9,149
Bingo	8,422	9,297
Poker	7,403	8,008
Land-based	5,821	5,693
Other	2,950	2,826
Total revenues	214,359	176,832

NOTE 4 – ADJUSTED ITEMS

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

	Six months ended 30 June 2014 €'000	**Six months ended 30 June 2013 €'000**
Distribution costs before depreciation and amortisation- actual	97,986	85,432
Employee stock option expenses	(250)	(552)
Distribution costs before depreciation and amortisation – adjusted	97,736	84,880
Administrative expenses before depreciation and amortisation - actual	20,598	15,996
Employee stock option expenses	(25)	(144)
Professional fees on acquisitions	(27)	(52)
Decline in fair value of available for sale investment	(1,520)	-

Administrative expenses before depreciation and amortisation – adjusted	19,026	15,800
Depreciation and amortisation	30,079	26,839
Amortisation of intangibles on acquisitions – distribution costs	19,186	16,480
Amortisation of intangibles in associate	-	1,671
Adjusted depreciation and amortisation	10,893	8,688
Finance cost – other – actual	780	4,427
One-off provision against irrecoverable cash	-	(1,330)
Finance cost – other – adjusted	780	3,097
EBITDA	95,775	444,218
Employee stock option expenses	275	696
Professional fees on acquisitions	27	52
Decline in fair value of available-for-sale investment	1,520	-
Gain on sale of investment in associate	-	(340,819)
Income from associate	-	(18,086)
Gain on sale of available-for-sale investment	-	(9,909)
Adjusted EBITDA	97,597	76,152
Profit for the period attributed to owners of the parents	75,612	413,642
Employee stock option expenses	275	696
Professional fees on acquisitions	27	52
Decline in fair value of available-for-sale investment	1,520	-
Amortisation of intangibles on acquisitions including amortisation on investment in associate	19,186	18,151
Gain on sale of available-for-sale investment	-	(9,909)
Income from associate	-	(18,086)
Gain on sale of investment in associate	-	(340,819)
One-off provision against irrecoverable cash	-	1,330
Movement in deferred and contingent consideration	147	1,782
Adjusted profit for the period	96,767	66,839

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 ended 30 June 2014		**Six Months ended 30 June 2013**	
	Actual €'000	**Adjusted €'000**	**Actual €'000**	**Adjusted €'000**
Profit for the period attributable to the owners of the parent	75,612	96,767	413,642	66,839
Earnings per share for profit attributable to the owners of the parent during the period:				
Basic (cents)	26.0	33.3	141.8	22.9

Diluted (cents)	25.9	33.1	139.9	22.6

	30 June 2014 Number	30 June 2013 Number
Denominator – basic		
Weighted average number of equity shares	290,340,046	291,607,933
Denominator – Diluted		
Weighted average number of equity shares	290,340,046	291,607,933
Weighted average number of option shares	1,900,451	4,078,092
Weighted average number of shares	292,240,497	295,686,025

NOTE 6 – SHAREHOLDERS' EQUITY

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

	Number of Shares	
	30 June 2014	**31 December 2013**
Authorised	N/A*	N/A*
Issued and paid up	293,492,617	293,189,408

* 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.

During the period the Group established an Employee benefit trust by acquiring 5,517,241 shares for a total of €48.5 million. As of 30 June 2014, 4,775,891 shares remain outstanding.

B. Share options exercised
During the period 1,044,559 (Six months to 30 June 2013: 2,307,646) share options were exercised. The Group also cash-settled 73,869 (Six months to 30 June 2013: 3,257,584) share options during the period. This resulted in a cash payment of €0.4 million (Six months to 30 June 2013: €9.8 million).

C. Distribution of Dividend

In March 2014, the Group distributed €120,955,488 as a special dividend.
In May 2014, the Group distributed €45,255,502 as a final dividend for the year ended 31 December 2013.

NOTE 7 – AVAILABLE-FOR-SALE INVESTMENTS

	Six Months ended 30 June 2014 €'000	Twelve Months ended 31 December 2013 €'000
Opening investment in available-for-sale investments	33,661	35,333
Additions	-	44,190
Disposals	-	(57,179)
Diminution charged to income statement in the year	-	(19,986)
Unrealised valuation movement in the year	(5,470)	4,342
Gains on sale income statement	-	31,088

Decline in fair value of available-for-sale investment transferred to income statement	(1,520)	(4,127)
Closing investment in available-for-sale investments at 31 December	26,671	33,661

	30 June 2014 €'000	**31 December 2013 €'000**
Available-for-sale financial assets include the following:		
Quoted:		
Equity securities – UK	24,587	30,057
Equity securities – Asia	2,084	3,604
	26,671	33,661

The fair value of quoted investments is based on published market prices.

NOTE 8 – DEFERRED AND CONTINGENT CONSIDERATION

	30 June 2014 €'000	**31 December 2013 €'000**
Non-current contingent consideration		
Acquisition of Psiclone Games Limited	1,027	-
	1,027	-

	30 June 2014 €'000	**31 December 2013 €'000**
Current deferred consideration		
Acquisition of PT Turnkey Services Limited	-	27,911
Acquisition of Intelligent Gaming Systems Limited	-	719
	-	28,630

NOTE 9 – ACQUISITIONS DURING THE PERIOD

A. Acquisition of Euro Live Technologies Limited

On 31 January 2014, the Group acquired 100% of the shares of Euro Live Technologies Limited and certain of its fellow subsidiaries (hereinafter "EuroLive") for a total consideration of €1 million in cash. EuroLive is a provider of live video production services to licensed operators.

Management have not disclosed EuroLive's contribution to the Group profit since the acquisition date nor have they disclosed the impact the acquisition would have had on the Group's revenue and profits if it occurred on 1 January 2014, because the amounts are not material.

B. Acquisition of Psiclone Games Limited

On 12 March 2014, the Group acquired 100% of the shares of Psiclone Games Limited (hereinafter "Psiclone"), for an initial consideration in cash of €1.2 million (£1 million) and an additional contingent consideration of up to and additional £1.2 million. Psiclone is a games development company, specialising in developing games to the land-based gambling terminals.

Management have not disclosed Psiclone's contribution to the Group profit since the acquisition date nor have they disclosed the impact the acquisition would have had on the Group's revenue and profits if it occurred on 1 January 2014, because the amounts are not material.

NOTE 10 – ACQUISITIONS IN PRIOR PERIOD

A. Acquisition of PokerStrategy.com Limited
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 €38.8 million, including working capital adjustment.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill, are as follows:

	Book value prior to acquisition €'000	**Adjustments €'000**	**Fair value on acquisition €'000**
Property, plant and equipment	285	-	285
Intangible assets	368	26,608	26,976
Trade receivables	3,892	-	3,892
Other receivables	636	-	636
Cash and cash equivalents	1,049	-	1,049
Trade payables	(1,492)	-	(1,492)
Non-current payables	(1,813)	-	(1,813)
Deferred tax liability	(388)	(674)	(1,062)
Other payables	(52)	-	(52)
Net identified assets	2,485	25,934	28,419
Goodwill			10,333
Fair value of consideration			38,752
Cash purchased			(1,049)
Net cash paid			37,703

B. Acquisition of assets from The Nation Traffic Ltd.
On 1 August 2013, the Group entered into an asset purchase agreement with The Nation Traffic Ltd. (hereinafter "TNT"). TNT is a provider of marketing services for the online gaming market. In cash consideration the group paid a total of €4.7 million.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill, are as follows:

	Book value prior to acquisition €'000	**Adjustments €'000**	**Fair value on acquisition €'000**
Property, plant and equipment	414	-	414
Other noncurrent receivables	18	-	18
Other receivables	79	-	79
Other payables	(557)	-	(557)
Net identified assets	(46)	-	(46)
Goodwill			4,746
Fair value of consideration			4,700

NOTE 11 – 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”), Anise Development Limited (“Anise”), Crossrider Technologies Ltd (“Crossrider”), SafeCharge International Group Limited (“Safecharge”) and Brickington Trading Limited (“Brickington”), are related by virtue of a common significant shareholder.

International Terming Leasing (“ITL”) is an associate of the Group.

The following transactions arose with related parties:

Six months ended	**30 June 2014** **€’000**	**30 June 2013** **€’000**
Revenue		
Skywind	120	300
Netplay TV Plc	2,555	2,108
Share of profit/(loss) in joint venture		
ITL	(229)	197
Operating expenses		
Anise	458	493
Crossrider	879	-
Safecharge	304	190
Skywind	3,436	3,000

During the period the Group established an Employee benefit trust by acquiring 5,517,241 shares from Brickington, for a total of €48.5 million

NOTE 12 – 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.

INDEPENDENT REVIEW REPORT TO PLAYTECH PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 which comprise the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, consolidated statement of cash flows and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors’ responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed in Note 2, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, ''Interim Financial Reporting'', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, ''Review of Interim Financial Information Performed by the Independent Auditor of the Entity'', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority

BDO LLP
Chartered Accountants and Registered Auditors
United Kingdom
27 August 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).