

## Unibet Group plc

Interim report January – June 2016 (unaudited)

### Second quarter and first half year highlights

- **New all-time high in Gross winnings revenue of GBP 126.6 (80.5) million for the second quarter of 2016, and GBP 249.0 (156.6) million for the first half of 2016. Gross winnings revenue from the acquisitions of iGame Group and Stan James Online amounted to GBP 14.7 million for the second quarter of 2016.**
- **Underlying EBITDA for the second quarter of 2016 was GBP 22.0 (19.0) million, and GBP 50.5 (34.1) million for the first half of 2016. EBITDA from the acquisitions iGame Group and Stan James Online amounted to GBP 4.6 million for the second quarter of 2016.**
- **Profit before tax for the second quarter of 2016 amounted to GBP 15.4 (15.2) million. Profit before tax for the first half of 2016 amounted to GBP 37.9 (26.5) million.**
- **Profit after tax for the second quarter of 2016 amounted to GBP 13.5 (13.4) million. Profit after tax for the first half of 2016 amounted to GBP 33.5 (23.4) million.**
- **Earnings per share for the second quarter of 2016 were GBP 0.059 (0.059) and GBP 0.146 (0.103) for the first half of 2016.**
- **Free cash flow for the second quarter of 2016 amounted to GBP 21.4 (11.3) million. Free cash flow for the first half of 2016 amounted to GBP 47.0 (25.0).**
- **Number of active customers at the end of the quarter was 1,132,840 (603,528). Of these 216,515 are customers of iGame Group and Stan James Online.**

### **“Investments drive sustained market-share gains with 57 per cent increase in Gross winnings revenue (47 per cent in constant currency)”**

“The quarter was characterised by the Euro 2016 which provided a new all-time high in customer activity and continued strong growth. Margins in the tournament were significantly higher in July than in June. If the margins had been consistent across the tournament, then Gross winnings revenue for the second quarter would have been around GBP 3 million higher.”

“Gross winnings revenue in the Nordic region grew by 48 per cent (21 per cent organic in constant currency), while Western Europe grew by over 71 per cent (37 per cent organic in constant currency). Of the Gross winnings revenue 35 per cent was from locally regulated markets.”

“Gross winnings revenues from the mobile channel more than doubled in GBP (74 per cent organic growth in constant currency) and accounted for 63 per cent of the total Gross winnings revenue in the second quarter.”

“As in previous tournament years, we invested heavily in marketing both for new customer acquisition and reactivation of existing customers. While this has a short term effect in reducing profits, we are confident that this as proven previously will drive sustained growth in Gross winnings revenue and profits. For the quarter, marketing was 30 per cent of Gross winnings revenue, but for the full year we still expect it to average a few percentage points below 30 per cent.”

“In the period from 1 to 24 July 2016, average daily Gross winnings revenue in GBP has more than doubled compared to the same period in 2015. Adjusting for the unusually high margin on the final stages of the Euros, the impact of exchange rate changes and acquisitions, the organic constant currency growth is close to 50 per cent,” says Henrik Tjärnström, CEO of Unibet Group.

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Today, Wednesday 27 July 2016, Unibet Group’s CEO Henrik Tjärnström will host a presentation in English at FinancialHearings, Operaterrassen in Stockholm at 9.00 CEST.

Please go to [www.financialhearings.com](http://www.financialhearings.com) to sign in. The presentation is also webcast live on [www.unibetgroupplc.com](http://www.unibetgroupplc.com)

For those who would like to participate in the telephone conference in connection with the presentation, the telephone number is UK: **+44 20 3008 9804** or in the USA: +1 855 831 5946.

The Unibet Group companies hold local gambling licences in UK, France, Belgium, Denmark, Germany (Schleswig-Holstein), Italy, Australia, Ireland, Romania and Estonia. The Unibet Group also holds international gambling licences in Malta, Gibraltar and Alderney. The Unibet Group pays betting duties in all markets in accordance with applicable local laws.

**SUMMARY TABLE Q2 AND PRIOR YEAR**

This table and the contents of this announcement are unaudited.

To aid comparability, the 'per share' figures disclosed below, and throughout this report, relating to Q2 2015 and the period from January to June 2015, have been adjusted to reflect the 8:1 share split in December 2015.

GBP	Q2		Jan - June		Full Year	Rolling
	2016 GBPm	2015 GBPm	2016 GBPm	2015 GBPm	2015 GBPm	12 months <sup>3</sup> GBPm
Gross winnings revenue	126.6	80.5	249.0	156.6	354.1	446.5
EBITDA <sup>1</sup>	21.1	19.0	48.7	33.4	77.0	92.3
Underlying EBITDA	22.0	19.0	50.5	34.1	80.8	97.2
Profit before tax	15.4	15.2	37.9	26.5	62.2	73.6
Profit after tax	13.5	13.4	33.5	23.4	55.7	65.8
Net cash <sup>2</sup>	28.4	12.5	28.4	12.5	46.0	
Bank debt	62.1	-	62.1	-	56.7	
	GBP	GBP	GBP	GBP	GBP	GBP
EBITDA <sup>1</sup> per share	0.092	0.083	0.212	0.147	0.337	0.403
Earnings per share	0.059	0.059	0.146	0.103	0.244	0.287
Net cash <sup>2</sup> per share	0.123	0.055	0.123	0.055	0.200	

SEK	Q2		Jan - June		Full Year	Rolling
	2016 SEKm	2015 SEKm	2016 SEKm	2015 SEKm	2015 SEKm	12 months <sup>3</sup> SEKm
Gross winnings revenue	1,493.5	1,037.6	2,976.8	1,997.3	4,562.9	5,542.5
EBITDA <sup>1</sup>	248.9	244.9	582.2	426.0	992.2	1,148.4
Underlying EBITDA	259.5	244.9	603.7	434.9	1,041.2	1,210.0
Profit before tax	181.7	195.9	453.1	338.0	801.5	916.6
Profit after tax	159.3	172.7	400.5	298.4	717.8	819.8
Net cash <sup>2</sup>	323.8	161.9	323.8	161.9	576.0	
Bank debt	708.1	-	708.1	-	709.9	
	SEK	SEK	SEK	SEK	SEK	SEK
EBITDA <sup>1</sup> per share	1.084	1.076	2.535	1.871	4.347	5.012
Earnings per share	0.693	0.759	1.744	1.311	3.145	3.578
Net cash <sup>2</sup> per share	1.407	0.709	1.407	0.709	2.503	

	No.	No.	No.	No.	No.	No.
Active customers	1,132,840	603,528				
Registered customers (million)	15.3	10.3	15.3	10.3	13.5	

Currency rate Q2 16 average: 1GBP = 11.797 SEK, Q2 15 average: 1GBP = 12.890 SEK, FY 15 average: 1GBP = 12.886 SEK, 2016 YTD average: 1GBP = 11.955 SEK, 2015 YTD average: 1GBP = 12.754 SEK, 30 June 2016: 1GBP = 11.403 SEK, 30 June 2015: 1 GBP = 12.953 SEK, 31 December 2015: 1GBP = 12.521 SEK

The Unibet Group reports in GBP and the SEK figures presented above at period end rates are for information only and are not intended to comply with IFRS.

<sup>1</sup> EBITDA = Profit from operations before depreciation & amortisation.

<sup>2</sup> Net cash = Total cash at period end less customer balances.

<sup>3</sup> Rolling 12 months consists of 12 months ended 30 June 2016.

**Significant events during the second quarter of 2016**

On 15 April 2016, the Unibet Group repaid EUR 8 million of the Revolving Credit Facility.

On 17 May 2016, the Unibet Group utilised SEK 141 million and EUR 36 million of the Revolving Credit Facility.

**Significant events after the period end**

On 18 July 2016, the Unibet Group repaid EUR 4 million of the Revolving Credit Facility.

## Regulation of online gaming in the Netherlands

After a plenary debate, held in two parts on 23 and 30 June, the House of Representatives of the Dutch parliament voted in favour of adopting the new Online Gaming Bill in the Netherlands. As expected, the House of Representatives adopted the amendment to increase the proposed online gaming tax from 20 to 29 per cent, equal to the rate land-based operators pay. The Bill as adopted does leave the option open to evaluate the effect of the tax rate on channelisation. The next step in the process is the publication of secondary legislation for public consultation and for the Bill to go to the Senate this autumn.

## iGame Group earn-out

The iGame Group continued to perform strongly during the second quarter 2016 and the result of the final earn-out period is expected to be around the maximum level. This is subject to final review in accordance with the purchase agreement and payment is due by 30 September 2016.

## Market

The Unibet Group is one of Europe's leading providers of moneytainment, operating in 20 different languages in more than 100 countries. The Unibet Group offers pre-game and live Sports betting, Racing, Poker, Casino & Games and Bingo through several subsidiaries and brands. While the Group's core markets are in Europe and Australia, it addresses global markets excluding only territories that the Group has consistently blocked for legal reasons such as the USA, Turkey and similar markets. The Unibet Group is a founding member of the European Gaming and Betting Association, the Remote Gambling Association in the UK and is audited and certified by eCOGRA in relation to the pan-European CEN standard on consumer protection and responsible gaming.

## Current products

### Sports betting

The Unibet Group's pre-game sports betting and live betting service offers a comprehensive range of odds on a variety of international and local sports events, to a worldwide customer base (excluding restricted markets as described above) 24 hours a day, 7 days a week. Bets are placed via the Group's websites and mobile apps.

The Group offered 40,146 live betting events in the second quarter of 2016 and streamed 6,909 events on desktop and mobile devices.

The majority of the Unibet Group's business is largely determined by the seasons for key sports such as the major football leagues in Europe, major golf and tennis tournaments, ice hockey leagues in the Nordic countries and North America and sports and racing in Australia. The seasonality of these events results in fluctuations in the Group's quarterly performance, especially in terms of the amounts staked. However, quarterly results can also vary widely, due to the volatility of Gross winnings margins in sports betting. Please also refer to page 4 for more information about the margin.

### Casino & Games

The Unibet Group's Casino offers a choice of over 600 games from around 45 software providers. Of these, players have access to 15 games which are available exclusively to the Unibet Group's brands. Players can access games on desktop, mobile and on a number of different apps. In June, the Unibet brand went live with a refreshed and modernised live casino studio which also features an expansion in terms of available tables.

### Poker

Unibet Poker is one of the most active standalone poker sites in the industry. Bespoke software has created a sustainable home for poker players looking for both action and entertainment. The live tournament, Unibet Open, attracted over 300 players to Malta in May. The next stop for the Unibet Open will be Copenhagen in August.

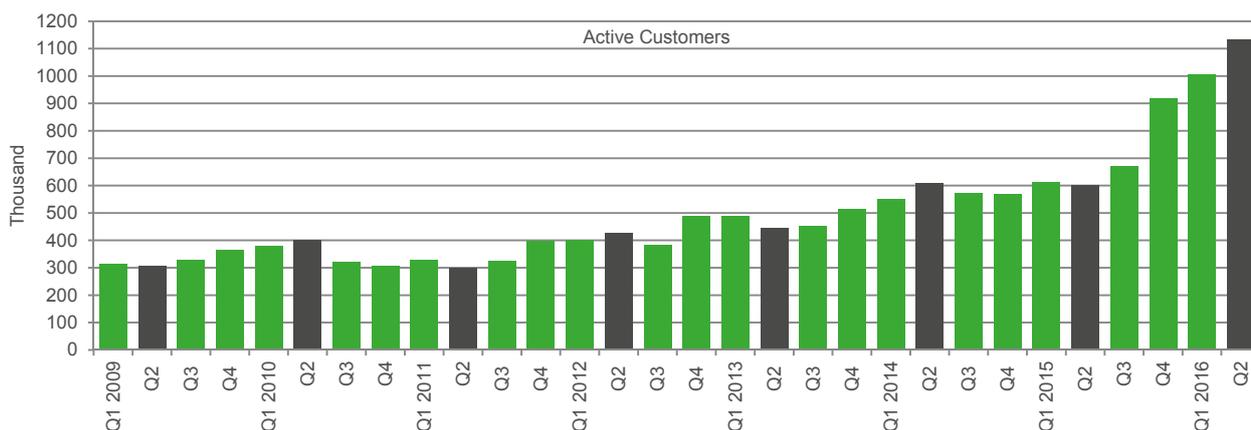
### Bingo

The Unibet Group's bingo product offers several different game types, big jackpots and exciting mini games. Players can access games around the clock across different devices and platforms. Since the launch of the Group's bespoke bingo client last summer the bingo network has continued to grow thanks to great software and innovative campaigns.

## Customers

The total number of registered customers has continued to increase and exceeded 15.3 (10.3) million at 30 June 2016, whilst at 31 March 2016, over 14.1 million customers were registered.

For the second quarter of 2016 the number of active customers amounted to 1,132,840 (603,528), compared with 1,007,365 for the first quarter of 2016. An active customer is defined as one placing a bet in the last three months.



**Financial review**

The financial information within this report has been presented in accordance with International Financial Reporting Standards as adopted by the European Union. The accounting policies remain unchanged from the last published Annual Report and Accounts for the year ended 31 December 2015.

**Gross winnings revenue**

Gross winnings revenue on sports betting represents the net receipt of bets and payouts for the financial period, as reduced for Free Bets taken. Free Bets are bonuses granted or earned in connection with customer acquisition.

Gross winnings revenue for sports betting amounted to GBP 56.2 (34.9) million for the second quarter of 2016. For the first half of 2016, Gross winnings revenue for sports betting amounted to GBP 110.3 (70.4) million.

In the second quarter of 2016, live betting accounted for 61.4 (69.0) per cent of turnover on sports betting and 51.1 (53.2) per cent of Gross winnings revenue on sports betting.

Gross winnings revenue for other products amounted to GBP 70.4 (45.6) million for the second quarter of 2016. For the first half of 2016, Gross winnings revenue for other products amounted to GBP 138.7 (86.2) million.

Please refer to pages 12 and 13 for more information on Gross winnings revenue per region and products.

**Gross margin on sports betting**

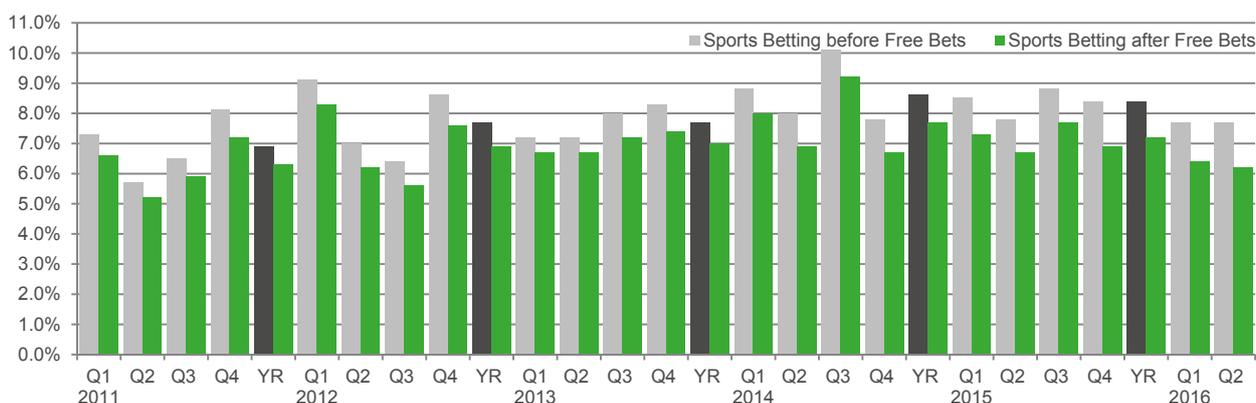
The gross margin for pre-game sports betting before Free Bets for the second quarter of 2016 was 9.8 (11.8) per cent.

The gross margin for total sports betting for the second quarter of 2016 before Free Bets was 7.7 (7.8) per cent. The gross margin for total sports betting for the second quarter of 2016 after Free Bets was 6.2 (6.7) per cent.

Please refer to page 13 for more information on sports betting margins.

Sports betting gross margins can vary quite significantly from one quarter to the next, depending on the outcome of sporting events. However, over time these margins will even out. This can be seen in the table below. The bars show total sports betting gross margin by quarter and full year.

**Sportsbetting Gross Win % (before and after Free Bets)**



### Cost of sales

Cost of sales includes betting duties, marketing revenue share and other costs of sales. For the second quarter of 2016 betting duties were GBP 15.7 (7.5) million and marketing revenue share amounted to GBP 7.2 (5.0) million. The betting duties for the first half of 2016 were GBP 29.9 (15.0) million and marketing revenue share for the first half of 2016 amounted to GBP 14.1 (9.4) million.

### Gross profit

Gross profit for the second quarter of 2016 was GBP 78.7 (52.9) million. Gross profit for the first half of 2016 was GBP 156.4 (102.4) million.

### Operating costs (marketing and administrative expenses)

Operating costs include all indirect costs of running the business and are a combination of activity-related and fixed costs such as marketing, salaries and other administrative expenses.

During the second quarter of 2016, operating costs were GBP 59.5 (37.5) million. Of the operating costs in the second quarter of 2016, GBP 30.4 (17.3) million were marketing costs and GBP 14.9 (10.2) million were salaries. During the first half of 2016, operating costs were GBP 111.8 (75.4) million. Of the operating costs in the first half of the year, GBP 56.1 (36.2) million were marketing costs and GBP 28.5 (19.9) were salaries.

### FX rates

The following FX rates are those used for translation of the Group's SEK, NOK, EUR, DKK and AUD Balance Sheet and Income Statement items into GBP on 30 June 2016:

#### Balance sheet rates:

Rate to GBP	30-Jun-15	30-Jun-16	YoY Delta
SEK	12.953	11.403	12.0%
NOK	12.357	11.253	8.9%
EUR	1.406	1.210	13.9%
DKK	10.487	9.001	14.2%
AUD	2.045	1.806	11.7%

#### Income statement averages for the quarter:

Rate to GBP	Avg Q2 15	Avg Q2 16	YoY Delta
SEK	12.890	11.797	8.5%
NOK	11.870	11.847	0.2%
EUR	1.386	1.272	8.3%
DKK	10.344	9.460	8.5%
AUD	1.970	1.927	2.2%

### EBITDA and Profit from operations

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the second quarter of 2016 was GBP 21.1 (19.0) million and for the first half of 2016, was GBP 48.7 (33.4) million.

Profit from operations for the second quarter of 2016 was GBP 15.6 (15.8) million. Profit from operations for the first half of 2016 was GBP 38.2 (27.1) million.

### Development and acquisition costs of intangible assets

In the second quarter of 2016 expenditure of GBP 5.3 (2.9) million has been capitalised, bringing the total for the first half of 2016 to GBP 10.0 (5.0) million. The key drivers of capitalised development costs during 2016 are customer experience improvements, local licensing requirements, data analytics and information mining.

### Finance costs/income

Net finance costs for the second quarter of 2016 were GBP 0.2 (0.6) million. Net finance costs for the first half of 2016 were GBP 0.5 (0.5) million.

### Profit before tax

Profit before tax for the second quarter of 2016 was GBP 15.4 (15.2) million. Profit before tax for the first half of 2016 was GBP 37.9 (26.5) million.

### Profit after tax

Profit after tax for the second quarter of 2016 was GBP 13.5 (13.4) million. Profit after tax for the first half of 2016 was GBP 33.5 (23.4) million.

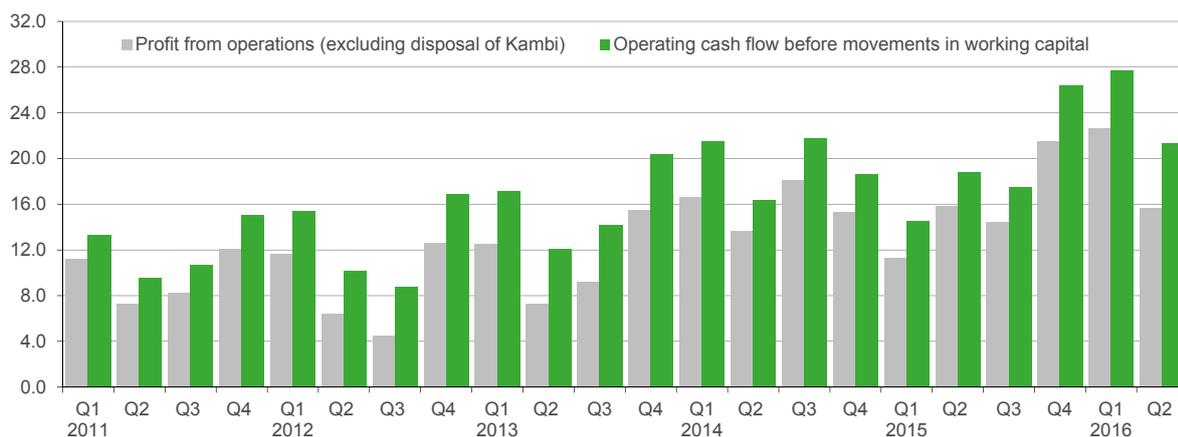
## Financial position and cash flow

The cash in hand position at the end of the second quarter of 2016 stood at GBP 78.7 (40.2) million while at the beginning of the quarter it was GBP 76.6 (76.6) million.

The net cash inflow for the second quarter of 2016 was GBP 1.1 (outflow 35.2) million after repaying GBP 6.4 million and utilising GBP 39.9 million of the Revolving Credit Facility and paying a cash dividend of GBP 54.0 (46.7) million to shareholders. As at 30 June 2016, GBP 62.1 (nil) million of the Revolving Credit Facility was utilised.

GBP 21.3 (18.8) million was generated from operating activities before movements in working capital. The quarterly profit from operations and operating cash flow before movements in working capital is shown in the table below.

### Profit and operating cash flow before movements in working capital (GBP million)



## Employees

The Unibet Group had 1,154 (730) employees at 30 June 2016, compared with 1,074 employees at 31 March 2016.

## Exercise of options

In the exercise window ending on 15 June 2016 under the rules of the Unibet Group plc Executive Option Scheme, 10,594 share options were exercised using 84,752 SDRs from the Unibet Group's Share buy-back programme initiated in 2007 and 2011. In connection with this exercise, the Unibet Group has received SEK 2,002,172 which has, in full, been taken to equity.

The total amount of shares outstanding in the Unibet Group plc is 230,126,200 ordinary shares with a par value of GBP 0.000625. Of the total outstanding shares, 381,144 from the Share buy-back programmes initiated in 2007 and 2011 continue to be held by the Group.

## Principal risks

The Unibet Group manages strategic, operational and financing risks on a group-wide basis. The principal risks affecting the Group are market risks, foreign exchange risks, credit risks and legal risks. Further details of the Group's risk management and risks arising from the legal environment can be found on pages 24 to 29 of the Annual Report for the year ended 31 December 2015 available from [www.unibetgroupplc.com](http://www.unibetgroupplc.com). There have been no changes in any risk management policies since the year end.

## Forthcoming financial reporting timetable

Interim Report January – September 2016	2 November 2016
Full Year Report 2016	8 February 2017
Interim Report January – March 2017	26 April 2017
Interim Report January – June 2017	26 July 2017
Interim Report January – September 2017	1 November 2017
Full Year Report 2017	7 February 2018

The Board of Directors and the CEO certify that the interim report gives a fair reflection of the Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Group.

Malta, 27 July 2016

Henrik Tjärnström  
CEO

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*This report is unaudited.  
Unibet Group plc  
Company number C 39017  
Registered in Malta.*

CONSOLIDATED INCOME STATEMENT GBP 'm	Unaudited Q2 2016	Unaudited Q2 2015	Unaudited Jan - June 2016	Unaudited Jan - June 2015	Audited Full Year 2015
<b>Continuing operations:</b>					
<b>Gross winnings revenue</b>	<b>126.6</b>	80.5	<b>249.0</b>	156.6	354.1
Betting duties	-15.7	-7.5	-29.9	-15.0	-35.0
Marketing revenue share	-7.2	-5.0	-14.1	-9.4	-19.7
Other cost of sales	-25.0	-15.1	-48.6	-29.8	-66.1
<b>Cost of sales</b>	<b>-47.9</b>	<b>-27.6</b>	<b>-92.6</b>	<b>-54.2</b>	<b>-120.8</b>
<b>Gross profit</b>	<b>78.7</b>	<b>52.9</b>	<b>156.4</b>	<b>102.4</b>	<b>233.3</b>
Marketing costs	-30.4	-17.3	-56.1	-36.2	-78.5
Administrative expenses	-29.1	-20.2	-55.7	-39.2	-85.1
<b>Underlying profit before items affecting comparability:</b>	<b>19.2</b>	<b>15.4</b>	<b>44.6</b>	<b>27.0</b>	<b>69.7</b>
M&A costs	-	-	-	-0.2	-0.7
Management incentive costs relating to acquisitions	-0.9	-	-1.8	-	-0.9
Impact of Bonza acquisition	-	-	-	-0.5	-0.6
Settlement of prior period betting duties and licence costs	-	-	-	-	-1.6
Amortisation of acquired intangible assets	-1.8	-0.1	-3.6	-0.3	-2.2
Foreign currency (loss)/gain on operating items	-0.9	0.5	-1.0	1.1	-0.7
<b>Profit from operations</b>	<b>15.6</b>	<b>15.8</b>	<b>38.2</b>	<b>27.1</b>	<b>63.0</b>
Finance costs	-0.2	-0.6	-0.5	-0.6	-0.9
Finance income	0.0	0.0	0.0	0.1	0.2
Share of loss from associates	0.0	-0.0	0.2	-0.1	-0.1
<b>Profit before tax</b>	<b>15.4</b>	<b>15.2</b>	<b>37.9</b>	<b>26.5</b>	<b>62.2</b>
Income tax expense	-1.9	-1.8	-4.4	-3.1	-6.5
<b>Profit after tax</b>	<b>13.5</b>	<b>13.4</b>	<b>33.5</b>	<b>23.4</b>	<b>55.7</b>
Earnings per share (GBP)	<b>0.059</b>	0.059	<b>0.146</b>	0.103	0.244
Weighted average number of ordinary shares <i>for the purposes of calculating basic earnings per share</i>	<b>229,660,304</b>	227,704,904	<b>229,642,307</b>	227,667,704	228,237,047
Fully diluted earnings per share (GBP)	<b>0.059</b>	0.058	<b>0.145</b>	0.101	0.239
Weighted average number of ordinary shares <i>for the purposes of calculating diluted earnings per share</i>	<b>230,240,993</b>	231,067,728	<b>230,431,998</b>	231,036,936	232,806,853
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b> GBP 'm	<b>Unaudited Q2 2016</b>	<b>Unaudited Q2 2015</b>	<b>Unaudited Jan - June 2016</b>	<b>Unaudited Jan - June 2015</b>	<b>Audited Full Year 2015</b>
<b>Profit after tax for the period</b>	<b>13.5</b>	13.4	<b>33.5</b>	23.4	55.7
<b>Other comprehensive income</b>					
Currency translation adjustments taken to equity	2.7	-2.7	13.6	-9.9	-4.4
<b>Total comprehensive income for the period</b>	<b>16.2</b>	<b>10.7</b>	<b>47.1</b>	<b>13.5</b>	<b>51.3</b>

CONSOLIDATED BALANCE SHEET			
GBP 'm	Unaudited 30 Jun 2016	Unaudited 30 Jun 2015	Audited 31 Dec 2015
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	181.8	138.8	172.0
Other intangible assets	93.4	33.2	85.9
Investment in associates	1.6	1.4	1.4
Property, plant and equipment	9.8	4.5	7.6
Deferred tax assets	7.1	8.7	7.1
Convertible bond	6.2	5.4	5.6
Loan to joint venture	-	0.8	-
Other non-current assets	2.0	1.6	1.6
	<b>301.9</b>	<b>194.4</b>	<b>281.2</b>
<b>Current assets</b>			
Trade and other receivables	29.2	16.4	23.3
Taxation recoverable	11.6	8.0	11.6
Cash and cash equivalents	78.7	40.2	83.4
	<b>119.5</b>	<b>64.6</b>	<b>118.3</b>
<b>Total assets</b>	<b>421.4</b>	<b>259.0</b>	<b>399.5</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	0.1	0.1	0.1
Share premium	81.5	78.1	81.5
Currency translation reserve	12.2	-6.9	-1.4
Reorganisation reserve	-42.9	-42.9	-42.9
Retained earnings	155.7	141.9	175.8
<b>Total equity</b>	<b>206.6</b>	<b>170.3</b>	<b>213.1</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	3.3	1.2	3.4
	<b>3.3</b>	<b>1.2</b>	<b>3.4</b>
<b>Current liabilities</b>			
Borrowings	62.1	-	56.7
Trade and other payables	70.8	36.8	65.7
Customer balances	50.3	27.7	37.4
Deferred income	5.6	1.5	3.0
Tax liabilities	22.7	21.5	20.2
	<b>211.5</b>	<b>87.5</b>	<b>183.0</b>
<b>Total liabilities</b>	<b>214.8</b>	<b>88.7</b>	<b>186.4</b>
<b>Total equity and liabilities</b>	<b>421.4</b>	<b>259.0</b>	<b>399.5</b>

CONSOLIDATED CASH FLOW STATEMENT					
GBP 'm	Unaudited Q2 2016	Unaudited Q2 2015	Unaudited Jan - June 2016	Unaudited Jan - June 2015	Audited Full Year 2015
<b>Operating activities</b>					
Profit from operations	15.6	15.8	38.2	27.1	63.0
Adjustments for:					
Depreciation of property, plant and equipment	1.2	0.6	2.2	1.2	2.9
Amortisation of intangible assets	4.3	2.6	8.3	5.1	11.1
Loss on disposal of intangible assets	0.0	-	0.0	-	0.0
Loss on disposal of property, plant & equipment	0.2	-	0.1	0.0	0.1
Impact of Bonza acquisition	-	-	-	-	-0.3
Share-based payment	-0.1	0.1	0.1	0.2	0.6
Equity settled employee benefit plan	0.1	0.2	0.1	0.2	0.3
Foreign exchange on dividend	-	-0.5	-	-0.5	-0.5
<b>Operating cash flows before movements in working capital</b>	<b>21.3</b>	<b>18.8</b>	<b>49.0</b>	<b>33.3</b>	<b>77.2</b>
Increase in trade and other receivables	-3.3	-3.2	-6.3	-3.7	-7.9
Increase in trade and other payables, including customer balances	12.7	-0.3	21.0	3.1	15.8
<b>Cash generated from operations</b>	<b>30.7</b>	<b>15.3</b>	<b>63.7</b>	<b>32.7</b>	<b>85.1</b>
Income taxes paid net of tax refunded	-0.5	-0.2	-2.1	-1.0	-5.8
<b>Net cash generated from operating activities</b>	<b>30.2</b>	<b>15.1</b>	<b>61.6</b>	<b>31.7</b>	<b>79.3</b>
<b>Investing activities</b>					
Acquisition of subsidiaries, net of cash acquired	-	-	-	-	-56.3
Settlement of contingent consideration	-	-	-5.9	-	-
Interest received	0.2	0.2	0.2	0.2	0.2
Interest paid	-0.2	-0.1	-0.4	-0.1	-0.3
Purchases of property, plant and equipment	-3.5	-0.9	-4.6	-1.7	-5.9
Proceeds from sale of property, plant and equipment	-	-	0.5	-	-
Development and acquisition costs of intangible assets	-5.3	-2.9	-10.0	-5.0	-11.1
<b>Net cash used in investing activities</b>	<b>-8.8</b>	<b>-3.7</b>	<b>-20.2</b>	<b>-6.6</b>	<b>-73.4</b>
<b>Financing activities</b>					
Dividends paid	-54.0	-46.7	-54.0	-46.7	-46.7
Disposal of treasury shares	0.1	0.1	0.2	0.2	0.3
Proceeds of issue of new shares for share options	-	-	0.0	-	3.4
Proceeds from borrowings	39.9	-	39.9	-	56.9
Repayment of borrowings	-6.4	-	-38.7	-	-
<b>Net cash (used in)/generated from financing activities</b>	<b>-20.4</b>	<b>-46.6</b>	<b>-52.6</b>	<b>-46.5</b>	<b>13.9</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1.0</b>	<b>-35.2</b>	<b>-11.2</b>	<b>-21.4</b>	<b>19.8</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>76.6</b>	<b>76.6</b>	<b>83.4</b>	<b>67.0</b>	<b>67.0</b>
Effect of foreign exchange rate changes	1.1	-1.2	6.5	-5.4	-3.4
<b>Cash and cash equivalents at end of period</b>	<b>78.7</b>	<b>40.2</b>	<b>78.7</b>	<b>40.2</b>	<b>83.4</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

GBP 'm	Unaudited Q2 2016	Unaudited Q2 2015	Unaudited Jan - June 2016	Unaudited Jan - June 2015	Audited Full Year 2015
<b>Opening balance at beginning of period</b>	<b>244.3</b>	205.9	<b>213.1</b>	202.9	202.9
<b>Comprehensive income</b>					
Profit for the period	<b>13.5</b>	13.4	<b>33.5</b>	23.4	55.7
Other comprehensive income:					
Translation adjustment	<b>2.7</b>	-2.7	<b>13.6</b>	-9.9	-4.4
	<b>16.2</b>	<b>10.7</b>	<b>47.1</b>	<b>13.5</b>	<b>51.3</b>
<b>Transactions with owners</b>					
Share options - value of employee services	<b>-0.1</b>	0.1	<b>0.1</b>	0.2	0.6
Equity settled employee benefit plan	<b>0.1</b>	0.2	<b>0.1</b>	0.2	0.3
Deferred tax credit relating to share option scheme	-	-	-	-	1.0
Proceeds from shares issued	-	-	<b>0.0</b>	-	3.4
Disposal of treasury shares	<b>0.1</b>	0.1	<b>0.2</b>	0.2	0.3
Dividend paid	<b>-54.0</b>	-46.7	<b>-54.0</b>	-46.7	-46.7
	<b>-53.9</b>	<b>-46.3</b>	<b>-53.6</b>	<b>-46.1</b>	<b>-41.1</b>
<b>Closing balance at end of period</b>	<b>206.6</b>	<b>170.3</b>	<b>206.6</b>	<b>170.3</b>	<b>213.1</b>

**KEY RATIOS**

This table is for information only and does not form part of the condensed financial statements.

	Unaudited Q2 2016	Unaudited Q2 2015	Unaudited Jan - June 2016	Unaudited Jan - June 2015	Audited Full Year 2015
Operating margin, % (Profit from operations/gross winnings revenue for the period)	<b>12%</b>	20%	<b>15%</b>	17%	18%
Return on total assets, % (Profit after tax/average of opening and closing assets for the period)	<b>3%</b>	5%	<b>8%</b>	9%	16%
Return on average equity, % (annualised) (EBIT/average of opening and closing equity for the period)	<b>28%</b>	34%	<b>36%</b>	29%	30%
Equity:assets ratio, %	<b>49%</b>	66%	<b>49%</b>	66%	53%
EBITDA margin, %	<b>17%</b>	24%	<b>20%</b>	21%	22%
Net cash/EBITDA (rolling 12-month basis)	<b>0.308</b>	0.169	<b>0.308</b>	0.169	0.597
Employees at period end	<b>1,154</b>	730	<b>1,154</b>	730	1,038
Gross cash per share (GBP) (cash at end of period/number of shares at end of period)	<b>0.342</b>	0.176	<b>0.342</b>	0.176	0.362
Net cash less debt per share (GBP) (total cash at period end less customer liabilities and borrowings/number of shares at end of period)	<b>-0.146</b>	0.055	<b>-0.146</b>	0.055	-0.046
Operating cash flow before movements in working capital per share (GBP)	<b>0.093</b>	0.083	<b>0.213</b>	0.146	0.338
Earnings per share (GBP)	<b>0.059</b>	0.059	<b>0.146</b>	0.103	0.244
Fully diluted earnings per share (GBP)	<b>0.059</b>	0.058	<b>0.145</b>	0.101	0.239
Number of shares at period end <sup>1</sup>	<b>230,126,200</b>	228,303,600	<b>230,126,200</b>	228,303,600	230,117,040
Fully diluted number of shares at period end	<b>230,705,377</b>	231,688,032	<b>230,705,377</b>	231,688,032	230,575,697
Average number of shares	<b>229,660,304</b>	227,704,904	<b>229,642,307</b>	227,667,704	228,237,047
Average number of diluted shares	<b>230,240,993</b>	231,067,728	<b>230,431,998</b>	231,036,936	232,806,853

<sup>1</sup> As at 30 June 2016 the total issued shares was 230,126,200. Of these 381,144 shares are held by the Group as a result of previous repurchase programmes. The intention of the Board is either to cancel the shares (requires further shareholder approval), use as consideration for an acquisition, or issue to employees under share option programmes.

**NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE**

These tables are for information only and do not form part of the condensed financial statements

**Gross winnings revenue by region (based on country of residence of customer)**  
 (GBP 'm)

<b>SPORTS BETTING BY REGION</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>YTD</b>	<b>FY</b>	<b>FY</b>
<b>Gross winnings revenue</b>									
Nordics	17.2	18.3	16.4	15.1	13.5	13.2	35.5	58.2	53.5
Western Europe	32.9	29.0	27.7	19.7	16.9	17.6	61.9	81.9	65.5
Central, Eastern and Southern Europe	4.2	4.8	4.4	2.7	2.2	2.8	9.0	12.1	9.9
Other	1.9	2.0	2.5	2.3	2.3	1.9	3.9	9.0	4.8
<b>Total</b>	<b>56.2</b>	<b>54.1</b>	<b>51.0</b>	<b>39.8</b>	<b>34.9</b>	<b>35.5</b>	<b>110.3</b>	<b>161.2</b>	<b>133.7</b>

<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>									
Nordics	27%	39%	27%	-1%	11%	1%	33%	9%	16%
Western Europe	95%	65%	94%	4%	4%	9%	79%	25%	61%
Central, Eastern and Southern Europe	91%	71%	144%	4%	-15%	-3%	80%	22%	9%
Other	-17%	5%	39%	77%	156%	138%	-7%	88%	-13%
<b>Total</b>	<b>61%</b>	<b>52%</b>	<b>66%</b>	<b>4%</b>	<b>9%</b>	<b>8%</b>	<b>57%</b>	<b>21%</b>	<b>31%</b>

<b>OTHER PRODUCTS - CASINO, POKER, &amp; OTHER GAMES BY REGION</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>YTD</b>	<b>FY</b>	<b>FY</b>
<b>Gross winnings revenue</b>									
Nordics	36.8	35.9	32.2	25.6	23.1	21.2	72.7	102.1	97.4
Western Europe	26.5	25.0	22.6	16.4	17.9	15.5	51.5	72.4	59.1
Central, Eastern and Southern Europe	6.6	6.8	5.3	3.7	4.1	3.6	13.4	16.7	16.9
Other	0.5	0.6	0.3	0.6	0.5	0.3	1.1	1.7	4.9
<b>Total</b>	<b>70.4</b>	<b>68.3</b>	<b>60.4</b>	<b>46.3</b>	<b>45.6</b>	<b>40.6</b>	<b>138.7</b>	<b>192.9</b>	<b>178.3</b>

<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>									
Nordics	59%	69%	26%	10%	-7%	-11%	64%	5%	-1%
Western Europe	48%	61%	37%	10%	24%	17%	54%	23%	31%
Central, Eastern and Southern Europe	61%	89%	13%	-5%	0%	-14%	74%	-1%	2%
Other	0%	100%	-40%	100%	-74%	-86%	38%	-65%	-20%
<b>Total</b>	<b>54%</b>	<b>68%</b>	<b>28%</b>	<b>9%</b>	<b>1%</b>	<b>-7%</b>	<b>61%</b>	<b>8%</b>	<b>7%</b>

<b>TOTAL BY REGION</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>YTD</b>	<b>FY</b>	<b>FY</b>
<b>Gross winnings revenue</b>									
Nordics	54.0	54.2	48.6	40.7	36.6	34.4	108.2	160.3	150.9
Western Europe	59.4	54.0	50.3	36.1	34.8	33.1	113.4	154.3	124.6
Central, Eastern and Southern Europe	10.8	11.6	9.7	6.4	6.3	6.4	22.4	28.8	26.8
Other	2.4	2.6	2.8	2.9	2.8	2.2	5.0	10.7	9.7
<b>Total</b>	<b>126.6</b>	<b>122.4</b>	<b>111.4</b>	<b>86.1</b>	<b>80.5</b>	<b>76.1</b>	<b>249.0</b>	<b>354.1</b>	<b>312.0</b>

<b>Share of total %</b>									
Nordics	42%	44%	43%	47%	45%	45%	43%	45%	48%
Western Europe	47%	44%	45%	42%	43%	44%	46%	44%	40%
Central, Eastern and Southern Europe	9%	10%	9%	8%	8%	8%	9%	8%	9%
Other	2%	2%	3%	3%	4%	3%	2%	3%	3%

<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>									
Nordics	48%	58%	27%	6%	-1%	-7%	52%	6%	4%
Western Europe	71%	63%	63%	7%	14%	13%	67%	24%	45%
Central, Eastern and Southern Europe	71%	81%	49%	-2%	-6%	-10%	76%	7%	4%
Other	-14%	18%	22%	81%	0%	-27%	0%	10%	-16%
<b>Total</b>	<b>57%</b>	<b>61%</b>	<b>43%</b>	<b>7%</b>	<b>4%</b>	<b>-1%</b>	<b>59%</b>	<b>13%</b>	<b>16%</b>

## NON-STATUTORY ANALYSIS OF GROSS WINNINGS REVENUE

These tables are for information only and do not form part of the condensed financial statements

Gross winnings revenue by product (after Free Bets)  
(GBP 'm)

TOTAL BY PRODUCT	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 YTD	2015 FY	2014 FY
<b>Gross winnings revenue</b>									
Sports Betting	56.2	54.1	51.0	39.8	34.9	35.5	110.3	161.2	133.7
Casino & Games	64.7	61.3	53.8	42.3	40.6	34.9	126.0	171.6	149.8
Poker	2.6	3.2	2.2	1.3	1.9	2.2	5.8	7.6	8.4
Other	3.1	3.8	4.4	2.7	3.1	3.5	6.9	13.7	20.1
<b>Total</b>	<b>126.6</b>	<b>122.4</b>	<b>111.4</b>	<b>86.1</b>	<b>80.5</b>	<b>76.1</b>	<b>249.0</b>	<b>354.1</b>	<b>312.0</b>
<b>Share of total %</b>									
Sports Betting	45%	44%	46%	46%	43%	47%	44%	46%	43%
Casino & Games	51%	50%	48%	49%	50%	46%	51%	48%	48%
Poker	2%	3%	2%	2%	3%	3%	2%	2%	3%
Other	2%	3%	4%	3%	4%	4%	3%	4%	6%
<b>Quarterly Year-on-Year &amp; Year-on-Year growth %</b>									
Sports Betting	61%	52%	66%	4%	9%	8%	57%	21%	31%
Casino & Games	59%	76%	34%	15%	8%	-1%	67%	15%	14%
Poker	37%	45%	-4%	-35%	12%	-8%	41%	-10%	-38%
Other	0%	9%	-6%	-23%	-48%	-41%	5%	-32%	-5%

Sports Betting gross margins  
(GBP 'm)

	2016 Q2	2016 Q1	2015 Q4	2015 Q3	2015 Q2	2015 Q1	2016 YTD	2015 FY	2014 FY
<b>Sports Betting Stakes</b>	<b>901.5</b>	<b>845.1</b>	<b>734.0</b>	<b>513.8</b>	<b>517.6</b>	<b>483.5</b>	<b>1,746.6</b>	<b>2,248.9</b>	<b>1,744.9</b>
<i>Sports Betting Gross winnings revenue:</i>									
<b>Live Betting</b>	<b>35.6</b>	<b>33.8</b>	<b>28.9</b>	<b>23.1</b>	<b>21.5</b>	<b>21.6</b>	<b>69.4</b>	<b>95.1</b>	<b>68.0</b>
<i>Live Betting Margin %</i>	6.4%	6.3%	6.6%	6.5%	6.0%	6.8%	6.4%	6.5%	6.0%
<i>Live Betting Share %</i>	51.1%	52.2%	46.9%	50.9%	53.2%	52.4%	51.6%	50.4%	45.2%
<b>Pre-game Betting</b>	<b>34.0</b>	<b>31.0</b>	<b>32.7</b>	<b>22.3</b>	<b>18.9</b>	<b>19.6</b>	<b>65.0</b>	<b>93.5</b>	<b>82.6</b>
<i>Pre-game Betting Margin %</i>	9.8%	10.1%	11.1%	14.3%	11.8%	11.8%	9.9%	12.0%	13.4%
<i>Pre-game Betting Share %</i>	48.9%	47.8%	53.1%	49.1%	46.8%	47.6%	48.4%	49.6%	54.8%
<b>Total before Free Bets</b>	<b>69.6</b>	<b>64.8</b>	<b>61.6</b>	<b>45.4</b>	<b>40.4</b>	<b>41.2</b>	<b>134.4</b>	<b>188.6</b>	<b>150.6</b>
<i>Sports Betting margin % (before FB)</i>	7.7%	7.7%	8.4%	8.8%	7.8%	8.5%	7.7%	8.4%	8.6%
Free Bets	-13.4	-10.7	-10.6	-5.6	-5.5	-5.7	-24.1	-27.4	-16.9
<b>Total after Free Bets</b>	<b>56.2</b>	<b>54.1</b>	<b>51.0</b>	<b>39.8</b>	<b>34.9</b>	<b>35.5</b>	<b>110.3</b>	<b>161.2</b>	<b>133.7</b>
<i>Sports Betting margin % (after FB)</i>	6.2%	6.4%	6.9%	7.7%	6.7%	7.3%	6.3%	7.2%	7.7%