GAMING VC HOLDINGS S.A.

(Incorporated in the Grand Duchy of Luxembourg, Registered Number RC Luxembourg B 104348)

INTERIM FINANCIAL REPORT FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2009

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CHIEF EXECUTIVE'S STATEMENT

Introduction and financial overview

I am pleased to announce a strong set of interim results against the background of a global recession and reduced consumer spend across Europe. Compared with the six months to 31 December 2008, where many other e-gaming companies reported a drop in revenues, the Group's Net Gaming Revenue ("NGR") rose to €26.5 million from €24.0 million. NGR was also higher than in the first six months of 2008 (€26.1 million).

Player numbers in the six months to 30 June 2009 have not decreased, but Gaming VC has seen some reduction in yields from high roller customers in its German casino, casinoclub.com. This business had over 13,000 unique real-money customers during the six month period, and over 4,800 customers spending (or winning) over €500 during the period.

Stakes on sports events rose to €31.8 million, up from €22.5 million in H1-08 and €28.3 million in H2-08. Sportsbook margins, for the six months ended 30 June 2009 were 16.3% (H1-08: 14.7%), but adverse Italian football results at the end of the season resulted in margins for Q2-09 being 8.8% (Q2-08: 13.9%).

The Group's product and geographical diversification strategy is bearing fruit, with Germany now only representing 45% of NGR (H1-08: 61%), and sports representing 18% (H1-08: 12%). The Board is extremely excited about the Group's recent acquisition of Betboo; not only does it cement Gaming VC's geographic diversification but it also provides the Group with an entry point into the Latin American marketplace which we believe will be one of the fastest growing e-gaming markets.

As more fully reported in the financial review, clean ebitda at €8.9 million was higher than H2-08 (€8.7 million) but lower than H1-08 (€10.9 million), as expected by the Board given the overall economic weakness in the European economies. Operating costs remained flat.

Current trading

Current trading has been encouraging. Despite the high percentage of favourites winning in the early weeks of the football season, Q3-09 sports margins exceeded 12% in the 85 days to 23 September 2009. Daily average gaming revenues for the 85 day period to 23 September 2009 were at a similar level to Q3-08.

Post acquisition, Betboo has continued to grow and trade well. For the first 85 days of Q3-09, average daily revenues were Brazilian Reais 33k (€12k), 25% higher than the same period last year. The launch of casino and poker has now been successfully integrated into the sportsbook and bingo product.

Cash at bank and in hand, at 18 September 2009 (the last date when consolidated figures are available) was €20.5 million (approximately GBP 0.60p per share).

Regulation

The Board continues to monitor the regulatory framework closely. The outcome of the recent Bwin/Portugal case does not directly affect the Group and its operations.

Redomiciliation to Isle of Man

In August 2009, the Group announced its intention, pending formal approval from shareholders, for a redomiciliation from Luxembourg to the Isle of Man. Under the AIM rules, a circular will be sent to shareholders pertaining to the Group's proposed redomiciliation.

Dividend

The Board has declared an interim dividend per share of €0.20 (2008: €0.20) payable on 6 November 2009 to holders on the register at the close of business on 9 October 2009.

Additional analysis and comments on the financial performance and financial position are included in the Financial Director's Report.

We remain confident about our prospects for the rest of the year.

Kenneth Alexander
Chief Executive
25 September 2009

FINANCE DIRECTOR'S STATEMENT

Net Gaming Revenue ("NGR")

NGR is stated after ordinary winnings, jackpot winnings, chargebacks, and promotional bonuses. Revenues for the first half of 2009 were €26.5 million, €2.5 million (11%) higher than H2-08 and €0.4 million higher than the same period last year (€26.1 million). The break down between gaming and sports revenues is as follows:

	H1 2009 € million	H1 2008 € million	H2 2008 € million
Gaming revenues	**€21.6**	€22.9	€20.9
Sport revenues	**€4.9**	€3.2	€3.1

Non-German revenues continue to increase, and reached €14.6 million representing 55% of total revenues, compared to €10.2 million (39%) in the first half of 2008 and €12.7 million (55%) in the second half of 2008.

Sports margins held up at 16.3% (H1-08: 14.7%; H2-08: 11.9%). This was despite the unfavourable impact arising from the soccer results in the closing weeks of the season.

Gross profits

Gross profit percentages at 83% were consistent with H2-08 and marginally higher than H1-08.

Contribution

Contribution is defined as gross profits less marketing costs and affiliate commissions and similar.

Contribution, at €13.5 million was 8% higher than H2-08 (€12.5 million), but lower than H1-08 (€15.4 million). This reflects a greater proportion of lower margin non-German business. Encouragingly, contribution from sports rose 110% from €0.7 million in H1-08 to €1.5 million, in H1-09.

Operating expenses

The total operating expenses, which now include the costs for Winzingo, were €5.5 million, 6% higher than H1-08, mainly as a result of €0.3 million of exceptional charges relating to restructuring the Italian and Tel Aviv operations. Share option charges under IFRS 2 fell as more options reached the end of their vesting period.

All other operating expenses were flat at €4.6 million. Personnel costs, at €2.5 million, were lower than H1-08 (€2.6 million) but higher than H2-08 (€2.2 million) largely reflecting the costs for Winzingo. Professional fees, €0.6 million, dropped by a third over H1-08 (€0.9 million) and remained flat with H2-08. Office running costs, €1.2 million were higher than both H1-08 (€0.8 million) and H2-08 (€1.0 million), reflecting a full period of operations in Malta, Italy and Tel Aviv. An analysis of these costs is shown below:

	€000's 6 months To June 2009	€000's 6 months To June 2008	€000's 12 months To Dec 2008
Personnel expenses (other than share option charges)	**2,465**	2,634	4,817
Professional fees – Fort Knox	**–**	(32)	(384)
Professional fees – Other	**598**	924	1,486
Office running	**1,184**	756	1,755
Foreign exchange differences	**104**	13	36
Other	**288**	280	674
Total	**4,639**	4,575	8,384

Foreign exchange differences arose principally on the settlement of certain GBP accruals, translated at the year-end rate of 1.0342 Euro to GBP. They were settled when the GBP had strengthened to around 1.15 Euro.

The Group's operating and accounting currency is the Euro, but it has a small exposure to both GBP and Israeli Shekels. Following the acquisition of Betboo, the Group has a currency exposure to the Brazilian Reais, but this is expected to be minimal for the next 24 months. On an exceptional basis, the Group hedges its currency exposures, as it did for the forward purchase of the initial purchase price for Betboo (€3 million).

Depreciation and amortisation

Charges for the period were €0.4 million, which is level with H2-08 (€0.4 million) but a little higher than the first half of 2008 (€0.3 million).

Financial income and expense

The dramatic reduction in global interest rates has led to a fall in interest earnings in the first half of 2009 to €0.1 million, down from €0.3 million in H1-08 and €0.3 million in H2-08.

Corporate Taxation

The Group's tax charge was derived primarily from its operations in Malta, where it started trading in August 2007 and became profitable in 2008. Tax is charged at 35% and reduced to 4.17% via a reclaim made by the holding company.

Property, plant and equipment

The Group continued to upgrade its plant and equipment, making additions of €0.2 million during the period.

Intangible assets

A further €0.1 million of additions was made during the period in order to upgrade various websites.

Net current assets, cash and treasury matters

The Group had €21.2 million of net current assets at 30 June 2009 (30 June 2008: €18.9 million), an increase of 12.2%.

The components of the cash balances, €20.8 million (30 June 2008: €18.6 million) were, in Euro equivalents:

	€000's 30 June 2009	€000's 30 June 2008	€000's 31 Dec 2008
Own funds	**19,751**	17,995	17,502
Client funds	**1,037**	615	997
Funds held in escrow for founder shareholders	**–**	–	335
	20,788	18,610	18,834
And split by currency:			
Euros	**17,795**	18,456	18,651
US dollars	**112**	51	22
GB Pounds	**2,879**	103	147
Other	**2**	–	14
	20,788	18,610	18,834
And analysed by bank:			
Barclays	**15,764**	16,046	17,185
Bank of Valetta	**4,735**	2,437	1,000
Other	**289**	127	649
	20,788	18,610	18,834

Since 31 December 2008, cash balances have increased by €2.0 million. The constituents of this increase are shown below:

		€000's
Profits before tax		8,109
Add back:		
Depreciation	351	
Amortisation	70	
Share option charges	88	
		509
Deduct:		
Purchase of non-current assets	(231)	
Payment of taxes (net)	(1,305)	
Escrow funds remitted	(335)	
Movement in working capital		1,434
Net increase in funds before payment of dividends		8,181
Dividends paid		(6,227)
Increase in cash and cash equivalents		1,954
Cash at 30 June 2009		20,788
Cash at 31 December 2008		18,834
		1,954

Receivables and prepayments at 30 June 2009 were €4.5 million, down €1.6 million from €6.1 million at 30 June 2008. €1.0 million of this reduction was attributable to the write-down, in the second half of 2008, of the working capital loan to Winzingo.

Trade and other payables were €4.7 million at 30 June 2009, down €0.7 million from €5.4 million at 30 June 2008. Around €0.5 million of this reduction was due to the Malta/Italy set-up costs, incurred in H1-08 and accrued at the time, but paid subsequently.

At 30 June 2009, the Group had tax recoverable of €2.0 million and tax payable of €1.2 million. The tax recoverable is from the Maltese tax authorities and the timetable for refund is in Q2-10. The tax is payable at around the same time.

Taxation arises as the Group's principal operating subsidiary is GVC Corporation Limited, a company incorporated in Malta and granted a license by the LGA (the Lotteries and Gaming Authority). The headline rate of corporation tax is 35%. Reclaims of tax are possible provided that the profits of this company are distributed. The post-refund rate of tax nets to 4.17%.

Taxation on activities in the Netherlands Antilles is at 2%, but is sheltered by tax losses created by the write-down of intangible assets in 2006.

To the extent that the Group's subsidiary in Cyprus (which in turn owns 100% of the shares in the Netherlands Antilles company and the Group's Jersey company) receives dividends from profits deemed to have been earned from "non-trading" income, then a non-recoverable 10% withholding tax applies.

As announced on 27 August 2009, the Company will be seeking shareholder approval to re-domicile to the Isle of Man. This should lead both to financial advantages (no 15% withholding tax on dividends) and to operational advantages (shares become CREST eligible). At the same time, the Group is also currently undertaking some internal corporate restructuring to reduce the number of companies in the Group and to improve its ability to upstream profits without incurring withholding tax.

On 2 July 2009, the Group paid US$4 million (€3 million) as initial purchase consideration for the business and assets of betboo.com. The acquisition comprised an initial consideration and an earn-out, payable in three stages, dependent on profits in the three accounting periods ending 30 June 2010, 2011, and 2012. The maximum earn-out is US$26 million. The cash out-flows in respect of the earn-out are anticipated to be negligible until the final earn-out period (year ended 30 June 2012) and any earn-out for this will be payable in Q4-12.

Richard Cooper
Finance Director
25 September 2009

Grant Thornton
Grant Thornton Lux Audit S.A.

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying consolidated statement of financial position as of June 30, 2009 and the related consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the six-month period then ended and the notes to the interim financial information. We have read the other information contained in the half yearly financial report which comprises the Chief Executive's Statement and the Finance Director's and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

Luxembourg, September 25, 2009

Thierry REMACLE
Réviseur d'Entreprises
Grant Thornton Lux Audit S.A.

CONSOLIDATED INCOME STATEMENT

For the six month period ended 30 June 2009

	Notes	**Six month period ended 30 June 2009 (Unaudited) €000's**	Six month period ended 30 June 2008 (Unaudited) €000's	Year ended 31 Dec 2008 (Audited) €000's
Net Gaming Revenue	3	**26,509**	26,126	50,085
Cost of sales	4	**(4,479)**	(5,025)	(9,163)
Gross profits	4	**22,030**	21,101	40,922
Marketing and affiliate costs	5	**(8,511)**	(5,666)	(12,990)
Contribution	5	**13,519**	15,435	27,932
Operating costs (as below)	6	**(5,464)**	(5,159)	(11,574)
Other operating costs		**(4,639)**	(4,575)	(8,384)
Share option charges		**(88)**	(276)	(557)
		(4,727)	(4,851)	(8,941)
Exceptional items	7	**(316)**	–	(1,917)
Depreciation and amortisation		**(421)**	(308)	(716)
Operating profit		**8,055**	10,276	16,358
Financial income		**54**	261	551
Financial expense		**–**	–	(6)
Profit before tax		**8,109**	10,537	16,903
Taxation (charge)/income	8	**(166)**	(218)	(360)
Profit after taxation		**7,943**	10,319	16,543
Earnings per share		**€**	€	€
Basic	9	**0.255**	0.331	0.531
Diluted	9	**0.251**	0.323	0.521

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2009

	Six month period ended 30 June 2009 (Unaudited) €000's	Six month period ended 30 June 2008 (Unaudited) €000's	Year ended 31 Dec 2008 (Audited) €000's
Profit and total recognised income and expense for the period	**7,943**	10,319	16,543

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Notes	**30 June 2009 (Unaudited) €000's**	30 June 2008 (Unaudited) €000's	31 Dec 2008 (Audited) €000's
Assets				
Property, plant and equipment	10	**1,356**	1,469	1,538
Intangible assets	10	**55,871**	55,976	55,879
Deferred tax asset	8	**5**	11	11
Total non-current assets		**57,232**	57,456	57,428
Receivables and prepayments	11	**4,516**	6,058	6,367
Corporation Tax reclaimable	8	**2,001**	–	2,611
Cash and cash equivalents		**20,788**	18,610	18,834
Total current assets		**27,305**	24,668	27,812
Liabilities				
Trade and other payables	12	**(4,712)**	(5,401)	(5,477)
Corporation Taxes payable	8	**(1,205)**	(236)	(2,982)
Other taxes payable		**(186)**	(157)	(173)
Deferred tax liability	8	**(22)**	–	–
Total current liabilities		**(6,125)**	(5,794)	(8,632)
Current assets less current liabilities		**21,180**	18,874	19,180
Total assets less current liabilities		**78,412**	76,330	76,608
As represented by:				
Equity				
Issued share capital	13	**38,608**	38,608	38,608
Share premium		**8,748**	13,832	13,832
Retained earnings		**31,056**	23,890	24,168
Total equity attributable to equity holders of the parent		**78,412**	76,330	76,608

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2009

Attributable to equity holders of the parent company	Share Capital €000's	Share Premium €000's	Retained earnings €000's	Total €000's
Balance at 1 Jan 2008	38,608	51,977	(18,623)	71,962
Share option charges	–	–	276	276
Transfer between reserves	–	(38,145)	38,145	–
Dividend paid	–	–	(6,227)	(6,227)
Total comprehensive income	–	–	10,319	10,319
Balance as at 30 June 2008	38,608	13,832	23,890	76,330
Balance at 1 July 2008	38,608	13,832	23,890	76,330
Share option charges	–	–	281	281
Dividend paid	–	–	(6,227)	(6,227)
Total comprehensive income	–	–	6,224	6,224
Balance at 31 Dec 2008	**38,608**	**13,832**	**24,168**	**76,608**
Balance at 1 Jan 2009	38,608	13,832	24,168	76,608
Share option charges	–	–	88	88
Dividend paid	–	(5,084)	(1,143)	(6,227)
Total comprehensive income	–	–	7,943	7,943
Balance at 30 June 2009	**38,608**	**8,748**	**31,056**	**78,412**

CONSOLIDATED STATEMENT OF CASHFLOWS

For the period ended 30 June 2009

	Six month period ended 30 June 2009 (Unaudited) €000's	Six month period ended 30 June 2008 (Unaudited) €000's	Year ended 31 Dec 2008 (Audited) €000's
Cash flows from operating activities			
Cash receipts from customers	**30,766**	25,939	47,528
Cash paid to suppliers and employees	**(21,145)**	(15,700)	(30,703)
Taxes paid (note 8)	**(1,305)**	–	(8)
Net cash from operating activities	**8,316**	10,239	16,817
Cash flows from investing activities			
Interest received	**63**	261	542
Acquisition of property, plant & equipment (note 10)	**(169)**	(1,084)	(1,453)
Acquisition of intangible assets	**(62)**	(424)	(435)
Net cash from investing activities	**(168)**	(1,247)	(1,346)
Cash flows from financing activities			
Interest paid		–	(6)
Dividend paid	**(6,227)**	(6,227)	(12,454)
Net cash from financing activities	**(6,227)**	(6,227)	(12,460)
Net increase in cash and cash equivalents	**1,921**	2,765	3,011
Cash and cash equivalents at beginning of the year	**18,834**	15,859	15,859
Effect of exchange rate fluctuations on cash held	**33**	(14)	(36)
Cash and cash equivalents at end of the year	**20,788**	18,610	18,834

NOTES TO THE INTERIM FINANCIAL INFORMATION

1. SIGNIFICANT ACCOUNTING POLICIES

Gaming VC Holdings S.A. (the "Group") is a company registered in Luxembourg and incorporated on 30 November 2004.

These interim condensed consolidated financial statements are for the six months ended 30 June 2009. They have been prepared in accordance with IAS 34, Interim Financial Reporting. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2008.

1.1 Basis of preparation

The financial statements are presented in the Euro, rounded to the nearest thousand. They are prepared on the historical cost basis.

These condensed consolidated interim financial statements (the interim financial statements) have been prepared in accordance with the accounting policies adopted in the last annual financial statements for the year to 31 December 2008 except for the adoption of IAS 1 Presentation of Financial Statements (Revised 2007) and IFRS 8 Operating Segments.

Betting and gaming duties for the six months ended 30 June 2008 ("H1-08") are now a component of Net Gaming Revenue, as opposed to being included within cost of sales – this is consistent with the full year financial statements for 2008.

The adoption of IAS 1 (Revised 2007) does not affect the financial position or profits of the Group, but gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. IAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a 'Statement of comprehensive income'. In accordance with the new standard the entity does not present a 'Statement of recognised income and expenses (SORIE)', as was presented in the 2008 consolidated financial statements. Further, a 'Statement of changes in equity' is presented as a primary statement.

Under IFRS 8 the accounting policy for identifying segments is now based on the internal management reporting information that is regularly reviewed by the chief operating decision maker. Management consider that the segmental disclosure presented in the previous annual financial statements, which was revised in that year, reflects the internal management reporting information and therefore do not consider that the adoption of IFRS 8 changes the reportable segments in the financial statements.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these condensed consolidated interim financial statements.

2. ALTERNATIVE PRESENTATION OF CONSOLIDATED INCOME STATEMENT

To better aid shareholders and other interested parties, the directors have prepared an alternative presentation of the Consolidated Income Statement. This is included below:

	Notes	**Six month period ended 30 June 2009 €000's**	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Net Gaming Revenue	3	**26,509**	26,126	50,085
Cost of sales	4	**4,479**	(5,025)	(9,163)
Gross profit	4	**22,030**	21,101	40,922
Gross profit ratio		***83%***	*80%*	*82%*
Marketing and affiliate costs	5	**(8,511)**	(5,666)	(12,990)
Contribution	5	**13,519**	15,435	27,932
Other operating costs	6	**(4,639)**	(4,575)	(8,384)
Clean EBITDA		**8,880**	10,860	19,548
Exceptional items	7	**(316)**	–	(1,917)
Share Option Charges		**(88)**	(276)	(557)
EBITDA		**8,476**	10,584	17,074
Depreciation		**(351)**	(136)	(436)
Amortisation		**(70)**	(172)	(280)
Operating Profit		**8,055**	10,276	16,358
Financial income		**54**	261	551
Financial expense		**–**	–	(6)
Profit before tax		**8,109**	10,537	16,903
Taxation (charge)/income	8	**(166)**	(218)	(360)
Profit after tax		**7,943**	10,319	16,543

3. NET GAMING REVENUE

3.1 Analysis of Net Gaming Revenue by quarter and by segment

	Q1 €000s	Q2 €000s	**H1 €000s**
Period ended 30 June 2009			
Gaming	11,231	10,413	**21,644**
Sports	3,645	1,220	**4,865**
Total	14,876	11,633	**26,509**
Sports margin	23.4%	8.8%	**16.3%**

	Q1 €000s	Q2 €000s	**H1 €000s**	Q3 €000s	Q4 €000s	**Full year €000s**
Year ended 31 December 2008						
Gaming	11,588	11,351	**22,939**	11,045	9,818	**43,802**
Sports	1,690	1,497	**3,187**	1,150	1,946	**6,283**
Total	13,278	12,848	**26,126**	12,195	11,764	**50,085**
Sports margin	15.6%	13.9%	14.7%	12.4%	11.1%	**11.4%**

3.2 Analysis of Net Gaming Revenue by geography and by segment

	Germany €000s	Austria €000s	Southern Europe €000s	Other Europe €000s	Other €000s	TOTAL €000s
Period ended 30 June 2009						
Gaming	**11,890**	**1,791**	**6,825**	**1,043**	**95**	**21,644**
Sports	**–**	**–**	**4,865**	**–**	**–**	**4,865**
Total	**11,890**	**1,791**	**11,690**	**1,043**	**95**	**26,509**
Period ended 30 June 2008						
Gaming	15,902	2,249	3,774	976	38	22,939
Sports	–	–	3,187	–	–	3,187
Total	15,902	2,249	6,961	976	38	26,126
Year ended 31 December 2008						
Gaming	27,154	4,198	7,983	3,954	513	43,802
Sports	–	–	6,283	–	–	6,283
Total	27,154	4,198	14,266	3,954	513	50,085

4. GROSS PROFIT AND COST OF SALES

Cost of sales principally includes: payment processing costs, royalties on software licences, and chargebacks/bad debts. Gross profit is calculated as Net Gaming Revenues less Cost of Sales.

Gross profit	Germany €000s	Austria €000s	Southern Europe €000s	Other Europe €000s	Other €000s	TOTAL €000s
Period ended 30 June 2009						
Gaming	**9,565**	**1,441**	**5,402**	**838**	**76**	**17,322**
Sports	**–**	**–**	**4,708**	**–**	**–**	**4,708**
Total	**9,565**	**1,441**	**10,110**	**838**	**76**	**22,030**
Period ended 30 June 2008						
Gaming	12,480	1,765	2.967	766	30	18,008
Sports	–	–	3,093	–	–	3,093
Total	12,480	1,765	6,060	766	30	21,101
Year ended 31 December 2008						
Gaming	21,615	3,342	6,345	3,147	408	34,857
Sports	–	–	6,065	–	–	6,065
Total	21,615	3,342	12,410	3,147	408	40,922

5. CONTRIBUTION, MARKETING AND AFFILIATE COSTS

Contribution is calculated as Gross profit, less Marketing expenditure, and Affiliate charges (being commissions and similar paid to third parties).

Contribution	Germany €000s	Austria €000s	Southern Europe €000s	Other Europe €000s	Other €000s	TOTAL €000s
Period ended 30 June 2009						
Gaming	**8,334**	**1,255**	**1,586**	**731**	**64**	**11,970**
Sports	**–**	**–**	**1,549**	**–**	**–**	**1,549**
Total	**8,334**	**1,255**	**3,135**	**731**	**64**	**13,519**
% of total	***61.6%***	***9.3%***	***23.2%***	***5.4%***	***0.5%***	
Period ended 30 June 2008						
Gaming	11,308	1,599	1,069	694	27	14,697
Sports	–	–	738	–	–	738
Total	11,308	1,599	1,807	694	27	15,435
% of total	*73.3%*	*10.4%*	*11.7%*	*4.5%*	*0.2%*	
Year ended 31 December 2008						
Gaming	19,238	2,974	1,883	2,801	363	27,259
Sports	–	–	673	–	–	673
Total	19,238	2,974	2,556	2,801	363	27,932
% of total	*68.9%*	*10.6%*	*9.2%*	*10%*	*1.3%*	

6. OPERATING COSTS

	Notes	Six month ended 30 June 2009 €000's	Six month ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Other operating costs	6.1	**4,727**	4,851	8,941
Exceptional items	7	**316**	–	1,917
Depreciation		**351**	136	436
Amortisation		**70**	172	280
		5,464	5,159	11,574

6.1 Other operating costs

	Notes	Six month ended 30 June 2009 €000's	Six month ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Other Personnel expenditure	6.1.1	**2,465**	2,634	4,817
Share option charges		**88**	276	557
Personnel expenditure		**2,553**	2,910	5,374
Professional fees	6.1.2	**598**	892	1,102
Office running expenses		**1,184**	756	1,755
Foreign exchange differences		**104**	13	36
Other expenditure		**288**	280	674
		4,727	4,851	8,941
Note: Excluding share option charges		**4,639**	4,575	8,384

6.1.1 Other Personnel expenditure

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Wages and salaries, including directors remuneration	**1,839**	1,357	3,031
Amounts paid to long term contractors	**496**	1,206	1,594
Compulsory social security contributions	**94**	35	123
Pension allowances	**36**	36	69
	2,465	2,634	4,817

Number of personnel	At 30 June 2009 Number	At 30 June 2008 Number	At 31 Dec 2008 Number
With employment contracts or service contracts	**66**	29	59
Winzingo	**16**	–	–
Contractors	**6**	21	11
	88	50	70

6. OPERATING COSTS (continued)

6.1.2 Professional fees

The Group has legal entities in the following jurisdictions: Luxembourg, Cyprus, Malta, Italy, Netherlands Antilles, Jersey and Israel. The business of Winzingo, is operated from Spain. Accordingly the Group seeks professional advice in these and other jurisdictions including the UK where its shares are traded on the Alternative Investment Market ("AIM") of the London Stock Exchange.

	Six month ended 30 June 2009 €000's	Six month ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
(Credit) / Costs incurred in the settlement of fees with Fort Knox Consulting LLC	–	(32)	(384)
Other professional fees	**598**	924	1,486
	598	892	1,102

7. EXCEPTIONAL ITEMS

The Group incurred expenditure on exceptional items. These are items which are both exceptional in size and nature, and in the judgement of the directors need to be disclosed for the user to obtain a proper understanding of the financial information.

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Write-off of working capital loan to New Town Capital Limited (trading as Winzingo)	–	–	1,075
Termination and other costs associated with Board changes	–	–	526
Professional fees associated with abortive take-over during the year	–	–	316
Costs of restructuring Tel Aviv and Italy	**316**	–	–
	316	–	1,917

8. TAXATION

Recognised in the Income Statement

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Current tax expense			
Current period	**138**	218	360
Deferred tax expense			
Origination and reversal of temporary differences	**28**	–	–
Total income tax expense in income statement	**166**	218	360

Reconciliation of effective tax rate

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Profit before tax	**8,109**	10,537	16,903
Income tax using the domestic corporation tax rate	**2,317**	3,056	4,817
Effect of tax rates in foreign jurisdictions			
(Rates decreased)	**(2,123)**	(2,838)	(4,457)
Capital allowances for period in access of depreciation	**(28)**	–	–
	166	218	360

A deferred tax asset was recognised as the Group considers that it is more probable than not that future taxable profits will be available against which the asset could be utilised.

8. TAXATION (continued)

Amounts recognised in the Statement of Financial Position

	Corporation Tax		Deferred Tax		Total
	€000's	€000's	€000's	€000's	€000
	Payable	Receivable	Asset	Liability	
At 1 January 2008	(18)	–	11	–	(7)
Paid/(received) during six months to 30 June 2008	–	–	–	–	–
(Charge)/credit in income statement to six months to 30 June 2008	(218)	–	–	–	(218)
Balances at 30 June 2008	**(236)**	**–**	**11**	**–**	**(225)**
Paid/(received) during six months to 31 December 2008	7	–	–	–	7
(Charge)/credit in income statement	(2,753)	2,611	–	–	(142)
Balances at 31 December 2008	**(2,982)**	**2,611**	**11**	**–**	**(360)**
Paid/(received) during six months to 30 June 2009	2,956	(1,651)	–	–	1,305
(Charge)/credit in income statement for six months to 30 June 2009	(1,179)	1,041	(6)	(22)	(166)
Balances at 30 June 2009	**(1,205)**	**2,001**	**5**	**(22)**	**779**
Note:					
Paid/received during year ended 31 December 2008	7	–	–	–	7
Charge/credit in income statement for year ended 31 December 2008	(2,971)	2,611	–	–	(360)

9. EARNINGS PER SHARE

9.1 Basic earnings per share and Basic earnings per share before exceptional items

	Six month period ended 30 June 2009	Six month period ended 30 June 2008	Year ended 31 Dec 2008
Basic earnings per share (in €)	**0.255**	0.331	0.531
Basic earnings per share before exceptional items (in €)	**0.265**	0.331	0.593

Basic earnings per share has been calculated by taking the profit attributable to ordinary shareholders, €7,943k (2008 interim: €10,319k, full year 2008: €16,543k) and dividing by the weighted average number of shares in issue, 31,135,762 (2008 interim: 31,135,762, full year: 31,135,762).

Basic earnings per share before exceptional items has been calculated by taking the profit attributable to ordinary shareholders of €7,943k, (2008 interim: €10,319k, full year 2008: €16,543k) adding back the cost of exceptional items of €316k (2008 interim: nil, full year 2008: €1,917k), and dividing by the weighted average number of shares in issue, 31,135,762 (2008 interim: 31,135,762, full year 31,135,762).

9. EARNINGS PER SHARE (continued)

9.2 Diluted earnings per share and Diluted earnings per share before exceptional items

	Six month period ended 30 June 2009	Six month period ended 30 June 2008	Year ended 31 Dec 2008
Diluted earnings per share (in €)	**0.251**	0.323	0.521
Diluted earnings per share before exceptional items (in €)	**0.261**	0.323	0.582

Diluted earnings per share has been calculated by taking the profit attributable to ordinary shareholders, €7,943k (2008 interim €10,319k, full year €16,543k) and dividing by the weighted average number of shares in issue as diluted by share options, 31,670,028 (2008 interim: 31,912,744, full year: 31,726,146).

Diluted earnings per share before exceptional items has been calculated by taking the profit attributable to ordinary shareholders of €7,943k, (2008 interim: €10,319k, full year €16,543k) adding back the cost of exceptional items of €316k (2008 interim: nil, full year: €1,917k), and dividing by the weighted average number of shares in issue, as diluted by share options, 31,670,028 (2008 interim: 31,912,744, full year: 31,726,146).

Diluted number of shares

	Six month period ended 30 June 2009	Six month period ended 30 June 2008	Year ended 31 Dec 2008
Weighted average number of ordinary shares at end of the year	**31,135,762**	31,135,762	31,135,762
Effect of share options in issue	**534,266**	776,982	590,384
Weighted average number of ordinary shares (diluted) during the period	**31,670,028**	31,912,744	31,726,146

10. NON-CURRENT ASSETS

	Property Plant & Equipment €000's	Intangible assets €000's	TOTAL €000's
Balance at 1 January 2008	**521**	**55,724**	**56,245**
Additions	1,084	424	1,508
Depreciation/amortisation charged in the period	(136)	(172)	(308)
Balance at 30 June 2008	**1,469**	**55,976**	**57,445**
Additions	369	11	380
Depreciation/amortisation charged in the period	(300)	(108)	(408)
Balance at 31 December 2008	**1,538**	**55,879**	**57,417**
Additions	169	62	231
Depreciation/amortisation charged in the period	(351)	(70)	(421)
Balance at 30 June 2009	**1,356**	**55,871**	**57,227**
Additions in year to 31 December 2008	1,453	435	1,888
Depreciation/amortisation in year to 31 December 2008	(436)	(280)	(716)

11. RECEIVABLES AND PREPAYMENTS

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Trade Receivables	**3,523**	3,630	5,475
Interest Receivable	**–**	16	9
Winzingo loan	**–**	990	–
Assets for resale	**360**	394	360
Other receivables	**–**	384	233
Loans and receivables	**3,883**	5,414	6,077
Prepayments	**633**	644	290
	4,516	6,058	6,367

12. TRADE AND OTHER PAYABLES

	Six month period ended 30 June 2009 €000's	Six month period ended 30 June 2008 €000's	Year ended 31 Dec 2008 €000's
Balances with customers	**1,037**	616	997
Other trade payables	**1,182**	1,510	1,254
Total trade payables	**2,219**	2,125	2,251
Accruals	**2,493**	3,196	2,891
Balances due to founder shareholders in respect of tax recovered	**–**	80	335
	4,712	5,401	5,477

13. SHARE CAPITAL

Since 20 December 2004 the authorised and issued share capital has been:

	Authorised	**Issued**
Number of Ordinary shares	40,000,000	31,135,762
Par value per share	€1.24	€1.24
Aggregate paid up value	€49,600,000	€38,608,345
Number of Redeemable shares	30,000	Nil
Par value per share	€1.24	–
Aggregate value	€37,300	–

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Should the Company not be satisfied as to the true identity of the shareholders it can suspend the entitlement of those shareholders to receive dividends.

13. SHARE CAPITAL (continued)

13.1 Share Options

The number of share options granted at 31 December 2008 was 2,723,359. There were no share options granted in the six month period to 30 June 2009, and a total of 516,000 options lapsed during this period. The table below shows the number of options at 30 June 2009, and, at the date of this interim statement, 28 September 2009.

At 30 June 2009

Individual and grant date	Strike price	Vested	Not vested	Total
L Feldman				
21.12.04	£4.20	155,000	–	155,000
16.05.05	£4.20	34,688	10,313	45,000
N.Blythe-Tinker				
21.12.04	£4.20	155,000	–	155,000
16.05.05	£4.20	73,229	21,771	95,000
K Alexander				
01.03.07	£1.00	450,000	350,000	800,000
R Cooper				
12.12.08	£1.26	–	400,000	400,000
Other personnel				
28.09.05	£4.20	50,444	3,363	53,807
15.05.07	£1.29	126,590	116,462	243,052
21.08.07	£1.2850	58,059	51,944	150,000
26.02.08				
		1,153,006	1,053,853	2,206,859

At 28 September 2009

Individual and grant date	Strike price	Vested	Not vested	Total
L Feldman				
21.12.04	£4.20	155,000	–	155,000
16.05.05	£4.20	37,500	7,500	45,000
N.Blythe-Tinker				
21.12.04	£4.20	155,000	–	155,000
16.05.05	£4.20	79,167	15,833	95,000
K Alexander				
01.03.07	£1.00	500,000	300,000	800,000
R Cooper				
12.12.08	£1.26	–	400,000	400,000
Other personnel				
28.09.05	£4.20	53,807	–	53,807
15.05.07	£1.29	141,780	101,272	243,052
21.08.07	£1.2850	–	–	–
26.02.08	£1,3816	59,375	96,625	150,000
		1,181,629	915,230	2,096,859

14. DIVIDENDS

The total dividend for the year ended 31 December 2008 amounted to €0.40, €0.20 was already declared and paid as an interim dividend at 31 October 2008. The final dividend in respect of the financial year 2008 of €0.20 per share was declared by the Annual General Meeting held on 19 May 2009 and paid on 29 May 2009.

The Board has today declared an interim dividend of €0.20 (2008: €0.20), payable on 6 November 2009 to shareholders on the register at the close of business on 9 October 2009.

15. SUBSEQUENT EVENTS

On 2 July 2009, the Group acquired the trade and assets of betboo.com, a leading South American internet gaming operator, offering, bingo, casino, poker and a sports betting product.

The terms of the acquisition were an upfront payment of US$4 million (€3 million). The sellers can earn a further US$26 million depending on performance, being the sum of: one times the post tax profits for the year ended 30 June 2010; plus one times the post tax profits for the year ended 30 June 2011; and five times the post tax profits for the year ended 30 June 2012, subject to a total consideration including the initial consideration of US$30 million.

The Group acquired the asset through the acquisition of a shell company, Intera NV, (incorporated in the Netherlands Antilles) and its subsidiary, Intertronic Ltd (incorporated in Malta).

The acquisition cost principally relates to goodwill and other intangibles acquired, such as brand names, customer lists, trademarks and software licences. At the present time, it is not practical to provide a more detailed analysis of the valuation of the assets acquired, and this will be disclosed in the annual financial statements of the Group to 31 December 2009

16. CONTINGENT LIABILITIES

The Group, through its trading websites, offers progressive jackpots on slot machines. The total of the available jackpots at 30 June 2009 was €5 million (31 December 2008: €4.0 million).