Playtech plc

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

Interim results for the six months ended 30 June 2015

Delivering on our strategy - strong underlying growth and strategic M&A

Playtech (LSE: PTEC) today announces its unaudited interim results for the six months ended 30 June 2015 together with a trading update for the period to 24 August 2015.

Financial highlights

	H1 2015	H1 2014	Change
Revenues	€286.0m	€214.4m	+33%
Adjusted EBITDA*	€112.9m	€97.6m	+16%
Adjusted Net Profit*/**	€115.0m	€96.8m	+19%
Reported Net Profit**	€83.9m	€75.6m	+11%
Adjusted EPS*	39.6 €c	33.3 €c	+19%
Interim dividend per share	9.6 €c	8.9 €c	+8%

* Adjusted numbers exclude certain non-cash and one-off items including amortisation of intangibles on acquisitions, amortisation of intangibles in associates, 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.
** Attributable to the owners

- Total revenues up 33% vs H1 2014 on a reported basis:
  - revenue growth of 29% (excluding acquisitions / adding back the impact of the UK POC tax)
  - 15% growth on a constant currency basis (excluding acquisitions / adding back impact of the UK POC tax)
- Significant growth in adjusted EBITDA and adjusted EPS
- Adjusted net profit up 19% and strong operating cashflows support 19% increase in H1 total dividend payout, in line with unchanged dividend payout policy

Operational highlights

<u>Gaming division</u>
- Strong, broad based growth across regions and products from new and existing business
- Strategy of focussing on regulated and soon-to-be regulated markets continues to drive growth
  - 40% of H1 Gaming revenues (H1 2014: 35%, H2 2014: 38%) from regulated markets
  - 80% of incremental H1 Gaming growth from regulated markets at constant currency
- New licensees signed together with more products and services provided to existing licensees
- After the period end, accelerated £75m consideration agreed under marketing services agreement with Ladbrokes conditional on completion of the merger of Ladbrokes and Gala Coral
- Strong pipeline with significant opportunities across multiple geographies

<u>Financials division</u>
- Creation of the Financials division through M&A with clear strategic rationale
  - regulated revenues in a high-growth industry
  - leverages infrastructure and existing expertise
  - highly accretive to earnings with substantial free cashflow conversion
- TradeFX, now called Markets Limited, acquisition completed in May – strong pro-forma H1 2015 performance
- Plus500 and Ava Trade acquisitions expected to complete by the end of September, subject to regulatory approval
- Firm plans to drive further growth and financial performance in the combined Financials division once all companies are part of the Playtech Group

Current trading and outlook

- Average daily revenue in the Gaming division for the first 55 days of Q3 2015:
  - up 15% on Q3 2014 which benefitted from the impact of the 2014 World Cup
  - down 2% on Q2 2015, with Q2 being a strong quarter and Q3 the traditionally slowest quarter
- In the first 55 days of Q3 2015, Markets Limited enjoyed a strong performance with CFD customers up 19% against the same period in 2014; and first time depositors (FTDs) for CFDs up 12%
- Performance and momentum provides management with confidence in continued strong growth for the remainder of 2015 and beyond

Alan Jackson, Chairman of Playtech, commented:

"We have made significant progress against all aspects of our strategy during the first half of the year. We have completed a series of strategic acquisitions to create and enhance our new Financials division, a high-growth and regulated industry, and our continued operational delivery across all business segments has translated into a strong financial performance across all key metrics, with revenues up by a third in the half year.

“Our Gaming business continues to go from strength to strength with our strategy of focussing on regulated markets driving growth. Our pipeline remains strong, with significant opportunities across all geographies, as customers seek to benefit from our market-leading omni-channel offering and our best-of-breed products in each and every product category.

“Taken together, the progress we have made gives me great confidence that the sustained momentum in our business will result in further growth in 2015 and beyond.”

– Ends –

Presentation and live webcast

A presentation for analysts and investors will be held today at 9.00am in the offices of Nomura International, 1 Angel Lane, London, EC4R 3AB. The presentation will be webcast live and on-demand at:

http://www.investis-live.com/playtech/559e4b4627d29508001ef2c4/ir15

The presentation will also be accessible via a live conference call:

Dial-in no: +44 (0)20 3059 8125
Conference password: Playtech

Replay

Dial-in no for UK and other locations: +44 (0)121 260 4861
Dial-in no for US: +1 844 2308 058

Conference reference number: 1306736#

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Forward looking statements

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.

About Playtech

Playtech is a market leader in the gambling and financial trading industries. Founded in 1999 and listed on the Main Market of the London Stock Exchange, Playtech has more than 5,000 employees in 14 countries.

Playtech is the gambling industry's leading software and services supplier with more than 120 licensees globally, including many of the world's leading regulated online, retail and mobile operators, land-based casino groups, government sponsored entities such as lotteries, and new entrants opening operations in newly-regulated markets. Its business intelligence-driven gambling software offering includes casino, live casino, bingo, poker and sports betting.

It is the pioneer of omni-channel gambling which, through Playtech ONE, offers operators and their customers, a seamless, anytime, anywhere experience across any product, any channel (online, mobile, retail) and any device using a single account and single wallet. It provides marketing expertise, sophisticated CRM solutions and other services for operators seeking a full turnkey solution.

Playtech's Financials division, run through subsidiary Markets Limited (formerly called TradeFX), is an established and growing online CFDs and binary options broker and trading platform provider, operating a number of brands including markets.com. Its B2C focused offering is available in more than 100 countries and in more than 25 languages and is licensed and regulated in the EU and South Africa.

www.playtech.com

Chairman’s statement

Playtech has once again delivered an outstanding financial performance in the first half of 2015. Reported revenues were up 33% with adjusted EBITDA and EPS up 16% and 19% respectively against the same period last year.

Playtech has a clear strategy of driving organic growth, both from existing and new licensees, whilst enhancing this growth with strategic M&A. The first half of 2015 has seen clear and continued progress on these objectives.

The Gaming division continues to enjoy broad-based growth across regions and product verticals with growth from both new and existing licensees. Our focus on regulated and soon-to-be regulated revenues has seen 80% of incremental Gaming growth in the first half come from regulated markets (at constant currency) with 40% of first half Gaming revenues, including an increasing majority of European revenues, now coming from regulated markets. We have made further progress with our Playtech ONE omni-channel offering, with additional headcount to facilitate roll-out and the launch of our first omni-channel HTML5 front end solution. Our licensee and product pipeline remain as strong as ever, giving me great confidence in the prospects for our Gaming division.

I have been delighted to see the creation of the Financials division starting with the acquisition of TradeFX announced in April, which has now been renamed Markets Limited. Since then we have also announced the acquisitions of Plus500 and Ava Trade, both of which have been approved by shareholders and now await regulatory clearance with the aim to complete by the end of September 2015. Revenues from the Financials division are regulated in a high-growth industry, leveraging our technology infrastructure and existing expertise in CRM and marketing, making the opportunity highly attractive financially. Over 500 new employees have either joined or are expected to join the Group shortly and I wish them every success under the leadership of Ron Hoffman, who is expanding his role as group Chief Financial Officer to also become the Chief Executive Officer of the Financials division.

I am also delighted to welcome Paul Hewitt to the Board of Playtech. Paul brings a wealth of experience across a variety of sectors and his experience will prove invaluable to Playtech’s continued growth over the coming months and years.

The support of our shareholders throughout the past six months has been central to the Company’s progress, particularly in supporting our equity fundraising in June which formed part of the funding for our acquisitions. We have a clear focus on creating value for shareholders and I am delighted to be able to announce an increase of 8% for this year’s interim dividend.

The progress we have made to date gives me great confidence that the sustained momentum in the business will result in strong growth in the remainder of 2015 and beyond.

Chief Executive’s review

Overview: delivering on our strategy

The first half of 2015 has been extremely busy and highly successful for Playtech as we have delivered on our strategy of driving growth in our Gaming division whilst augmenting this growth with strategic M&A, transforming Playtech into one of the world’s largest and leading software and services providers.

Performance of the Gaming division

<u>Overview</u>

Our Gaming division has seen strong, broad based growth across regions and product verticals, and from both existing and new business as our strategy of focussing on regulated markets continues to drive growth.

Licensees

Playtech achieved underlying growth on a constant currency basis of 15% in the first half of the year, balanced between existing and new business. This illustrates Playtech’s ability to improve the performance of the businesses of its existing licensees as well as bringing new licensees into the Playtech fold.

In February, Playtech announced a 20-year online contract extension with RAY – Finland’s Slot Machine Association, the longest deal in both companies’ histories, following four highly successful years with Playtech, which saw year-on-year double digit growth and approximately €60m in gross gaming revenue in 2014. The 20-year agreement includes multi-channel gaming software, content and support across online, mobile and retail with an automatic renewal period of four years.

In April, Playtech announced that multi-award winning, innovative mobile casino brand, LeoVegas had gone live on Playtech’s cutting-edge open platform. It has launched a host of Playtech-designed games, while several other significant UK and international operators are in the latter stages of finalising similar agreements. The deal was a key strategic client win for Playtech Open Platform (POP). Existing POP customers include, amongst others, Gala Coral and Ladbrokes, enabling these operators to offer their players exclusive and best-of-breed content ahead of many of their competitors.

Regulated markets

Playtech continues to focus on regulated and soon-to-be regulated markets which has seen 80% of incremental H1 Gaming growth (at constant currency) coming from regulated markets, which now account for 40% of H1 Gaming revenues (H1 2014: 35%, H2 2014: 38%).

This growth is a combination of organic growth of existing licensees that are already established in different regulated markets, and marketing investments diverted to regulated markets by various operators that traditionally operated in unregulated markets and are still in the transition process – a trend we expect to continue in the coming months.

On the official date set by Spanish regulator La Dirección General de Ordenación del Juego (DGOJ) for the allowance of casino slot games in June, Playtech announced that it would supply all existing local licensees with access to its extensive, industry-leading slots portfolio. The Spanish gaming regulator approved slot games in July last year and re-opened its licensing window in November, the first time this has taken place since the market regulated in June 2012. The inclusion of online casino games and slots in Spain is seen as a major breakthrough and will serve to increase Playtech’s market share as licensees enjoy the ability to cross sell between different products in a similar fashion to the example set in the UK and Italian markets, with sports being the main gateway to casino.

Other markets across Europe, Latin America and elsewhere are in the process of considering regulations. This trend is inevitable and expected to continue in the coming quarters. Many markets across Europe, including Holland, Switzerland, Bulgaria, Romania, Poland and Portugal are in the process of regulating, as well as various markets in Latin America, such as Brazil, which has indicated that it is in the process of regulating online sports betting. We see significant opportunities to establish ourselves in these markets as

Playtech is a natural choice given its ability to provide a combination of best-of-breed technology and services across all channels, its market leading position and proven track record.

Playtech ONE omni-channel offering

Playtech's pioneering ONE technology allows players a seamless, anywhere-anytime gaming experience across any product, channel and device, all using a single account and single wallet and is critical to allowing our licensees to outperform. The Playtech ONE approach and offering not only makes the customer journey seamless across different channels, it also provides more visibility across the different channels and therefore easier to identify, track and, most importantly, better communicate and better serve their customers. Our proven track record of working with various operators in regulated markets clearly shows that there is an overlap in demographics of retail and online and that traditional retail customers playing online are more valuable. In April, Playtech announced that it would increase the workforce developing the omni-channel solution as it prepares to undertake several large-scale omni-channel projects in the UK and emerging markets.

Sports betting has seen the largest investment as part of the Playtech ONE strategic roadmap and is the Group's fastest growing product vertical. After the half year end, Playtech announced the launch of its first omni-channel HTML5 front-end solution with Ladbrokes, enabling a seamless, fully responsive and fully adaptive desktop and mobile user experience and a host of unique, new sportsbook features. In a market-first, Ladbrokes's new Playtech Sports HTML5 solution significantly boosted its sportsbook performance and optimisation capabilities ahead of the English Premier League season.

Mobile

Mobile continues to be a core part of our growth strategy with Playtech taking an omni-channel approach to the way it develops new products that includes a mobile version of each version of its software and games. The importance of mobile is supported by its growing share of revenues, representing 20% of H1 2015 software revenues compared to 15% in the same period last year, with a significant majority of Sports revenues coming through this channel. Whilst Mobile has existed for some time it is only partially adopted by various operators and we expect that mobile gaming will increase over time to become a very significant channel for gaming.

Product

Playtech continues to lead innovation and can deploy unmatched research and development resources, all of which is available to our licensees.

The power of the Company's development capability was demonstrated in April when, coinciding with the launch of Apple Watch, Playtech launched its first sports betting App for wearable devices – including Apple Watch. A team of Playtech's most experienced developers worked intensively to deliver the Apple Watch betting App, presenting it for approval by Apple as soon its submission window opened at the beginning of April.

Playtech's Apple Watch App was made available to all licensees at launch with Gala Coral being the first to roll-out the App to its extensive UK and European player base in an extension to its multi-year 'Coral Connect' omni-channel contract. The App enables users to initiate bets, browse live and forthcoming sporting events, monitor promotions, receive alerts via technology linked to a user's iOS mobile application and features full cash out functionality.

Earlier in the year, Playtech unveiled a series of never-before-seen features within an expanded Virtual Sports portfolio, including a fully simulated football game, allowing for realistic betting and gameplay. Each game employs leading-edge graphics based on feature film motion capture technology, shot on location and using professional sportsmen and women. Realistic odds and an increase in betting options, multiple languages with local language commentaries and in-game branding provide both operators and their players with the ultimate virtual sports experience.

Gaming division performance by vertical

Casino

Playtech's flagship Casino product was once again the largest contributor to Playtech's growth, with revenues increasing 28% in the half.

During the first half Playtech continued to further extend its content library, strengthening what is already the largest content portfolio in the online gaming industry.

The size and popularity of our progressive jackpot games are well recognised in the industry and attract a lot of customers in various markets. After the half year end, Playtech announced that a UK player had won a massive £3.7m online progressive jackpot on Playtech's Beach Life slot game – the second largest of its kind in the company's 16-year history. The five-reel slot game is one of Playtech's most popular in-house titles and holds the record for the Company's largest ever Jackpot win of £4.4m in February 2012.

Services

Revenues increased 21%, benefitting from recently signed structured agreements, enjoying greater penetration of its customer base and positively impacted by the addition of the newly established white-label offering.

Services represents a unique set of operational capabilities and expertise that are unparalleled in an industry divided between software providers, that lack such services capabilities, and operators that are not inclined to share their know-how with other operators that could potentially become a competitor. Accordingly, Playtech is the natural choice for gaming operators in different regulated markets that understand that Playtech can not only provide them with a best-of-breed technology but can also complement it with online expertise and capabilities, which are very different than those which exist in their retail operations.

Our modular offering is proven to be highly successful as services is not a "one size fits all" but rather a fully customised solution in accordance with the specific requirements of each company. It also allows Playtech to position itself in different regulated markets with not only retail gaming operators but other types of organisations, such as existing online operators and media companies.

We have made good progress with our services partners which were launched in the second half of last year and with some already exceeding our expectations. We are also making very good progress with some potential partners in regulated markets as more markets across Central and Eastern Europe and Latin America regulate.

Bingo

Bingo revenues increased by 20% in the first half of the year against the same period in 2014. Having focussed on developing the mobile and tablet offerings in 2014, penetration in the channels increased significantly in the first half of 2015. Bingo side games, which are recorded under the Casino line item, increased in line with the growth in core Bingo activity, also driven by the mobile offering.

Earlier in the year, work was completed on an HTML5 only platform, allowing Playtech to operate from one code base thereby increasing productivity as well as having the additional benefit of being a true multi-channel single look and feel offering across desktop, mobile and tablet.

In February 2015, Playtech announced the launch of Rainbow Riches Bingo – the first ever bingo variant of the iconic cross-channel brand, licensed and developed in partnership with Scientific Games. The UK's most popular retail slot game, which enjoys huge success in the land-based bingo market, it was launched as a mobile and online bingo variant with a £100,000 promotion in the run up to St Patrick's Day on 17 March 2015. Playtech's experienced bingo team spent several months perfecting the product, developing a number of innovative features and paying particular attention to ensuring the brand's unique elements and characters remain aligned with the original casino game.

Sport

Revenues from Sports grew 30% in the first half with a significant increase from mobile.

Sports remains largely an untapped market for Playtech and we expect it to continue growing rapidly in this developing and growing market. We identified a very significant opportunity in developing certain initiatives with some of our existing large licensees as well as new potential bookmakers as regulations develop. Playtech's Sports offering represents a significant potential growth opportunity for the Group as further business wins are achieved in line with the Group's strategy and continued focus.

In recent years new digital formats of sports betting, such as tablets and SSBTs (Self Service Betting Terminals), have been introduced in retail sports betting outlets and even over the counter activities are being digitised, introducing new ways for customers to transact in retail environments. In addition, sports betting has been regulated in over 20 markets with a further 15 markets in the process of regulating sports and gaming currently. Such a combination of retail operations transforming into the digital age, together with markets allowing online sports betting, creates a very significant opportunity for operators and Playtech alike.

Sports remains one of the critical components of our Playtech ONE offering. It acts as the gateway into gaming across both retail and online and is traditionally one of the first, if not the first, product to be regulated. The ability to provide an integrated retail and online sports system, offered through web and mobile, complemented by best-of-breed gaming products is unique and highly attractive to many operators across Europe and elsewhere, as most operators use old proprietary legacy retail systems that are not scalable and do not fit the digital age.

Land-based

Land-based revenues almost tripled in the first half of the year impacted by the acquisition of Aristocrat Lotteries and complemented by growth in the core VideoBet activity and IGS.

Following the acquisition of Aristocrat Lotteries, Playtech's leading land-based operation further extended its reach and diversification across key regulated markets. The acquisition also created cross-selling opportunities in existing as well as new jurisdictions with the benefit of this cross-selling contributing to growth in H1.

Mecca Bingo ordered an additional 2,200 cabinets which were delivered in H1 2015 and are already generating revenue. In addition an order for several hundred gaming terminals was secured, with delivery in the near future, complete with Playtech's best-performing casino content in the coming months which will add new and exciting titles to its existing machine portfolio.

We are also installing a central system to cover all electronic bingo slot machines in 68 bingo clubs in the Philippines, initially for c.5,000 machines with the first sites to be installed in late 2015.

Poker

Poker remains a challenging vertical due to unfavourable wider market trends, with revenues down 19% in the half compared to the same period last year, although already from a very low base.

After the period end, Playtech announced that iPoker, the world's largest poker network, will revert to a stronger, single tier to allow licensees and players to benefit from merging the two-tier liquidity pools. The move to revert to a single tier system was taken in consultation with iPoker licensees following the successful introduction of a new Player Valuation Formula, or Source-Based Rake (SBR), in February 2015. The decision to introduce SBR has been widely welcomed by licensees who, in partnership with Playtech, are actively preparing to invest again in poker.

A new player valuation model was introduced earlier this year. This was both in line with the network's increased focus on recreational poker and to address 'liquidity drain' whereby, under the previous model, licensees that had a greater number of losing customers were seeing revenue passed onto other, often smaller, licensees.

Creation of the Financials division

Overview

Playtech has a stated strategy to acquire profitable, regulated, highly cash generative businesses with market-leading positions. The first half of 2015 saw the creation of Playtech’s Financials division through a series of three transactions with a clear strategic rationale.

Through the completed acquisition of TradeFX and the proposed acquisitions of Plus500 and Ava Trade, which are both expected to complete by the end of September, Playtech has made a significant entry into the B2C financials trading space, a high-growth industry with regulated revenues which leverages Playtech’s infrastructure and existing expertise creating one of the world’s fastest growing online CFD brokers.

Acquisition of TradeFX (subsequently renamed Markets Limited)

In April 2015, Playtech announced the acquisition of TradeFX Limited, which has subsequently been renamed Markets Limited, a profitable and growing online CFDs and binary options broker and trading platform provider, providing services in more than 100 countries and in over 25 languages, with both B2C and B2B offerings. The initial consideration for the acquisition was €208m with additional cash consideration of up to €250m payable based on Markets Limited’s financial performance for the financial year ending 31 December 2017.

Founded in 2009, Markets Limited employs over 500 staff globally, with offices in five countries around the world. Markets Limited operates under its principal B2C brand, markets.com, utilising proprietary technology and CRM capabilities focused on increasing customer conversion rates and maximising customer lifetime value.

The acquisition represented a compelling opportunity to enter a growing and complementary vertical driven by similar core competencies to Playtech’s Gaming division and was directly in line with Playtech's M&A strategy. Markets Limited also came with an experienced management team, with a proven track record, who will remain with the business.

Proposed acquisition of Plus500

Following the acquisition of Markets Limited, Playtech is a natural aggregator of businesses within the financials trading sector. In June, Playtech made a £460m recommended cash offer for Plus500, a developer and operator of online trading platforms for retail customers to trade CFDs internationally with more than 2,000 different underlying global financial instruments. Having secured the support of both shareholders of Playtech and Plus500, the acquisition is expected to complete in September, subject to regulatory approvals.

Playtech intends to provide Plus500 with access to its market leading technology and infrastructure, in combination with its expertise of operating a multi-jurisdictional regulated business. The acquisition represents a unique opportunity due to Plus500's market reach, advanced technology, product offering and existing customer relationships globally, which allows it to successfully attract and convert customers.

Proposed acquisition of Ava Trade

Prior to the acquisition by Playtech, Markets Limited had secured an option to acquire Ava Trade, an online B2C CFD broker. In July, Playtech announced that it had acquired Ava Trade for $105m. The acquisition is also expected to complete in September, subject to regulatory approvals.

Ava Trade is an award-winning, profitable and growing B2C online CFD broker, providing services in more than 160 countries and in over 16 languages. Established in 2006 and headquartered in Dublin, Ireland, Ava Trade is licensed and regulated in the EU by the Central Bank of Ireland, in the BVI by the British Virgin Islands' Financial Services Commission, in Japan by the Financial Services Agency and in Australia by the Australian Securities and Investments Commission.

The acquisition of Ava Trade adds a further complementary business to build upon the Markets Limited acquisition, substantially expanding and enhancing Markets Limited’s existing position through the diversification of customers and geographies with limited overlap with its existing business together with the addition of new regulatory licences.

Other M&A and investments

Ladbrokes and Gala Coral

Both Ladbrokes and Gala Coral are key licensees to Playtech.

As part of the recommended merger between Ladbrokes and certain businesses of Gala Coral announced last month, to assist in providing flexibility for the combined entity to achieve integration and realise synergies, Playtech agreed, conditional upon completion of the merger, to accelerate the determination of amounts due to it under its marketing services agreement with Ladbrokes. The sum agreed was £75m, of which £40m will be satisfied by way of the issue of shares in the combined entity on completion with a further guaranteed £35m in cash paid upon delivery by Playtech of key operational milestones but, in any event, within 42 months following completion.

In addition, demonstrating its support for the proposed merger, Playtech acted as a cornerstone investor, taking 22.9% of the c.9.99% equity placing announced by Ladbrokes at the time of the announcement of the merger. Subsequent to this, Playtech purchased further shares in Ladbrokes to take its total holding to 9.7%.

Yoyo Games

In February 2015, Playtech announced the acquisition of UK-based Yoyo Games Limited for $16.4m. Yoyo is the home of Game Maker: Studio, a mobile driven cross-platform casual game development technology that enables developers to create games using a single programming code and then publish them to run natively across most common platforms, including iOS, Android, OS X, HTML5, PlayStation, Xbox, Ubuntu, Windows 8, Windows Phone 8 and Windows RT. The entire Game Maker family of products has been downloaded more than five million times.

Current trading and outlook

Average daily revenue in the Gaming division for the first 55 days of Q3 2015 is up 15% on the same period in 2014, which benefitted from the impact of the 2014 World Cup, and down 2% on Q2 2015, with Q2 being a strong quarter and Q3 the traditionally slowest quarter. We have a good pipeline in our Gaming division with significant opportunities across all geographies. Our market-leading Playtech ONE omni-channel offering, depth of product suite and ability to offer full turnkey solution remain key to winning new business and driving our growth.

In the first 55 days of Q3 2015, Markets Limited enjoyed a strong performance with CFD customers up 19% against the same period in 2014; and first time depositors (FTDs) for CFDs up 12%. We expect to complete the acquisitions of Plus500 and Ava Trade by the end of September, when we will be in a position to integrate and drive the performance of all three businesses as a single division.

The strong performance in the first half of the year gives me great confidence that the sustained momentum in the business will result in strong growth in 2015 and beyond.

Chief Financial Officer's review

Presentation of results

The directors believe that in order to best represent the 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, professional costs on acquisitions, finance costs on acquisitions, one-off provision against irrecoverable cash, and additional various non-cash charges.

Underlying results are presented in respect of the above measures in order to best represent the trading performance and results of the Group. Underlying results exclude acquisitions and newly entered associate investment and structured agreements, the impact of POC, being the increased costs in the white-label operations, and reduced earnings in our B2B revenues.

The directors believe therefore that Adjusted Profit represents more accurately the 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 of the financial statements below.

Overview

Playtech delivered a strong financial performance in the first half of 2015 total reported revenues up 33% vs H1 2014. Excluding acquisitions and after adding back the effect of the UK POC tax, the underlying revenue growth was 29%.

Regulated revenues have increased to represent 42% of total revenues, which were positively impacted by the regulated revenues from Markets Limited. For the Gaming division on a standalone basis, regulated revenues increased to 40% from 35% in the comparable period last year. In light of the industry transition to regulated formats, regulated revenues in the Gaming division grew faster than .com with reported growth of 42% compared to 18% for .com (excluding acquisitions).

Adjusted EBITDA was up 16% in the half, despite a lower adjusted EBITDA margin of 39.5% (2014: 45.5%), due to the impact of acquisitions, the effect of UK POC tax and lower margin of the recently established white-label activity. Excluding acquisitions and when adding back the effect of the UK POC tax, the underlying adjusted EBITDA growth is 26%, in line with the 29% underlying growth in revenues.

Playtech remains highly cash generative and once again delivered strong operating cashflows in H1 2015 of €96.4m representing 86% of adjusted EBITDA, reflecting yet again a strong cash conversion for the business (H1 2014: €98.6m). The strength of Playtech's cashflows supports the continued increase in dividend payout.

Playtech's financial flexibility and firepower has been demonstrated in the first half of 2015 with over €1bn committed on acquisitions and investments. As part of the funding for these acquisitions and investments, Playtech raised £223.1m net of expenses through the issuance of new equity (net proceeds of €313.1m) as well as securing a new €200m debt facility in the period and an additional €40m after the half year end.

Revenue

Total revenue increased by 33% to €286.0m (H1 2014: €214.4m) with underlying growth of 29% (excluding acquisitions, after adding back the effect of the UK POC tax) and 15% at constant currency. New Gaming business, defined as new licensees or additional products sold to existing licensees in the preceding 18 months, contributed a third of the growth or half on a constant currency basis.

Split of Gaming revenues by vertical

	H1 2015 €m	H1 2014 €m	Change
Casino	148.9	116.2	28%
Services	73.9	61.3	21%
Sport	16.1	12.4	30%
Land-based	15.1	5.8	159%
Bingo	10.1	8.4	20%
Poker	6.0	7.4	-19%
Other	5.3	2.9	80%
Gaming division	**275.4**	**214.4**	**28%**
Financials division	**10.6**	**-**	**-**
Total revenue	**286.0**	**214.4**	**33%**

Casino continued to be the biggest contributor to growth, adding €32.7m of additional revenues in the half to take Casino revenues to €148.9m. Casino growth was 11% at constant currency, or 14% when adding back the effect of the UK POC tax. The majority of the growth in Casino came from core web casino, being mainly slots and roulette, with Bingo side games and Playtech Open Platform also seeing good growth. Mobile casino revenues on a constant currency basis have increased by 73% compared to prior period and the mobile penetration increased to 14% (H1 2014: 9%).

Services revenues increased from €61.3m in H1 2014 to €73.9m in H1 2015, an increase of 21%, with strong growth from operational services and supporting Playtech's white-label operations. Excluding acquisitions and after adding back the effect of POC on a constant currency basis, services revenues increased 15%.

Sport enjoyed strong growth with revenues increasing 30% to €16.1m, and 29% after adding back the effect of POC on a constant currency basis, with the majority of this growth coming from the Mobenga platform provided to top tier UK licensees.

Land-based revenues almost tripled in the first half of the year to €15.1m, with very strong growth from Videobet and IGS, boosted by the acquisition of Aristocrat Lotteries. Excluding acquisitions and on a constant currency basis the land-based vertical increased by 64% to €9.3m mainly due to setup charges related to IGS new customers.

Bingo revenues increased 20% in the first half of the year, 13% on underlying constant currency basis and after adding back the effect of POC, with growth from all major licensees and with a significant increase in the mobile channel, accounting for 17% of revenues, up from 14% in H1 2014.

The online Poker market remains challenging with revenues down 19% in H1 2015. After the period end, Playtech announced that iPoker, the world's largest poker network, will revert to a stronger, single tier to allow licensees and players to benefit from merging the two-tier liquidity pools.

Revenues in Financials division

Playtech completed the acquisition of Markets Limited on 7 May 2015 and accordingly has consolidated the financial performance in May and June into Group results.

For the full six months, Markets Limited delivered revenues of $48.2m, an increase of 60% on the same period in 2014. This impressive growth was achieved despite revenues being 5% lower in May and June, compared to the previous year, due to very low market volatility.

Markets Limited KPIs were strong in the half with active CFD customers up 34% and first time depositors up 39%.

Adjusted EBITDA & Adjusted EBITDA margin

	H1 2015 €'000	H1 2014 €'000
EBITDA	**107,346**	**95,775**
Employee stock option expenses	1,323	275
Decline in fair value of available for sale investments	-	1,520
Professional expenses on acquisitions	4,263	27
Adjusted EBITDA	**112,932**	**97,597**
Adjusted EBITDA margin	**39.5%**	**45.5%**
EBITDA related to acquisitions	1,361	(160)
Effect of UK POC tax	8,110	-
Underlying adjusted EBITDA	122,403	97,437
Underlying adjusted EBITDA margin	44.6%	45.8%

The Adjusted EBITDA margin of 39.5% was impacted by acquisitions and the white label activity together with the impact of the UK POC tax. Excluding acquisitions, the underlying adjusted EBITDA margin (after excluding acquisitions and the impact of the UK POC tax) was 44.6% or 48.1% when further stripping out the effect of lower margin white-label activity. After making these adjustments, and on a constant currency basis, the margin was 45.4%, in-line with the margin in H1 2014.

Cost of operations

Cost of operations, including acquisitions

	H1 2015 €'000		H1 2014 €'000	
Adjusted operating expenses	173,098		116,762	
Less revenue-driven costs	-28,803		-17,056	
Adjusted operating expenses excluding revenue-driven costs	**144,295**		**99,706**	
Employee-related costs	84,931	59%	62,663	63%
Cost of service	20,708	14%	14,357	14%
Admin and office costs	13,728	10%	10,483	11%
Marketing White-label/Financial B2C	7,037	5%	-	-
Travel, exhibition and marketing costs	6,721	5%	4,790	5%
Other costs	11,170	7%	7,413	7%
Adjusted operating expenses excluding revenue-driven costs	**144,295**		**99,706**	

Adjusted operating expenses increased 48% from €116.8m to €173.1m in H1 2015. €19.2m of the €56.3m increase came from acquisitions. The underlying operating expenses (excluding acquisitions and the effect of the UK POC tax), increased by 32%, in line with the 29% growth in underlying revenues. Excluding acquisitions, the effect of the UK POC tax and on a constant currency basis, adjusted operating expenses increased by 24% to €143.3m.

Revenue-driven costs comprise mainly direct marketing costs related both to the Gaming Services division and the Financials division, 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 increased from 8% to 10%, mostly as a result of additional cost related to the white-label operations and the entrance into the B2C financial division.

Employee-related costs, as a proportion of adjusted non-revenue-related costs of operations decreased to 59% even when excluding acquisitions. Capitalisation of development cost, remained at the same 14% level from total employee related costs as seen in 2014, total capitalised development cost was €14.1m (H1 2014: €11.2m). Total employee-related costs excluding acquisitions, were €72.8m (H1 2014: €59.6m), an increase of 22% as a result of the weakening of the Euro currency (14% increase on a constant currency basis) and due to additional investment in the live, mobile, bingo and other products.

Cost of service comprises of dedicated development teams cost, charged back to licensees, hosting and software license cost. The increase is mostly as a result of increase in the dedicated teams' headcount and new licensed technologies supporting continued investment into the IMS backend capabilities and the newly launched BIT offering.

Admin and office costs when excluding acquisitions remained at the same proportion of adjusted non-revenue-related costs of operation of 10%, with an increase of 21% to €12m.

Finance income, financial cost and tax

Finance income increased from €12.5m in H1 2014 to €28.6m in H1 2015, primarily as a result of foreign exchange movements on sterling cash balances with the Euro significantly weaker than in the same period last year.

Financing costs increased from €0.9m in H1 2014 to €7.5m in 2015, primarily due to non-cash interest expenses on the convertible bonds issued in November 2014 in the amount of €5.4m, and also due to facility costs and increased finance cost on deferred consideration due to additional acquisitions in the period.

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 2015 was €1.7m (H1 2014: €1.3m).

Adjusted profit and adjusted EPS

	H1 2015 €'000	**H1 2014 €'000**
Profit attributable to owners of the parent	83,917	75,612
Amortisation on acquisitions	19,805	19,186
Non-cash accrued bond interest	4,638	-
Professional costs on acquisitions	4,263	27
Employee stock option expenses	1,323	275
Finance costs – movement in deferred and contingent consideration	1,025	147
Decline in fair value of available for sale investments	-	1,520
Adjusted profit attributable to owners of the parent	**114,971**	**96,767**
Adjusted basic EPS (in Euro cents)	**39.6**	**33.3**
Adjusted diluted EPS (in Euro cents)	**39.5**	**33.1**
Adjusted net profit related to acquisitions	4,841	378
One off adjustment to amortisation of intangibles	-	-3,005
One-off facility costs	777	-
Share of new associate investments acquired	2,919	-
Effect of UK POC tax	8,110	-
Underlying adjusted profit for the year - attributable to owners of the parent	131,618	94,140

Adjusted profit and adjusted EPS increased by 19%. The adjusted EPS is calculated on the basis of a weighted average number of shares in issue in H1 2015 of 290.6m and does not include the shares underlying the convertible bond issued in November 2014.

Total amortisation in the period was €33.5m (H1 2014: €25.5m). Amortisation on acquisitions of €19.8m (H1 2014: €19.2m) comprises amounts relating to the historic acquisition of VirtueFusion, GTS, PTTS, Ash Gaming, Poker Strategy, Aristocrat Lotteries and more recently the TradeFX acquisition. Of the remaining

€13.7m (H1 2014: €10.9m), €9.6m was from internally generated development costs, €2.1m related to the release of the buyout of a reseller agreement and €2m related to other intangibles.

Cashflow

Playtech continues to be highly cash generative and once again delivered strong operating cashflows of €96.4m H1 2015 (H1 2014: €98.6m). In addition to these operating cash inflows, Playtech raised €313.1m through an equity placing to fund future acquisitions including Plus500 and Ava Trade.

Net cash outflows from investing activities totalled €301.8m in the first half. €176.7m of this related to acquisitions made in the period including TradeFX and YoYo Games, €15.6m related to the investment in structured agreements and other equity-accounted associates, €83.6m related to investment in shares of Ladbrokes and Plus500 and €15.0m to capitalised development costs. Cash outflows from financing activities included €51.1m for the 2014 final dividend.

Balance sheet and financing

As at 30 June 2015, cash and cash equivalents amounted to €780.3m, an increase of €87.9m in the half year. Material movements in cash resulted from cash inflows from operating activities and the equity placing, with cash outflows as a result of the acquisition of Markets Limited and the purchase of shares in Plus500 and Ladbrokes. It is expected that cash balances will fall in H2 2015 following completion of Plus500 and Ava Trade in addition to cash spent on investing in Ladbrokes after the half year end.

Available-for-sale investments were €121.4m, an increase of €97.2m in the half year, mostly due to the purchase of 9.36% of Plus500's issued shares in June and also additional investment in Ladbrokes.

Contingent and deferred consideration liability was €244.1m, an increase of €241.2m in the half year which primarily relates to TradeFX acquisition in May. Included within this €244.1m liability is €231.2m which represents the discounted value of the potential €250m maximum earn out in relation to TradeFX

Progressive, operators' jackpots, security deposits and players liability was €123.1m, an increase of €63m mainly due to TradeFX player balances.

In addition to the announced €200m, Playtech has secured an additional €40m unsecured revolving credit facility which will be available to fund growth initiatives. This facility has not been drawn down at the balance sheet date nor at the date of this report.

2015 interim dividend

The Board has a stated policy of paying 40% of adjusted net profit by way of dividend with approximately one-third paid as an interim dividend and two-thirds as a final dividend.

The Board has declared an interim dividend in respect of 2015 of 9.6 €cents per share, an increase of 8% over the 2014 interim dividend of 8.9 €cents per share, a lower increase than the adjusted net profit due to the issue of new shares at end of June.

For those shareholders wishing to receive their dividends in Sterling the last date for currency elections is 2 October 2015.

Timetable:

Ex-dividend date:	24 September 2015
Record date for dividend:	25 September 2015
Currency election date:	2 October 2015
Payment date:	26 October 2015

Principal risks and uncertainties

In respect of Playtech's gaming business, a discussion of the key risks and how they are being addressed are set out on pages 25 to 27 of Playtech's 2014 Annual Report (which is available in the investor relations section of the corporate website) and which and remain unchanged are:

- the impact of changes in regulation;
- the effect of changes in taxation rates;
- competition may lead to loss of customers and revenues;
- the impact of the economic climate may reduce consumer spend on gambling;
- cash management risks;
- security, business continuity and technology risks; and
- the loss of key personnel may adversely impact operations.

In respect of Playtech's Financials division, the same key risks apply as to the Gaming division together with the following additional risks:

- the CFDs and binary options market is new to the Group;
- customer complaints may affect the Financials division business and operations;
- the requirement to maintain adequate regulatory capital may affect the Group's ability to conduct its business and may reduce profitability;
- reduction in trading volume and market activity and low market volatility could harm the TradeFX Group's profitability;
- any significant decline in the market for CFDs or binary options could significantly harm the Financial division's business;
- the Financials business could lose money on trades; and
- the Financials division is dependent on IBs and affiliates to generate new business.

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 2014, and a list of current directors is maintained on Playtech's website at www.playtech.com.

By order of the Board,

Mor Weizer	**Ron Hoffman**
Chief Executive Officer	Chief Financial Officer
27 August 2015	27 August 2015

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Six months ended 30 June 2015 Actual €'000	Six months ended 30 June 2015 Adjusted €'000	Six months ended 30 June 2014 Actual €'000	Six months ended 30 June 2014 Adjusted €'000
Revenue	3	286,030	286,030	214,359	214,359
Distribution costs before depreciation and amortisation		(154,736)	(153,495)	(97,986)	(97,736)
Administrative expenses before depreciation and amortisation		(23,948)	(19,603)	(20,598)	(19,026)
EBITDA		**107,346**	**112,932**	**95,775**	**97,597**
Depreciation and amortisation		(39,655)	(19,850)	(30,079)	(10,893)
Finance income		28,577	28,577	12,490	12,490
Finance cost - movement in deferred and contingent consideration		(1,025)	-	(147)	-
Finance cost - other		(6,435)	(1,797)	(780)	(780)
Total financing cost		**(7,460)**	**(1,797)**	**(927)**	**(780)**
Share of profit/(loss) from joint ventures		134	134	(388)	(388)
Share of loss from associates		(3,141)	(3,141)	-	-
Profit before taxation		**85,801**	**116,855**	**76,871**	**98,026**
Tax expenses		(1,661)	(1,661)	(1,282)	(1,282)
Profit for the period		**84,140**	**115,194**	**75,589**	**96,744**
Other comprehensive income for the period:					
Items that have been classified to profit or loss:					
Change in fair value of available for sale equity instruments	7	13,570	13,570	(5,470)	(5,470)
Exchange gains arising on translation of foreign operations		(2,702)	(2,702)	-	-
Total items that will be classified to profit or loss		10,868	10,868	(5,470)	(5,470)
Total comprehensive income for the period		**95,008**	**126,062**	**70,119**	**91,274**
Profit for the year attributable to:					
Owners of the parent		83,917	114,971	75,612	96,767
Non-controlling interest		223	223	(23)	(23)
		84,140	**115,194**	**75,589**	**96,744**
Earnings per share for profit attributable to the owners of the parent during the period:					
Basic (cents)	5	28.9	39.6	26.0	33.3
Diluted (cents)	5	28.8	39.5	25.9	33.1
Total comprehensive income attributable to:					
Owners of the parent		94,785	125,839	70,142	91,297
Non-controlling interest		223	223	(23)	(23)
		95,008	**126,062**	**70,119**	**91,274**

* Adjusted numbers relate to certain non-cash and one-off items including amortisation of intangibles on acquisitions, professional costs on acquisitions, finance costs on acquisitions, change in fair value of available-for-sale investments in the income statement, non-cash accrued bond interest, provision against irrecoverable cash and additional various non-cash charges. The directors believe that the adjusted profit represents more closely the consistent 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	Convertible bond option reserve €'000	Foreign exchange reserve €'000	Total attributable to equity holders of parent €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 Jan 2015	324,774	804	537,692	(36,154)	45,392	-	872,508	675	873,183
Changes in equity for the period									
Total comprehensive income for the year	-	13,570	83,917	-	-	(2,702)	94,785	223	95,008
Dividend paid	-	-	(51,124)	-	-	-	(51,124)	-	(51,124)
Issue of share capital (net of issue cost)	313,074	-	-	-	-	-	313,074	-	313,074
Exercise of options	394	-	(3,862)	7,775	-	-	4,307	-	4,307
Employee stock option scheme	-	-	1,323	-	-	-	1,323	-	1,323
Acquisition of minority interest	-	-	-	-	-	-	-	9,299	9,299
Balance at 30 June 2015	**638,242**	**14,374**	**567,946**	**(28,379)**	**45,392**	**(2,702)**	**1,234,873**	**10,197**	**1,245,070**
Balance at 1 Jan 2014	323,187	1,578	596,256	-	-	-	921,021	-	921,021
Changes in equity for the period									
Total comprehensive income for the year	-	(5,470)	75,612	-	-	-	70,142	(23)	70,119
Dividend paid	-	-	(166,211)	-	-	-	(166,211)	-	(166,211)
Purchase of employee Benefit Trust				(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**

UNAUDITED CONSOLIDATED BALANCE SHEET

	Note	At 30 June 2015 €'000	At 30 June 2014 €'000	At 31 December 2014 €'000 (Audited)
NON-CURRENT ASSETS				
Property, plant and equipment		43,458	29,281	38,319
Intangible assets		862,975	385,388	381,145
Investments in equity accounted associates & joint ventures		45,460	6,845	33,826
Available for sale investments	7	121,369	26,671	24,219
Other Non-current assets		16,399	19,777	16,644
		1,089,661	**467,962**	**494,153**
CURRENT ASSETS				
Trade receivables		66,468	48,650	45,056
Other receivables		37,208	20,618	22,396
Cash and cash equivalents		780,254	365,969	692,347
		883,930	**435,237**	**759,799**
TOTAL ASSETS		**1,973,591**	**903,199**	**1,253,952**
EQUITY				
Additional paid in capital		638,242	324,597	324,774
Available-for-sale reserve		14,374	(3,892)	804
Employee Benefit Trust		(28,379)	(42,043)	(36,154)
Convertible bonds option reserve		45,392	-	45,392
Foreign exchange reserve		(2,702)	-	-
Retained earnings		567,946	502,223	537,692
Equity attributable to equity holders of the parent		**1,234,873**	**780,885**	**872,508**
Non-controlling interest		10,197	(23)	675
TOTAL EQUITY		**1,245,070**	**780,862**	**873,183**
NON CURRENT LIABILITIES				
Convertible bonds		251,679	-	247,040
Deferred revenues		7,936	7,231	6,398
Deferred tax liability		21,745	4,753	4,904
Progressive, operators' jackpots and security deposits		15,000	15,000	15,000
Deferred consideration		-	-	1,088
Contingent consideration	8	238,636	1,027	-
Other non-current liabilities		1,147	616	1,284
		536,143	**28,627**	**275,714**
CURRENT LIABILITIES				
Trade payables		16,921	13,929	16,426
Progressive operators' jackpots, security deposits and player balances		108,134	37,592	45,562
Tax liabilities		4,874	1,269	990
Deferred revenues		3,969	4,699	3,442
Deferred consideration		-	-	1,823
Contingent consideration	8	5,437	-	-
Other payables		53,043	36,221	36,812
		192,378	**93,710**	**105,055**
TOTAL EQUITY AND LIABILITIES		**1,973,591**	**903,199**	**1,253,952**

The financial statements were approved by the Board and authorised for issue on 27 August 2015.

Mor Weizer
Chief Executive Officer

Ron Hoffman
Chief Financial Officer

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 June 2015 €'000	Six months ended 30 June 2014 €'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit after tax	84,140	75,589
Adjustments to reconcile net income to net cash provided by operating activities (see below)	15,013	26,539
Income taxes paid	(2,767)	(3,514)
Net cash provided by operating activities	**96,386**	**98,614**
CASH FLOWS FROM INVESTING ACTIVITIES		
Long-term deposits and loan advances	20	(1,555)
Acquisition of property, plant and equipment	(10,860)	(10,620)
Return on investment in joint ventures	1,374	1,931
Acquisition of intangible assets	(1,919)	(700)
Acquisition of subsidiaries, net of cash acquired	(176,739)	(29,826)
Capitalised development costs	(14,991)	(12,562)
Investment in equity-accounted associates	(15,581)	-
Investment in Joint venture	-	(7,372)
Investment in available-for-sale investments	(83,580)	-
Proceeds from sale of property, plant and equipment	443	-
Net cash used in investing activities	**(301,833)**	**(60,704)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the holders of the parent	(51,124)	(166,211)
Issue of share capital, net of issue costs	313,074	-
Purchase of shares for Employee Benefit Trust	-	(48,546)
Cancellation of options	-	(386)
Exercise of options	4,307	4,590
Net cash from/(used in) financing activities	**266,257**	**(210,553)**
INCREASE IN CASH AND CASH EQUIVALENTS	**60,810**	**(172,643)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	692,347	527,394
Exchange gains on cash and cash equivalents	27,097	11,218
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**780,254**	**365,969**

ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Six months ended 30 June 2015 €’000	Six months ended 30 June 2014 €’000
Income and expenses not affecting operating cash flows:		
Depreciation	6,202	4,540
Amortisation	33,453	25,539
Share of loss in joint ventures	(134)	389
Share of loss in associates	3,141	-
Decline in fair value of available-for-sale investment	-	1,520
Interest expenses on convertible bonds	4,639	-
Income tax expense	1,661	1,282
Employee stock option plan expenses	1,323	275
Movement in deferred and contingent consideration	1,025	147
Exchange gains on cash and cash equivalents	(27,097)	(11,218)
Other	435	-
Changes in operating assets and liabilities:		
Increase in trade receivables	(18,615)	(6,804)
Increase/(decrease) in other receivables	(12,767)	4,721
Decrease in trade payables	(3,269)	(7,332)
Increase in progressive, operators jackpot and security deposits	17,303	4,048
Increase in other payables	5,648	9,307
Decrease in deferred revenues	2,065	125
	15,013	**26,539**

Acquisition of subsidiaries, net of cash acquired

	Note	Six months ended 30 June 2015 €’000	Six months ended 30 June 2014 €’000
Acquisitions in the period			
A. Acquisition of Yoyo Games Limited	9a	14,204	-
B. Acquisition of TradeFX	9b	159,042	-
C. Other acquisitions	9c	3,493	-
Acquisitions in previous years			
A. Other acquisition			1,099
B. Acquisition of Intelligent Gaming Systems Limited		-	727
C. Acquisition of PT Turnkey Services Limited		-	28,000
		176,739	**29,826**

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. The Group is also an online Contracts For Differences (‘CFD’) and binary options broker and trading platform provider.

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 2015 and 30 June 2014 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 2014 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 2015
There are no new standards, interpretations or amendments which are effective for periods beginning on or before 1 January 2015 which have a material effect on the Group's financial information.

The directors are still considering the potential impact of IFRS 15: Revenue from contracts with customers, but do not expect that this or any other new standards, interpretations and amendments which are effective for periods beginning after 1 January 2015 to have a material effect on the Group's future financial information.

The comparative financial information for period ended 31 December 2014 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 2014 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 2014.

NOTE 3 – SEGMENT INFORMATION

The Group’s reportable segments are strategic business units that offer different products and services.
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer and the Chief Financial Officer.

The operating segments identified are:
- Gaming: including Casino, Services, Sport, Bingo, Poker and Land-based
- Financial: including CFD and Binary options

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 products within the segments. The Group also did not disclose the profit measures of the financial segment, because as of 30 June 2015 the amounts are not material.

Six months ended 30 June 2015

	Casino €'000	Services €'000	Sport €'000	Bingo €'000	Land-based €'000	Poker €'000	Other €'000	Total Gaming €'000	Total Financial €'000	Consolidated €'000
Total revenue	148,845	73,934	16,089	10,131	15,055	6,018	5,309	275,382	10,648	286,030
Total assets								2,029,531	193,033	1,973,591
Total liabilities								802,517	174,977	728,521

Six months ended 30 June 2014

	Casino €'000	Services €'000	Sport €'000	Bingo €'000	Land-based €'000	Poker €'000	Other €'000	Total Gaming €'000
Total revenue	116,171	61,254	12,338	8,422	5,821	7,403	2,950	214,359

NOTE 4 – ADJUSTED ITEMS

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

	Six months ended 30 June 2015 €'000	Six months ended 30 June 2014 €'000
Distribution costs before depreciation and amortisation	154,736	97,986
Employee stock option expenses	(1,241)	(250)
Adjusted distribution costs before depreciation and amortisation	153,495	97,736
Administrative expenses before depreciation and amortisation	23,948	20,598
Employee stock option expenses	(82)	(25)
Professional fees on acquisitions	(4,263)	(27)
Decline in fair value of available-for-sale investment	-	(1,520)
Total adjusted items	(4,345)	(1,572)
Adjusted administrative expenses before depreciation and amortisation	19,603	19,026
Depreciation – distribution costs	5,300	3,888
Depreciation – administrative costs	902	652
Amortisation – distribution costs	33,453	25,539
Total depreciation and amortisation	39,655	30,079
Amortisation of intangibles on acquisitions – distribution costs	(19,805)	(19,186)
Adjusted depreciation and amortisation	19,850	10,893
EBITDA	107,346	95,775
Decline in fair value of available-for-sale investments	-	1,520
Employee stock option expenses	1,323	275
Professional expenses on acquisitions	4,263	27
Adjusted EBITDA	112,932	97,597
EBITDA related to acquisitions	1,361	(160)
Adjustment due to UK Point of Consumption ("POC") tax	8,110	-
Underlying adjusted EBITDA	122,403	97,437
Profit for the period- attributable to owners of parent	83,917	75,612
Amortisation of intangibles on acquisitions including amortisation on investment in associates	19,805	19,186
Decline in fair value of available-for-sale investments	-	1,520
Employee stock option expenses	1,323	275
Professional expenses on acquisitions	4,263	27
Non-cash accrued bond interest	4,638	-
Movement in deferred and contingent consideration	1,025	147
Adjusted profit for the period - attributable to owners of the parent	114,971	96,767

Adjusted net loss related to acquisitions	4,841	378
One off adjustment to amortisation of intangibles	-	(3,005)
One off facility costs	777	-
Share of new associate investments acquired	2,919	-
Effect of UK POC tax	8,110	-
Underlying adjusted profit for the period - attributable to owners of the parent	131,618	94,140

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 2015		Six months ended 30 June 2014	
	Actual €'000	**Adjusted €'000**	**Actual €'000**	**Adjusted €'000**
Profit for the year attributable to owners of the parent	83,917	114,971	75,612	96,767
Basic (cents)	28.9	39.6	26.0	33.3
Diluted (cents)	28.8	39.5	25.9	33.1

	Number 30 June 2015	**Number 30 June 2014**
Denominator – basic		
Weighted average number of equity shares	290,618,011	290,340,046
Denominator – diluted		
Weighted average number of equity shares	294,618,011	290,340,046
Weighted average number of option shares	342,283	1,900,451
Weighted average number of shares	290,960,924	292,240,497

NOTE 6 – SHAREHOLDERS' EQUITY

A. Share Capital

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

	Number of Shares	
	30 June 2015	**30 June 2014**
Authorised	N/A*	N/A*
Issued and paid up	322,622,617	293,492,617

* 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. Employee Benefit trust

During 2013 the Group established an Employee benefit trust by acquiring 5,517,241 shares for a total of €48.5 million. During the period 769,816 shares were sold with a cost of €7.8 million (Six months to 30 June 2014: 741,350 shares with a cost of €6.5 million), and as of 30 June 2015 3,366,022 shares remain outstanding.

C. Share options exercised

During the period 849,816 (Six months to 30 June 2014: 1,044,559) share options were exercised.

D. Distribution of Dividend

In May 2015, the Group distributed €51,171,493 as a final dividend for the year ended 31 December 2014.

NOTE 7 – AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2015 €'000	30 June 2014 €'000
Investment in available-for-sale investments at 1 January	24,219	33,661
Additions	83,580	-
Unrealised valuation movement recognised in equity	13,570	(5,470)
Decline in fair value of available-for-sale investment recognised in income statement	-	(1,520)
Investment in available-for-sale investments at 30 June	121,369	26,671

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

	30 June 2015 €'000	30 June 2014 €'000
Available-for-sale financial assets include the following:		
Quoted:		
Equity securities- UK	112,091	24,587
Equity securities- Asia	9,278	2,084
	121,369	26,671

NOTE 8 –CONTINGENT CONSIDERATION

	Six months ended 30 June 2015	Six months ended 30 June 2014
Non-Current contingent consideration consists:		
Acquisition of TradeFX Group	233,955	-
Other acquisitions	4,681	1,027
	238,636	1,027
Current contingent consideration consists:		
Acquisition of Yoyo Games Limited	2,163	-
Other acquisitions	3,274	-
	5,437	-

NOTE 9 – ACQUISITIONS DURING THE PERIOD

A. Acquisition of Yoyo Games Limited

On 13 February 2015, the Group acquired 100% of the shares of Yoyo Games Limited ("Yoyo"). Yoyo is the home of Game Maker: Studio™ ("GMS"), a mobile driven cross-platform casual game development technology that enables developers to create games using a single programming code and then publish them to run natively across most common platforms.

The Group paid total cash consideration of €14.4 million ($16.4 million) and additional consideration capped at €2.2 million ($2.5 million) in cash will be payable subject to achieving target EBITDA.
Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill, are as follows:

	Fair value on acquisition €'000
Property, plant and equipment	168
Intangible assets	4,650
Trade receivables	52
Cash and cash equivalent	219
Trade payables	(836)
Deferred tax liability	(930)
Net identified assets	3,323
Goodwill	13,241
Fair value of consideration	16,564

	€'000
Cash consideration	14,423
Current contingent consideration	2,204
Finance cost arising on discounting of contingent consideration	(63)
Fair value of consideration	16,564
Cash purchased	(219)
Net cash payable	16,345

Adjustments to fair value include the following:

	Amount €'000	Amortisation %
IP Technology	4,650	17

The main factor leading to the recognition of goodwill is the database of users and time to market benefit. In accordance with IAS36, the Group will regularly monitor the carrying value of its interest in Yoyo.
The key assumptions used by management to determine the value in use of the IP Technology within Yoyo are as follows:

- The income approach, in particular, the excess earnings.
- The discount rate assumed is equivalent to the WACC for the IP Technology.
- The growth rates and attrition rates were based on market analysis.

Management has not disclosed Yoyo contribution to the Group profit since the acquisition nor has the impact the acquisition would have had on the Group's revenue and profits if it had occurred on 1 January 2015 been disclosed, because the amounts are not material.

B. Acquisition of TradeFX Limited (subsequently renamed Markets Limited)
On 8 May 2015, the Group acquired 95.05% of the shares of TradeFX Limited ("TradeFX"), 91.1% on fully diluted basis. The sellers included a company related to the significant shareholder.

TradeFX is online CFDs and binary options broker and trading platform provider, The TradeFX operates two B2C businesses, the first providing customers with a platform for CFDs trading and the second offering a proprietary platform for the trading of binary options, both across multiple channels. In addition, the TradeFX Group provides a turnkey offering, including a white label solution, for B2B clients, in return for a revenue share.

The Group paid total cash consideration of €208 million, and additional consideration capped at €250 million in cash will be payable subject to achieving target EBITDA.

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

	Fair value on acquisition €'000
Property, plant and equipment	954
Intangible assets	195,533
Investments in equity accounted associates & joint ventures	456
Other non-current assets	1,910
Accounts receivables	2,661
Other receivables	2,022
Cash and cash equivalent	48,945
Other non-current liabilities	(1,992)
Trade payables	(2,769)
Progressive operators' jackpots, security deposits and player balances	(45,269)
Other liabilities	(12,603)
Deferred tax liability	(16,614)
Net identified assets	173,234
Goodwill	277,315
Non-controlling interest	(9,161)
Fair value of consideration	441,388
	€'000
Cash consideration	207,987
Working capital adjustment	3,207
Current contingent consideration	250,000
Finance cost arising on discounting of contingent consideration	(19,806)
Fair value of consideration	441,388
Cash purchased	(48,945)
Net cash payable	392,443

Adjustments to fair value include the following:

	Amount €'000	Amortisation %
IP Technology	10,834	20
Customer lists	132,915	6-25
Domains	41,705	7

The main factor leading to the recognition of goodwill is the time to market benefit. In accordance with IAS36, the Group will regularly monitor the carrying value of its interest in these acquisitions.
The key assumptions used by management to determine the value in use of the IP Technology, Customer lists and Domains within these acquisitions are as follows:

- The income approach, in particular, the multi period excess earnings method.
- The royalty rate was based on a third party market participant assumption for use of the IP Technology and Domains, considering market competition, quality, absolute and relative profitability.
- The discount rate assumed is equivalent to the WACC for the IP Technology, Customer lists and Domains.
- The growth rates and attrition rates were based on market analysis.

The non-controlling interest calculation was based on the net identified assets, and also included fair value adjustment due to unvested share options as of the date of acquisition. This adjustment has increased the goodwill.
Since the acquisition date, TradeFX has contributed €10.6 million to the Group revenue in the period, the amount of TradeFX contribution to the adjusted net profits and adjusted EBITDA is immaterial. The combined Group revenues as if the TradeFX acquisition had occurred on 1 January 2015 would have been higher by €43.2m, the combined Group adjusted EBITDA and adjusted net profit would have been higher by €12.2 million and €6.7 million respectively.

C. Other acquisitions

During the period the Group acquired the shares of various companies for a total initial consideration of €3.5 million and additional consideration capped at €4.9 million in cash will be payable subject to the achievement of certain operational targets.

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

	Fair value on acquisition €'000
Intangible assets	682
Trade and other receivables	107
Cash and cash equivalent	63
Trade and other payables	(159)
Deferred tax liability	(136)
Net identified assets	557
Goodwill	7,593
Total fair value of consideration	8,150

	€'000
Cash consideration	3,556
Current contingent consideration	4,943
Finance cost arising on discounting of contingent consideration	(349)
Fair value of consideration	8,150
Cash purchased	(63)
Net cash payable	8,087

Adjustments to fair value include the following:

	Amount €'000	**Amortisation %**
IP Technology	682	17

The main factor leading to the recognition of goodwill is the unique workforce and time to market benefit. In accordance with IAS36, the Group will regularly monitor the carrying value of its interest in these acquisitions. The key assumptions used by management to determine the value in use of the IP Technology within these acquisitions are as follows:

- The income approach, in particular, the multi period excess earnings method.
- The discount rate assumed is equivalent to the WACC for the IP Technology.
- The growth rates and attrition rates were based on market analysis.

Management has not disclosed other acquisitions contribution to the Group profit since these acquisitions nor has the impact the acquisition would have had on the Group's revenue and profits if it had occurred on 1 January 2015 been disclosed, because the amounts are not material.

NOTE 10 – 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. Also, a party is considered to be related if a member of the key management personnel has the ability to control the other party.

Skywind Holdings Limited ("Skywind"), SafeCharge Limited, Crossrider Technologies Ltd ("Crossrider"), Royalfield Limited, Easydock Investments Ltd. (Easydock), Selfmade Holdings, Anise Development Limited and Anise Residential Limited (together "Anise") are related by virtue of a common significant shareholder.

Jean-Pierre Horraiou, who is married to a Director of the Company, is the ultimate beneficiary of a trust that owns PT Games Limited, a supplier to the Group, and Niceidea Investments Limited ("Niceidea"), to which the Group advanced a loan of €1.5 million, with a Euribor+3% per annum interest which is repayable on or before July 2019. Jean-Pierre also provides the Group with consultancy services for an annual fee of £150,000.

International Terminal Leasing ("ITL") is a joint venture and the structured agreements are associates of the Group by virtue of the Group's significant influence over those arrangements. The Group commitment to structured agreements is up to a maximum of €9.1 million.
The following transactions arose with related parties:

	Six months ended 30 June 2015	Six months ended 30 June 2014
	€'000	**€'000**
Revenue including income from associate		
Skywind	542	120
Structured agreements	15,509	7,795
Share of profit (loss) in joint venture	134	(229)
Share of profit (loss) in associates	(3,141)	-
Operating expenses		
Skywind, net of capitalised cost	2,998	3,436
SafeCharge Limited	2,817	304
Crossrider	1,200	879
Anise	177	458
Easydock	119	-
PT Games Limited	86	-
Selfmade Holdings	13	-
Royalfield Limited	(67)	-
Interest payable		
Niceidea	23	-

Revenue from related parties was made at an arm's length basis at the Group's usual royalty rate. Operating expenses and interest were charged on an arm's length basis at market price.

In 2014 the Group established an Employee Benefit Trust by acquiring 5,517,241 shares from Brickington Trading Limited ("Brickington"), the Company's largest shareholder, for a total consideration of €48.5 million.

On 30 June 2015, Brickington held 33.61% (30 June 2014: 48.99%) of Playtech plc shares.
In 2012, in relation to the agreement signed with Skywind, Brickington has agreed to indemnify Playtech on demand against losses and expenses it suffers by reason of a default by Skywind in the performance of all its obligations under the software licence agreement. Playtech made no payment for this guarantee and there is no balance at the period.

Mr. Teddy Sagi, the ultimate beneficiary of a trust that owns Brickington, provides advisory services to the Group for a total annual consideration of €1.

NOTE 11 – CONTINGENT LIABILITIES

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 12- POST BALANCE SHEET EVENTS

Proposed acquisition of Plus500

In June, Playtech made a £460m recommended cash offer for Plus500, a developer and operator of online trading platforms for retail customers to trade CFDs internationally with more than 2,000 different underlying global financial instruments. Having secured the support of both shareholders of Playtech and of Plus500, the acquisition is expected to complete in September, subject to regulatory approvals.

Proposed acquisition of Ava Trade

In July, Playtech announced that it had acquired Ava Trade for $105m. The acquisition is expected to complete in September, subject to regulatory approvals. Ava Trade is B2C online CFD broker licensed and regulated in the EU, BVI, Japan and Australia.

Early settlement of the marketing services agreement with Ladbrokes plc.

On 27 July 2015, the Group agreed to an early settlement of its marketing services agreement dated March 2013 with Ladbrokes plc ("Ladbrokes").
With effect from Completion, Playtech shall become entitled to receive £75 million. Of this, £40 million will be satisfied by way of the issue of shares in Ladbrokes on Completion. A further £35 million will be guaranteed in cash to be received upon delivery of key operational milestones by the Group but, in any event, within 42 months following Completion.