28 August 2015

888 Holdings Public Limited Company
("888" or the "Group")

Half Yearly Report for the six months ended 30 June 2015

"Another very encouraging performance driven by our core expertise"

888, one of the world's most popular online gaming entertainment and solutions providers, announces its half yearly results for the six months ended 30 June 2015.

Financial Highlights#

- Like for like revenue* increased by 9% to US$244.9m; reported revenue declined by 2% to US$220.0m (H1 2014: US$225.1m)
- B2C like for like revenue* increased by 11% to US$213.6m; reported B2C revenue declined by 1% to US$191.1m (H1 2014: US$192.8m)
- B2B like for like revenue* decreased by 3% to US$31.3m; reported B2B revenue down by 10% to US$28.9m (H1 2014: US$32.3m) impacted by adverse currency movements
- Adjusted EBITDA** decreased by 17% to US$40.9m (H1 2014: US$49.0m), an impressive result given the introduction of UK point of consumption and EU VAT during the period amounting to US$19.5m
- Adjusted EBITDA** margin decreased to 18.6% (H1 2014: 21.8%)
- Adjusted profit before tax** decreased by 10% to US$30.5m (H1 2014: US$34.0m)
- Profit before tax decreased by 41% to US$20.0m (H1 2014: US$34.0m)
- Strong balance sheet with net corporate cash of US$65.0m (31 December 2014: US$95.6m)
- Interim dividend of 3.5 cents per ordinary share (H1 2014: 3.5 cents)

Operational Highlights

- Mobile driving growth across product verticals and accounting for 43% of UK GGR (H1 2014: 29%)
- As at 30 June 2015, 888 had 19.2m Casino, Poker and Sport real money registered customer accounts, representing an increase of 7% from 31 December 2014
- Casino active players up 22% driven by innovative CRM and premium content
- 888poker active players up 4% strengthening 888's number two position in global liquidity rankings***
- Bingo active players up 18% driven by strong mobile performance
- Sport revenue up 81% reflecting quality of the improved 888's sport product and increasing brand traction
- Market share increased in Spain driven by positive response to newly introduced slots following successful launch of Sport in H2 2014
- Continued progress in Italy driven by fresh Casino content and introduction of mobile in H2 2014
- Further progress in regulated US market with launch of Multistate Poker Network across Nevada and Delaware
- Post the period end, sport betting licence obtained in Ireland and casino, poker and sport betting licences obtained in Denmark

Brian Mattingley, Executive Chairman of 888, commented:

"I am delighted to report that 888 has again delivered a very encouraging performance in the first half of 2015 driven by our quality brands, best-in-class technology and CRM expertise. Operational progress has continued with strong increases in active players and first time depositors despite the external headwinds of a new point of consumption tax in the UK, VAT in certain European markets and adverse currency movements. On a like for like basis revenue was up impressively by 9 per cent year on year driven primarily by sustained strong growth in Casino and exceptional momentum in Sport, which recorded a revenue increase of 81%. We have made further progress across regulated markets in Spain, following the introduction of mobile, Sport and, more recently, video slots and in Italy, driven by our mobile offering and new Casino content.*

On 17 July 2015, 888's unanimously recommended offer for bwin.party digital entertainment plc was announced. Further details of the offer are anticipated to be published today in the associated circular and prospectus.

Underpinned by our strong operational momentum as well as 888's core strengths of technology and CRM leadership, the Board remains confident of achieving its full year expectations. We are well positioned to deliver long term sustainable growth and look forward with confidence as we continue to develop the business."

 # Percentages calculated on underlying figures before rounding

** The Group reports its financial results in US dollars but generates the majority of its revenue from customers using other currencies. Due to the strong US dollar in H1 2015, reported revenue was adversely impacted. Like for like revenue has been calculated by excluding the newly introduced EU VAT in 2015 and, with the exception of Poker, by applying H1 2014 exchange rates to revenue generated during H1 2015. Poker was also adversely impacted by the strong US dollar but only a small adjustment has been made, due to the indirect impact on revenue of the 19% reduction in the purchasing power of local currencies.*

*** As defined in the table below*

**** Source: PokerScout, 12 August 2015*

Financial Summary

	Six months ended 30 June 2015[1] US$ million	Six months ended 30 June 2014[1] US$ million	Change
Revenue (including EU VAT)			
B2C			
Casino	108.7	107.6	1%
Poker	46.2	48.1	(4%)
Bingo	22.6	24.0	(6%)
Emerging Offering	18.5	13.1	41%
Total B2C	**196.0**	**192.8**	**2%**
B2B	**29.1**	**32.3**	**(10%)**
Revenue (including EU VAT)	**225.1**	**225.1**	**0%**
EU VAT[2]	(5.1)	**-**	
Revenue	**220.0**	**225.1**	**(2%)**
Operating expenses[3]	(60.8)	(64.7)	(6%)
Gaming duties[4]	(21.8)	(6.8)	221%
Research and development expenses	(16.4)	(19.3)	(15%)
Selling and marketing expenses	(67.1)	(69.6)	(4%)
Administrative expenses[5]	(13.0)	(15.7)	(17%)
Adjusted EBITDA[3,4,5,6]	**40.9**	**49.0**	**(17%)**
Depreciation and amortisation	(9.4)	(8.6)	
Share benefit charges, finance and other	(1.0)	(2.0)	
Share of joint venture loss	-	(4.4)	
Adjusted profit before tax [6]	**30.5**	**34.0**	**(10%)**
Exceptional acquisition costs	(7.0)	-	
Retroactive duties and associated charges	(3.5)	-	
Profit before tax	**20.0**	**34.0**	**(41%)**
Adjusted basic earnings per share [7]	**8.0¢**	**9.7¢**	**(17%)**
Basic earnings per share	**4.4¢**	**8.6¢**	**(49%)**

Reconciliation of operating profit to EBITDA and Adjusted EBITDA	**Six months ended 30 June 2015[1] US$ million**	**Six months ended 30 June 2014[1] US$ million**
Operating profit	**18.6**	**40.9**
Depreciation	4.5	4.5
Amortisation	4.9	4.1
EBITDA	**28.0**	**49.5**
Exceptional acquisition costs	7.0	-
Retroactive duties and associated charges	3.5	-
Share benefit charges	2.4	(0.5)
Adjusted EBITDA	**40.9**	**49.0**

1 Totals may not sum due to rounding.

2 From 1 January 2015 the Group has paid VAT on some of its gaming services in certain EU Member States. This VAT, which is a deduction from revenue, has been presented separately to allow for comparability with H1 2014.

3 Excluding depreciation of US$4.5 million (H1 2014: US$4.5 million) and amortisation of US$4.9 million (H1 2014: US$4.1 million).

4 Gaming duties includes Point of Consumption tax in the UK of US$14.4 million (H1 2014: nil) and excludes retroactive duties and associated charges of US$3.5 million (H1 2014: nil) relating to back taxes on revenues generated from customers located in Romania prior to being licensed.

5 Excluding share benefit charges of US$2.4 million (H1 2014: credit of US$0.5 million).

6 Excluding exceptional acquisition costs of US$7.0 million (H1 2014: nil) and retroactive duties and associated charges of US$3.5 million (H1 2014: nil).

7 As defined in note 4 to the financial statements.

Conference Call

Brian Mattingley, Executive Chairman, Aviad Kobrine, Chief Financial Officer, and Itai Frieberger, Chief Operating Officer, will be hosting a webcast and conference call for analysts today at 11:00am (BST). This will be available from the investor relations section of 888's website (http://www.888holdingsplc.com). For further details please telephone +44 (0) 207 796 4133 or email 888@hudsonsandler.com.

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This announcement includes statements that are, or may be deemed to be, "forward-looking statements". By their nature, forward-looking statements involve risk and uncertainty since they relate to future events and circumstances. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this announcement reflect 888'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, 888 undertakes no obligation publicly to release the results of any revisions to any forward-looking statements in this announcement that may occur due to any change in its expectations or to reflect events or circumstances after the date of this announcement.

Executive Chairman's Review

Introduction

I am pleased to report that 888 has delivered a very encouraging performance in the first half of 2015 underpinned by our world-class technology and innovative CRM as well as the fantastic efforts of our highly skilled and dynamic team, driving underlying revenue for the half up 9% year on year on a like for like basis*.

As expected, the financial results for the period have been impacted by the new point of consumption tax ('POC') in the UK, newly introduced EU VAT charges, which are deducted from revenue generated in certain European markets, and currency headwinds. However, operational progress continued with 6% and 8% year on year increases in active B2C Casino and Poker customers in Q1 and Q2 respectively. In addition, first time depositors in H1 2015 increased by 22%. Further progress was made in regulated markets with 57% of revenue during H1 2015 (H1: 2014: 55%) now generated from regulated markets.

Acquisition Update

On 17 July 2015 it was announced that the board of directors of bwin.party digital entertainment plc ('bwin.party') had unanimously recommended to its shareholders 888's offer for the entire issued and to be issued ordinary share capital of bwin.party. Under the terms of the offer, bwin.party shareholders will be entitled to receive 39.45 pence in cash and 0.404 new 888 shares for each bwin.party share. Further details of the offer are anticipated to be published today in the associated circular and prospectus.

Financial Review

888's revenue of US$220.0 million (H1 2014: US$225.1 million) was impacted by newly introduced EU VAT of US$5.1 million, which is deducted from revenue generated in certain European markets, as well as weaker currencies against the US dollar when compared to the prior period. Group revenue during the first half of 2015 increased by 9% on a like for like basis*, driven by the performance of our core B2C business.

Operating expenses (excluding depreciation and amortisation costs) decreased by 6% to US$60.8 million (H1 2014: US$64.7 million) primarily as a result of weaker currencies against the US dollar, partially offset by increased Sport platform provider costs. Gaming duties (excluding retroactive duties and associated charges) increased to US$21.8 million (H1 2014: US$6.8 million), reflecting the full six months impact of POC in the UK. Research and development expenses decreased by 15% to US$16.4 million (H1 2014: US$19.3 million) impacted by exchange rates. Marketing expenses were 4% lower at US$67.1 million (H1 2014: US$69.6 million) as a result of currency movements, effective player acquisition and the continued optimisation of our marketing channels. The ratio of marketing expenses to revenue (before EU VAT deduction) decreased to 29.8% (H1 2014: 30.9%).

Adjusted EBITDA for the period was US$40.9 million (H1 2014: US$49.0 million) and our Adjusted EBITDA margin decreased to 18.6% (H1 2014: 21.8%). This is an impressive result given that during H1 2015 we incurred additional US$14.4 million of POC costs and a US$5.1 million EU VAT deduction compared to the previous period.

Exceptional acquisition costs of US$7.0 million (H1 2014: nil) consist of legal and professional costs associated with the proposed acquisition of bwin.party. The Group also incurred retroactive duties and associated charges of US$3.5 million (H1 2014: nil) relating to back taxes on revenues generated from customers located in Romania prior to being licensed.

Depreciation and amortisation costs increased to US$9.4 million (H1 2014: US$8.6 million) primarily due to assets associated with our US operations. We recorded a share benefit charge of US$2.4 million (H1 2014: credit of US$0.5 million) as a result of changes in the Group's share price, which affect this cost.

Finance income of US$1.4 million (H1 2014: expense of US$2.5 million) was a result of the strengthening of the US dollar on forward currency contracts.

Adjusted profit before tax** decreased by 10% to $30.5 million (H1 2014: US$34.0 million). Reported profit before tax decreased by 41% to US$20.0 million (H1 2014: US$34.0 million), reflecting POC in the UK of US$14.4 million, retroactive duties and associated charges of US$3.5 million, EU VAT of US$5.1 million and exceptional costs associated with the proposed acquisition of bwin.party of US$7.0 million, offset by cost savings elsewhere in the Group.

Taxation for the period was US$4.3 million (H1 2014: US$3.6 million). Profit after tax was US$15.7 million (H1 2014: $30.4 million).

** The Group reports its financial results in US dollars but generates the majority of its revenue from customers using other currencies. Due to the strong US dollar in H1 2015, reported revenue was adversely impacted. Like for like revenue has been calculated by excluding the newly introduced EU VAT in 2015 and, with the exception of Poker, by applying H1 2014 exchange rates to revenue generated during H1 2015. Poker was also adversely impacted by the strong US dollar but only a small adjustment has been made, due to the indirect impact on revenue of the 19% reduction in the purchasing power of local currencies.*

*** Adjusted profit before tax is calculated by adjusting reported profit before tax for retroactive duties and associated charges of US$3.5 million and exceptional costs associated with the proposed acquisition of bwin.party of US$7.0 million.*

Dividend
Given the Group's performance and the Board's confidence in the outlook it has declared an interim dividend of 3.5 cents per share (H1 2014: 3.5 cents per share) in accordance with the Group's dividend policy (intention to distribute 50% of profit after tax) as set out at the time of its 2005 initial public offering.

B2C Review
Active B2C customers and first time depositors, two of the core KPIs of our B2C business, grew by 11% and 22% respectively against the prior period. B2C revenue increased by 11% on a like for like basis* against the previous period. This underlying performance is testament to the strength of our B2C brands as well as our CRM successes and innovative marketing. Reported revenue from B2C operations decreased by 1% against the prior period to US$191.1 million (H1 2014: US$192.8 million) reflecting the EU VAT impact as well as adverse currency movements.

The strength of 888's mobile proposition continues to be a key driver for the business in terms of revenue, deposits and customer acquisition across product verticals. Revenue from mobile devices continued to surge and represented 43% (H1 2014: 29%) of total UK B2C revenue, with customer recruitment from mobile devices also rising significantly year on year.

Casino
Casino continued to perform well with strong performances across a number of markets. Casino offers an unrivalled mix of in-house developed premium content alongside third party games, therefore delivering the most engaging and enjoyable gaming experience and differentiating 888 from the competition in our customers' eyes. One of 888's highly successful proprietary games, *Millionaire Genie*, continued to be highly popular in the first half of the year and the jackpot was hit seven times during the period compared to only twice during the previous period.

Casino revenue increased by 13% on a like for like basis* compared to the previous period. Reported Casino revenue for the period was 2% lower than the previous period at $104.9 million (H1 2014: $107.6 million).

Casino saw improving momentum as the first half of the year progressed and we will continue to enhance our Casino offer during the second half of the year with the introduction of new premium content. This, in combination with our successful CRM activity, positions Casino to continue its strong performance.

Poker
Poker yet again outperformed what remains a highly competitive and challenging market with active players in Q1 and Q2 2015 increasing by 4% and 2% respectively against the prior period. This has resulted in 888 strengthening its position at number two in the global PokerScout rankings and reflects poker players' increasing recognition of 888's poker as a leading recreational online poker destination. Poker also continues to benefit from a fully integrated casino gaming suite enabling effective cross-sell to other verticals. Despite 888's resilient player activity levels, Poker revenue was down 2% on a like for like basis* year on year. Reported Poker revenue declined 6% compared to the previous period.

Bingo
Underlying growth in B2C Bingo revenue on a like for like basis* of 3% was a pleasing outcome and was driven primarily by a strong mobile performance as well as the benefits 888's bingo brands generate from the constant flow of fresh new content including 888-developed games that enhance customer appeal. Reported B2C Bingo revenue was 6% lower year on year, as a result of a significant currency impact with the vast majority of revenue denominated in GBP.

Bingo first time depositors significantly increased by 42% against the previous period reflecting both the efficiency of our marketing activity as well as changing dynamics in the highly fragmented UK market where POC is leading to some smaller brands reducing marketing activity and, in some cases, closing.

Emerging Offering
Reported Emerging Offering revenue increased by 41% to US$18.5 million (H1 2014: US$13.1 million) driven by an 81% revenue increase in 888's sport which delivered yet another period of strong growth, in line with our expectations against very strong growth in the prior period. This was aided by the launch of Sport into Spain in the second half of 2014 as well as a constantly improving range of markets and live bets for our customers to enjoy.

Sport continues to offer a major growth opportunity for 888 both in terms of revenue and customer acquisition with the 888sport brand increasingly recognised by customers as a premier sports betting destination.

B2B Review
Revenue from Dragonfish, 888's B2B offering, reduced by 3% on a like for like basis* to US$31.3m whilst reported revenue decreased by 10% to US$28.9 million (H1 2014: US$32.3 million). This was in part driven by the weaker pound impacting the reported revenue from our UK bingo partners. B2B revenue from our US business was also lower when compared to the prior period as we implemented operational changes in our US operations aimed at increasing the long term sustainability of the business.

Our B2B bingo platform continues to grow with six new skins added to the Dragonfish Bingo network during the period. Our partners continue to benefit from our ongoing innovation on the platform - such as the pooling of player liquidity across bingo skins - that makes Dragonfish the B2B partner of choice.

** As defined above.*

UK & Europe
In the UK we are in the early stages of a new regulatory environment following the introduction of POC in December 2014. We are beginning to see the cost burden of this tax impact some smaller e-gaming brands which are reducing marketing activity and, in some cases, being forced to exit the market. This is affording opportunities for larger established operators such as 888 to win new customers and grow market share. We continued to enjoy a strong performance in our core UK market in the first half of 2015, supported by innovative multi-channel marketing initiatives as well as our CRM capabilities. We are following with interest the legal challenge to the UK gaming tax regime, headed by the Gibraltar Betting and Gaming Association, which recently resulted in the matter being referred to the European Court of Justice.

In Spain we increased our market share. The launch of 888sport.es in the second half of last year has been well received and has equipped 888 with a full product suite across mobile and desktop platforms, better enabling cross-sell and strengthening the 888 brand in the Spanish market. Towards the period end we launched slot games in Spain, which are gaining traction in their early stages, and we continue to see strong growth opportunities in the market as we begin to leverage our full product offering.

Revenue from Italy, where we offer Casino, increased year on year by 3% despite currency headwinds and we continue to see good growth opportunities in the Italian market. This strong performance was driven by growing penetration of mobile, which was launched in the second half of 2014, as well as a flow of new and fresh casino content and games.

Naturally we keep a close eye on the regulatory environment across Europe with further countries at various stages of reforming their regulatory landscape, which we view as encouraging given our expertise in these markets. Post the period end, we received a sports betting licence in Ireland (where regulatory reforms came into force after the reporting period) and we received casino, poker and sports betting licences in Denmark (where 888 was previously licensed and is now seeking to re-enter the market). We are also in the process of applying for casino, poker and sports betting licences in Romania (where regulatory reform came into effect shortly after the reporting period). We are closely following developments in Portugal (which has adopted a commercially challenging licensing regime), Poland (which reformed its regulatory landscape, after the reporting period, to make it easier for EU-based operators to obtain sports betting licenses, while continuing to ban other gaming verticals), the Netherlands and the Czech Republic (both of which continue to debate the reform of their current regulatory framework) and other European markets that are considering or are in the process of reforming their regulatory landscapes. Our significant experience of successfully entering regulated markets and rapidly developing leading positions in those markets means that we continue to be well placed to capitalise on positive regulatory developments.

US
Trading in the US market has been in line with our expectations. We successfully launched shared poker player liquidity across Delaware and Nevada early in the first half of the year, which is another milestone in the development of the US online gaming market. We are confident that pooled liquidity arrangements will become the benchmark for future states as and when they regulate. We are continuing to develop our understanding of the US market and our joint venture, AAPN, is refining its marketing approach to better exploit the customer opportunity using the 888 brand.

Going Concern
In considering the going concern basis, the directors reviewed the Group's operations, its financial position, its forecasts and the Group's financial risk management. The directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing these financial statements.

Current Trading and Outlook
The online gaming market will continue to develop and grow globally driven by regulation and with mobile, in particular, making our gaming products ever more accessible and enjoyable. The foundation for 888's continued success is our world class technology, CRM expertise and market leading products. The proposed acquisition of bwin.party referred to above is a direct continuation of this trend.

As expected, in the UK we are seeing some impact from the new POC tax on smaller e-gaming brands that will create growth opportunities for 888 as an established and large operator. We are confident in the measures we have implemented to mitigate some of the financial impact of POC on 888, whilst ensuring that we continue to provide the most enjoyable gaming experience to our customers. We continually monitor closely regulatory developments and opportunities elsewhere in Europe and in the US.

Trading during Q3 to date has been solid with increases in deposits, activity and customer recruitment levels with average daily revenue more than five per cent. above strong previous year comparatives on a like for like basis*. With strong operational momentum in the business the Board remains confident of achieving its full year expectations and we look forward with confidence as we continue to develop 888.

* *As defined above.*

Brian Mattingley
Executive Chairman
28 August 2015

Principal Risks and Uncertainties

In addition to the risks faced by businesses generally and online businesses in particular, the 888 Group (Group) is exposed to specific regulatory risks, taxation risks and technology risks arising from its operations.

The key principal risks and uncertainties are summarised as follows:

The regulatory framework of online gaming is dynamic and complex. Certain jurisdictions have regulated online gaming, and in many of those jurisdictions the Group holds licences. In some cases, lack of clarity in the regulations, or conflicting legislative and regulatory developments, mean that the Group may risk failing to obtain an appropriate licence, having existing licences adversely affected, or being subject to other regulatory sanctions. The Group manages its regulatory risk by routinely consulting with legal advisers in the jurisdictions where its services are offered or are accessible, where necessary obtaining formal legal opinions from local counsel, and by routinely monitoring changes in the law that may be applicable to its operations and blocking customers from certain jurisdictions.

The Group's taxation risk arises both due to gaming duties and taxes to which it may be subject in jurisdictions in which it holds regulatory licences, as well as to corporate level taxes, value added taxes and the like. As with regulatory matters, lack of clarity in local regulations may give rise to disagreements between the Group and taxation authorities as to the amount of duties or taxes payable. In addition, whilst the Group aims to ensure that each legal entity within the Group is a tax resident of the jurisdiction in which it is incorporated and has no taxable presence in any other jurisdiction, certain jurisdictions may seek to tax the Group's activity whether due to an alleged presence of the Group in such jurisdiction due to the presence of customers of the Group in such jurisdiction or due to other factors.

The Group also has a contingent liability due to the significant uncertainty as to whether VAT is due in respect of certain services provided by the Group to customers in certain European Union Member States prior to 2015.

The Group manages its taxation risk by actively monitoring taxation risk in the relevant jurisdictions and taking such steps as it considers necessary to minimise such risks.

The Group's technology risks arise due to the dependence of the Group on the reliable performance of its IT systems. In order to manage its technology risk, the Group invests in technologies and procedures aimed at monitoring and protecting its networks from malicious attacks and other such risks, and its systems are routinely subjected to external security scans and assessments as well as independent audits. The Group furthermore has a disaster recovery site to ensure full recovery in the event of disaster, with all critical data replicated to the disaster recovery site and stored off-site on a daily basis, and invests in network infrastructure redundancies whilst regularly reviewing its service providers.

Underage and problem gaming are inherent risks associated with the online gaming industry. The Group devotes considerable resources to putting in place prevention measures coupled with strict internal procedures designed to prevent underage players from accessing its real money sites. In addition, the Group promotes a safe and responsible gaming environment to its customers supplemented by its corporate culture.

In line with its strategy, the Group has consolidated its position in the B2B market to be focused on fewer, larger B2B contracts. However, this strategy also gives rise to commercial risks in that the Group is more exposed to non-renewal or termination of existing contracts.

Condensed Consolidated Income Statement
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Revenue	**2**	**220.0**	**225.1**
Revenue (including EU VAT)		225.1	225.1
EU VAT	**2**	(5.1)	-
Operating expenses		(70.2)	(73.3)
Gaming duties	**3**	(25.3)	(6.8)
Research and development expenses		(16.4)	(19.3)
Selling and marketing expenses		(67.1)	(69.6)
Administrative expenses		(15.4)	(15.2)
Exceptional acquisition costs	**3**	(7.0)	-
Operating profit before exceptional acquisition costs, retroactive duties and associated charges and share benefit charges		**31.5**	**40.4**
Exceptional acquisition costs	**3**	(7.0)	-
Retroactive duties and associated charges	**3**	(3.5)	-
Share benefit (charge) credit		(2.4)	0.5
Operating profit	**3**	**18.6**	**40.9**
Finance income		1.4	0.7
Finance expenses		-	(3.2)
Share of post-tax loss of equity accounted joint ventures	**7**	-	(4.4)
Profit before tax		**20.0**	**34.0**
Taxation		(4.3)	(3.6)
Profit after tax for the period attributable to equity holders of the parent		**15.7**	**30.4**
Earnings per share	**4**		
Basic		4.4¢	8.6¢
Diluted		4.4¢	8.5¢

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2015

	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Profit for the period	15.7	30.4
Items that may be reclassified subsequently to profit or loss		
Group share of equity injections by joint venture partner in equity accounted joint ventures	-	3.7
Exchange differences on translation of foreign operations	(0.6)	-
Total other comprehensive income for the period	(0.6)	3.7
Total comprehensive income for the period attributable to equity holders of the parent	15.1	34.1

Condensed Consolidated Balance Sheet
At 30 June 2015

	Note	30 June 2015 US $ million (unaudited)	31 December 2014 US $ million (audited)
Assets			
Non-current assets			
Goodwill and other intangible assets		159.1	157.2
Property, plant and equipment		13.7	15.5
Investments	**7**	1.7	0.2
Non-current receivables		1.1	0.7
Deferred tax assets		1.1	0.5
		176.7	174.1
Current assets			
Cash and cash equivalents		141.6	163.1
Trade and other receivables		37.2	30.0
		178.8	193.1
Total assets		355.5	367.2
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital		3.2	3.2
Share premium		1.7	1.3
Retained earnings		155.4	180.6
Total equity attributable to equity holders of the parent		160.3	185.1
Liabilities			
Current liabilities			
Trade and other payables		113.2	104.1
Derivative financial instruments		-	2.5
Income tax payable		3.4	4.6
Customer deposits		76.6	67.5
Share benefit charges - cash settled		-	3.4
		193.2	182.1
Non-current liabilities			
Deferred tax liabilities		2.0	-
		2.0	-
Total liabilities		195.2	182.1
Total equity and liabilities		355.5	367.2

The condensed financial statements on pages 8 to 20 were approved and authorised for issue by the Board of Directors on 28 August 2015 and were signed on its behalf by:

Brian Mattingley
Executive Chairman

Aviad Kobrine
Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2015

	Share capital US $ million	Share premium US $ million	Retained earnings US $ million	Foreign currency translation reserve US $ million	Total US $ million
Balance at 1 January 2014 (audited)	3.2	0.9	170.6	-	174.7
Profit after tax for the period attributable to equity holders of the parent	-	-	30.4	-	30.4
Other comprehensive income for the period	-	-	3.7	-	3.7
Total comprehensive income	-	-	34.1	-	34.1
Dividend paid	-	-	(38.8)	-	(38.8)
Equity settled share benefit charges	-	-	0.5	-	0.5
Issue of shares to cover employee share schemes	-	0.3	-	-	0.3
Balance at 30 June 2014 (unaudited)	3.2	1.2	166.4	-	170.8
Balance at 1 January 2015 (audited)	3.2	1.3	181.1	(0.5)	185.1
Profit after tax for the period attributable to equity holders of the parent	-	-	15.7	-	15.7
Other comprehensive income for the period	-	-	-	(0.6)	(0.6)
Total comprehensive income	-	-	15.7	(0.6)	15.1
Dividend paid	-	-	(41.0)	-	(41.0)
Equity settled share benefit charges	-	-	0.7	-	0.7
Issue of shares to cover employee share schemes	-	0.4	-	-	0.4
Balance at 30 June 2015 (unaudited)	3.2	1.7	156.5	(1.1)	160.3

The following describes the nature and purpose of each reserve within equity.

Share capital — represents the nominal value of shares allotted, called-up and fully paid.
Share premium — represents the amount subscribed for share capital in excess of nominal value.
Retained earnings — represents the cumulative net gains and losses recognised in the consolidated statement of comprehensive income and other transactions with equity holders.
Foreign currency translation reserve — represents exchange differences arising from the translation of all Group entities that have functional currency different from US Dollars.

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2015

	Note	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Cash flows from operating activities			
Profit before tax		20.0	34.0
Adjustments for:			
Depreciation		4.5	4.5
Amortisation		4.9	4.1
Interest received		(0.2)	(0.2)
Fair value movements on unrealised foreign exchange derivatives	9	(2.5)	(0.6)
Share of post-tax loss of equity accounted joint ventures	7	-	4.4
Share benefit charges		2.4	(0.5)
		29.1	45.7
Increase in trade receivables		(4.4)	(1.1)
(Increase) decrease in other receivables		(2.9)	2.8
Increase in customer deposits		8.4	3.3
Increase in trade and other payables		4.6	0.9
Cash generated from operations		34.8	51.6
Income tax paid		(4.1)	(4.9)
Net cash generated from operating activities		30.7	46.7
Cash flows from investing activities			
Consideration paid on acquisitions		-	(0.1)
Investment in associates	7	(1.5)	-
Purchase of property, plant and equipment		(2.8)	(3.0)
Decrease in short term investments		-	3.8
Interest received		0.2	0.2
Acquisition of intangible assets		(2.0)	(1.2)
Internally generated intangible assets		(4.7)	(4.1)
Net cash used in investing activities		(10.8)	(4.4)
Cash flows from financing activities			
Issue of shares to cover employee share schemes		0.4	0.3
Dividends paid	8	(41.0)	(38.6)
Net cash used in financing activities		(40.6)	(38.3)
Net (decrease) increase in cash and cash equivalents		(20.7)	4.0
Net foreign exchange difference		(0.8)	-
Cash and cash equivalents at the beginning of the period		163.1	115.8
Cash and cash equivalents at the end of the period[1]		141.6	119.8

[1] Cash and cash equivalents includes restricted cash of $5.3 million (31 December 2014: US$4.9 million).

1 Basis of preparation

The condensed consolidated half-yearly financial information of the Group has been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted in the EU ('IAS 34'). The half-yearly report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority.

These results have been prepared on the basis of the accounting policies adopted in the Group's full financial statements for the year ended 31 December 2014, which are prepared in accordance with International Financial Reporting Standards as adopted in the EU, with the exception of the new standards adopted during 2015 and the updated accounting policies for revenue and exceptional items, as shown below.

The new standard adopted during 2015 is Amendments to IAS 19 - Defined Benefit Plans: Employee Contributions, which was effective for accounting periods beginning on or after 1 July 2014. The adoption of this amended standard has not had a material impact on the financial statements.

Revenue
From 1 January 2015 the Group has paid VAT on some of its gaming services in certain EU Member States. The Group has updated its accounting policy for revenue to reflect that revenue is recorded after deducting this VAT.

Exceptional items
The Group classifies certain items of income and expense as exceptional, as the Group considers that it allows for a better reflection of the underlying performance of the Group. The Group considers any non-recurring items of income and expense for classification as exceptional by virtue of their nature and size. During the period ended 30 June 2015, these include acquisition costs associated with the proposed acquisition of bwin.party digital entertainment plc of US$7.0 million and retroactive gaming duties and associated charges in Romania of US$3.5 million.

The financial information is presented in US Dollars (US$ million) because that is the currency the Group primarily operates in.

The comparatives for the year ended 31 December 2014 are not the Group's full statutory accounts for that year. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies in Gibraltar and is also available from the Company's website. The auditor's report on those accounts was unqualified and did not contain statements under Section 10(2) of the Gibraltar Companies Accounts Act 1999 or Section 182(1)(a) of the Gibraltar Companies Act.

The condensed consolidated set of financial statements included in this half-yearly financial report is unaudited and does not constitute statutory accounts.

2 Segment information

	Six months ended 30 June 2015						
	B2C					B2B	Consolidated
	Casino	Poker	Bingo	Emerging Offerings	Total B2C		
	US $ million					US $ million	
	(unaudited)						
Revenue	104.9	45.1	22.6	18.5	191.1	28.9	**220.0**
Revenue (including EU VAT)	108.7	46.2	22.6	18.5	196.0	29.1	225.1
EU VAT[1]	(3.8)	(1.1)	-	-	(4.9)	(0.2)	(5.1)
Result							
Segment result[2]					86.3	15.9	**102.2**
Unallocated corporate expenses[3]							(83.6)
Operating profit							**18.6**
Finance income							1.4
Taxation							(4.3)
Profit for the period							**15.7**
Assets							
Unallocated corporate assets							355.5
Total assets							355.5
Liabilities							
Segment liabilities					62.9	13.7	76.6
Unallocated corporate liabilities							118.6
Total liabilities							195.2

1 From 1 January 2015 the Group has paid VAT on some of its gaming services in certain EU Member States. This VAT, which is a deduction from revenue, has been presented separately to allow for comparability with H1 2014.

2 Revenue net of chargebacks, payment service providers' commissions, gaming duties, EU VAT, royalties payable to third parties, selling and marketing expenses.

3 Including staff costs, corporate professional expenses, other administrative expenses, exceptional acquisition costs, depreciation, amortisation, share benefit charges and retroactive duties and associated charges.

2 Segment information (continued)

	Six months ended 30 June 2014						
	B2C					B2B	Consolidated
	Casino	Poker	Bingo	Emerging Offerings	Total B2C		
	US $ million					US $ million	
	(unaudited)						
Revenue	107.6	48.1	24.0	13.1	192.8	32.3	225.1
Result							
Segment result[1]					101.9	19.5	121.4
Unallocated corporate expenses[2]							(80.5)
Operating profit							40.9
Finance income							0.7
Finance expenses							(3.2)
Share of post-tax loss of equity accounted joint ventures							(4.4)
Taxation							(3.6)
Profit for the period							30.4
Assets							
Unallocated corporate assets							329.2
Total assets							329.2
Liabilities							
Segment liabilities					55.3	3.4	58.7
Unallocated corporate liabilities							99.7
Total liabilities							158.4

1 Revenue net of chargebacks, payment service providers' commissions, gaming duties, royalties payable to third parties, selling and marketing expenses.

2 Including staff costs, corporate professional expenses, other administrative expenses, depreciation, amortisation and share benefit charges.

Other than where amounts are allocated specifically to the B2C and B2B segments above, the expenses, assets and liabilities relate jointly to all segments. These amounts are not discretely analysed between the two operating segments as any allocation would be arbitrary.

2 Segment information (continued)

Geographical information

The Group's performance can also be reviewed by considering the geographical markets and geographical locations within which the Group operates. This information is outlined below:

	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Revenue by geographical market (based on location of customer)		
UK	102.8	100.7
Europe (excluding UK)	81.2	83.4
Americas	24.7	28.2
Rest of world	11.3	12.8
Total revenue	220.0	225.1

3 Operating profit

	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Operating profit is stated after charging:		
Staff costs (including executive Directors)	45.2	51.6
Gaming duties[1]	25.3	6.8
Exceptional acquisition costs[2]	7.0	-
Depreciation (within operating expenses)	4.5	4.5
Amortisation (within operating expenses)	4.9	4.1
Chargebacks	1.5	1.2
Payment service providers' commissions	11.0	11.1

1 Gaming duties includes Point of Consumption tax in the UK of US$14.4 million (H1 2014: nil) reflecting the implementation of this tax from 1 December 2014 and retroactive duties and associated charges of US$3.5 million (H1 2014: nil) relating to back taxes on revenues generated from customers located in Romania prior to being licensed. These retroactive duties and associated charges have been presented separately in the consolidated income statement as they are non-recurring costs and assist in providing a clearer view of the underlying performance of the Group.

2 During the period ended 30 June 2015 the Group incurred legal and professional costs of US$7.0 million associated with the proposed acquisition of bwin.party digital entertainment plc. These exceptional acquisition costs have been presented separately as they are non-recurring costs and assist in providing a clearer view of the underlying performance of the Group.

4 Earnings per share

Basic earnings per share
Basic earnings per share ('EPS') has been calculated by dividing the profit attributable to ordinary shareholders by the weighted average number of shares in issue during the period.

Diluted earnings per share
In accordance with IAS 33, 'Earnings per share', the weighted average number of shares for diluted EPS takes into account all potentially dilutive equity instruments granted, which are not included in the number of shares for basic EPS. Certain equity instruments have been excluded from the calculation of diluted EPS as their conditions of being issued were not deemed to satisfy the performance conditions at the end of the performance period or it will not be advantageous for holders to exercise them into shares, in the case of options. The number of equity instruments excluded from the diluted EPS calculation is 2,242,920 (2014: Half year - 2,709,540, Full year – 3,153,810).

	Six months ended 30 June 2015	Six months ended 30 June 2014
	(unaudited)	
Profit for the period attributable to equity holders of the parent (US$ million)	15.7	30.4
Weighted average number of Ordinary Shares in issue	355,373,096	352,585,260
Effect of dilutive Ordinary Shares and share options	1,517,723	3,413,382
Weighted average number of dilutive Ordinary Shares	356,890,819	355,998,642
Basic	4.4¢	8.6¢
Diluted	4.4¢	8.5¢

Adjusted earnings per share
The Directors believe that EPS excluding exceptional acquisition costs, retroactive duties and associated charges, share benefit charges and share of post-tax loss of equity accounted joint ventures ("Adjusted EPS") better reflects the underlying performance of the business and assists in providing a clearer view of the performance of the Group.

Reconciliation of profit to profit excluding exceptional acquisition costs, retroactive duties and associated charges, share benefit charges and share of post-tax loss of equity accounted joint ventures ("Adjusted profit"):

	Six months ended 30 June 2015 US $ million	Six months ended 30 June 2014 US $ million
	(unaudited)	
Profit for the period attributable to equity holders of the parent	15.7	30.4
Exceptional acquisition costs	7.0	-
Retroactive duties and associated charges	3.5	-
Share benefit charges	2.4	(0.5)
Share of post-tax loss of equity accounted joint ventures	-	4.4
Adjusted profit	28.6	34.3
Weighted average number of Ordinary Shares in issue	355,373,096	352,585,260
Weighted average number of dilutive Ordinary Shares	356,890,819	355,998,642
Adjusted basic earnings per share	8.0¢	9.7¢
Adjusted diluted earnings per share	8.0¢	9.6¢

5 Contingent liabilities and regulatory issues

(a) As part of the Board's ongoing regulatory compliance and operational risk assessment process, it continues to monitor legal and regulatory developments, and their potential impact on the business, and continues to take appropriate advice in respect of these developments.

(b) Given the nature of the legal and regulatory landscape of the industry, from time to time the Group has received notices, communications and legal actions from a small number of regulatory authorities and other parties in respect of its activities. The Group has taken legal advice as to the manner in which it should respond and the likelihood of success of such actions. Based on this advice and the nature of the actions, the Board is unable to quantify reliably any material outflow of funds that may result, if any. Accordingly, no provisions have been made.

(c) The Group operates in numerous jurisdictions. Accordingly, and on the basis of tax advice obtained, the Group is filing tax returns, providing for and paying all taxes and duties it believes are due based on local tax laws and transfer pricing agreements. The Group is also periodically subject to audits and assessments by local taxing authorities.

There is significant uncertainty as to whether VAT is due in respect of certain services provided by the Group to customers in certain European Union Member States prior to 2015. These uncertainties are in respect of the determination of the place of supply of some or all of the services provided by the Group prior to 2015 and, insofar as the place of supply is determined to be the Member State in which the customer is located, whether a possible imposition of VAT on relevant services by certain Member States would be lawful. There is also uncertainty in certain Member States surrounding the tax base to be applied in the event that it is ultimately determined that VAT is due on any relevant services. Based on a thorough legal assessment, the Group considers that it is unlikely that any liability will arise and has, therefore, not recorded any liability in the Group financial statements. Furthermore, given the uncertainties surrounding the quantification of any VAT which may be payable, the Board believes that any attempt to either estimate or quantify the range of the amounts which may reasonably be in dispute would potentially be misleading and may be prejudicial to the Group's position in defending any claims for past VAT.

In respect of other taxes and duties, other than as provided in the Group financial statements, the Board considers it unlikely that any further liability will arise from the final settlement of such assessments.

6 Related party transactions

The aggregate amounts payable to key management personnel, considered to be the directors of the Company, as well as their share benefit charges, are set out below:

	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million (unaudited)
Short term benefits	1.2	1.0
Post-employment benefits	0.1	-
Share benefit charges – equity settled	0.3	0.2
Share benefit charges – cash settled	1.6	(0.9)
	3.2	0.3

During the period the Group charged the US joint ventures for reimbursement of costs US$0.9 million (H1 2014: US$4.6 million), of which the outstanding balance as at 30 June 2015 is US$0.1 million (30 June 2014: US$0.6 million).

7 Investments

USA joint ventures

The following entities meet the definition of joint ventures and have been equity accounted in the consolidated financial statements:

Name	Country of incorporation	Effective interest 30 June 2015	Effective interest 31 December 2014
AAPN Holdings LLC	USA	47%	47%
AGN LLC	USA	47%	47%
AAPN New Jersey LLC	USA	47%	47%

As at 30 June 2015, AGN LLC ('AGN') remained 100% owned by the Group. However, the Group considers that due to the manner in which AGN is operated under the contractual arrangements in the AAPN Holdings LLC ('AAPN') joint venture agreement, it is regarded as a joint venture. The Group also has an irrevocable commitment to contribute its ownership of AGN to AAPN for no consideration upon fulfilment of certain conditions.

On this basis the three entities AAPN, AAPN New Jersey LLC and AGN have been equity accounted for, reflecting the Group's effective 47% interest in their aggregated results and assets.

As at 31 December 2014 the Group's investment in the US joint ventures had reduced to nil due to the US joint ventures cumulative losses exceeding the Group's investment. In the period ended 30 June 2015, the US joint ventures incurred further losses and, as a result, the Group's investment remained at nil.

Investment in associates

The following entity meets the definition of an associate and has been equity accounted in the consolidated financial statements:

Name	Country of incorporation	Effective interest 30 June 2015	Effective interest 31 December 2014
Come2Play Ltd	Israel	20%	-

On 15 April 2015 the Group acquired 20% of the ordinary shares of Come2Play Ltd for a cash payment of US$1.5 million.

Other investments

The Group holds available for sale investments of US$0.2 million at 30 June 2015 (31 December 2014: US$0.2 million).

8 Dividends

	Six months ended 30 June 2015 US $ million (unaudited)	Six months ended 30 June 2014 US $ million
Dividends paid	41.0	38.6

During the period, the 2014 final dividend of 4.5¢ per share and an additional one-off 7.0¢ was paid on 15 May 2015 (US$41.0 million).

During 2014, the 2013 final dividend of 11.0¢ per share was paid on 21 May 2014 (US$38.6 million) and the 2014 interim dividend of 3.5¢ per share was paid on 1 October 2014 (US$12.6 million).

The Board of Directors has declared an interim dividend of 3.5¢ per share, payable on 30 September 2015.

9 Fair value measurements

At 30 June 2015 and 31 December 2014, the Group's derivative financial instruments and available for sale investment (classified within Investments on the consolidated balance sheet) are measured at fair value. For the remaining financial assets and liabilities, the Group considers that the book value approximates to fair value.

At 30 June 2015 and 31 December 2014, the Group's derivative financial instruments were measured at fair value under IAS 39 and were designated as level 2 in the fair value hierarchy. The fair value of derivative financial instruments was negligible at 30 June 2015 (31 December 2014: a liability of US$2.5 million), determined using forward exchange rates that are quoted in an active market.

Other financial instruments carried at fair value are not considered material. There were no changes in valuation techniques or transfers between categories in the period.

10 Post balance sheet events

On 17 July 2015, the Group announced that it had agreed a proposed acquisition of bwin.party digital entertainment plc ('bwin.party'). Under the terms of the proposed acquisition, the Group will purchase bwin.party for approximately £898 million, comprising £352 million in cash and £546 million in new 888 shares. The cash portion, together with the repayment of some of bwin.party's borrowings, is to be funded through two debt facilities, a $600 million term loan and a $50 million revolving credit facility, both of which have been agreed. The proposed acquisition is currently expected to complete in Q1 2016.

On 17 July 2015, the Group also entered into a currency call option, under which the Group has the right to purchase pounds sterling and sell US dollars at a specified rate until February 2016, in order to fund the cash element of the proposed acquisition. This currency option will be accounted for at fair value, with initial costs of an expected US$13.5 million which will be recognised in the consolidated income statement over the period to February 2016.

Statement of Directors' Responsibilities

The Directors confirm, to the best of their knowledge, that this condensed set of unaudited financial statements has been prepared in accordance with IAS 34 as adopted by the European Union, and that the half-yearly management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R of the Disclosure and Transparency Rules of the UK Financial Conduct Authority.

A list of the current Directors is maintained on the 888 Holdings Public Limited Company Website: www.888holdingsplc.com.

By order of the Board

Brian Mattingley Executive Chairman	Aviad Kobrine Chief Financial Officer

Independent Review Report to 888 Holdings Public Limited Company

Introduction
We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related explanatory notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities
The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

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

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London, United Kingdom
28 August 2015