5 September 2017

888 Holdings Public Limited Company
(“888” or the “Group”)

Half Yearly Report for the six months ended 30 June 2017

Outstanding Casino and Sport growth drives record revenue performance

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 2017 (the “period”).

Financial Highlights

- Revenue increased 3% to US$270.1 million (H1 2016: US$262.0 million); on a constant currency basis[1] revenue increased 9%
- B2C revenue increased 6% to US$242.6 million (H1 2016: US$229.5 million); on a constant currency basis B2C revenue increased 11%
- Casino revenue increased 6% to US$146.0 million (H1 2016: US$137.4 million); on a constant currency basis Casino revenue increased 11%
- Poker revenue increased 1% to US$42.5 million (H1 2016: US$42.2 million); on a constant currency basis Poker revenue increased 1%
- Sport Revenue increased 35% to US$33.7 million (H1 2016: US$25.0 million); on a constant currency basis Sport revenue increased 45%
- B2B revenue decreased 15% to US$27.5 million (H1 2016: US$32.5 million); on a constant currency basis B2B revenue decreased 6%
- Revenue from Europe (excluding UK) markets increased 24% to US$133.6 million (H1 2016: US$107.5 million) representing 49% (H1 2016: 41%) of Group revenue
- Exceptional charges of US$50.8 million during the period, out of which US$45.3 million relate to potential past VAT matters and US$5.5 million in connection with the UK Gambling Commission (“UKGC”) settlement
- Adjusted EBITDA[1] increased 8% to US$47.6 million (H1 2016: US$44.1 million); on a constant currency basis Adjusted EBITDA increased 22% to US$53.8 million
- Adjusted Profit before tax[1] increased 12% to US$37.6 million (H1 2016: $33.7 million); reported loss before tax was US$17.3 million (H1 2016: profit $27.8 million) as a result of exceptional charges of US$50.8 million during the period
- Interim dividend of 4.0¢ per share (H1 2016: 3.8¢ per share)

Operational Highlights

- Strong Sport momentum continues reflecting customers’ increasing recognition of 888Sport as a premium sports betting brand
- Revenue from regulated and taxed markets represents 71% on a constant currency basis (H1 2016: 72%) of Group revenue
- Mobile driving growth across product verticals and accounting for 69% of UK revenue (H1 2016: 56%)
- Continued strong progress in Spain with comprehensive product suite driving revenue up 23%
- Excellent momentum in Italy with revenue up 40% supported by the launch of Sport in Q1 2016
- Casino, Poker and Sport real money registered customer accounts of 24.6 million, up 6% from 31 December 2016
- Further improvements to responsible gaming tools and processes contributing to resolution to UKGC Licence Review

Itai Frieberger, Chief Executive Officer of 888, commented:

"888 has delivered further revenue growth and operational progress in the first half of 2017 resulting in a 9% increase in revenue at constant currency. This pleasing outcome was driven by continued growth in 888's core Casino vertical, strong momentum in the fast-growing 888Sport and a good performance in Poker.

The Group's strong strategic momentum continued as 888 developed its positions in regulated geographies, achieved greater diversification across products and markets and further enhanced operational efficiencies. Our progress was driven by 888's technology, leading CRM capabilities and cutting-edge marketing expertise.

888 is an agile business with an adaptable and entrepreneurial culture and team. Whilst the industry will continue to face regulatory headwinds in the second half of the year as further described below, trading in Q3 has started well and in line with the Board's expectations. Underpinned by this momentum as well as the proven strengths of the Group's business model the Board remains confident that 888 will achieve further progress and deliver its expectations for the full year."

[#] All percentages in this report are calculated on underlying figures before rounding

[1] As defined in the table below

Financial Summary

	Six months ended 30 June 2017[1] US$ million	Six months ended 30 June 2016[1] US$ million	Change Constant currency[2]	Change Reported
Revenue– B2C				
Casino	**146.0**	137.4	**11%**	**6%**
Poker	**42.5**	42.2	**1%**	**1%**
Sport	**33.7**	25.0	**45%**	**35%**
Bingo	**19.7**	23.1	**(3%)**	**(15%)**
Emerging Offerings	**0.7**	1.8	**(59%)**	**(59%)**
Total B2C	**242.6**	**229.5**	**11%**	**6%**
B2B	**27.5**	**32.5**	**(6%)**	**(15%)**
Revenue	**270.1**	**262.0**	**9%**	**3%**
Operating expenses[3]	**(68.9)**	(67.5)		
Gaming duties	**(37.4)**	(30.2)		
Research and development expenses	**(17.2)**	(15.8)		
Selling and marketing expenses	**(85.4)**	(90.3)		
Administrative expenses[4]	**(13.6)**	(14.1)		
Adjusted EBITDA[5]	**47.6**	**44.1**	**22%**	**8%**
Depreciation and amortisation	**(9.3)**	(9.7)		
Finance and other	**(0.7)**	(0.7)		
Adjusted profit before tax	**37.6**	33.7		**12%**
Share benefit charges	**(4.1)**	(3.2)		
Exceptional charges[6]	**(50.8)**	(2.7)		
(Loss) profit before tax	**(17.3)**	**27.8**		
Adjusted basic earnings per share	**10.3¢**	**7.8¢**		**32%**
Basic (loss) earnings per share	**(5.0¢)**	**6.1¢**		

Reconciliation of profit before tax to EBITDA and Adjusted EBITDA

	Six months ended 30 June 2017[1] US$ million	Six months ended 30 June 2016[1] US$ million
(Loss) profit before tax	**(17.3)**	**27.8**
Finance expense, net	0.7	0.7
Depreciation	3.0	3.9
Amortisation	6.3	5.8
EBITDA	**(7.3)**	**38.2**
Exceptional charges	50.8	2.7
Share benefit charges	4.1	3.2
Adjusted EBITDA[7]	**47.6**	**44.1**

1 Totals may not sum due to rounding.
2 Constant currency: 888 reports its financial results in US$ however (i) generates certain revenue streams from customers using other currencies and (ii) incurs costs in various currencies. Due to the strong US$ in H1 2017 compared to H1 2016, reported revenue and profit were adversely impacted. Constant currency has been calculated as follows: (i) Revenue: with the exception of Poker, by applying 2016 exchange rates to revenue generated during 2017. Poker revenue was also adversely impacted given that many Poker customers fund their US$ bankroll using other currencies, which suffered reduced purchasing power compared to the US$. It is difficult to quantify reliably this indirect impact (other than a small adjustment which was made to Poker revenue generated in Euro) (ii) Costs were retranslated by applying 2016 exchange rates.
3 Excluding depreciation of US$3.0 million (H1 2016: US$3.9 million) and amortisation of US$6.3 million (H1 2016: US$5.8 million).
4 Excluding share benefit charges of US$4.1 million (H1 2016: US$3.2 million).
5 As defined in the table below
6 Exceptional charges of US$45.3 million in respect of potential value added tax relating to the provision of gaming services in Germany prior to 2015 all as described in note 6 and US$5.5 million in lieu of a fine as part of a resolution of the UKGC licence review (H1 2016: US$2.7 million in respect of gaming taxes relating to activity in prior years).
7 Adjusted EBITDA is the main measure that the investor analyst community uses to evaluate the company and compare it to its peers.

Sell-side analyst presentation

Itai Frieberger, Chief Executive Officer and Aviad Kobrine, Chief Financial Officer, will be hosting a presentation for sell-side analysts today at 10:00am (BST) which will later on today be made available from the investor relations section of 888's website (http://corporate.888.com/investor-relations).

For further information please contact 888@hudsonsandler.com or call +44 (0)207 796 4133.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO 596/2014.

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.

Chief Executive Officer's Review

Introduction

888 has delivered further growth in revenue and operational progress in the first half of 2017. Reported revenue increased by 3% to US$270.1 million (H1 2016: US$262.0 million) and revenue at constant currency increased by 9%. This pleasing outcome was achieved despite adverse currency movements and the exit from several markets, including Australia and Poland, and was driven by continued growth in 888's core Casino vertical, strong momentum in the fast-growing Sport offering and strong growth in European regulated markets, primarily Italy and Spain. It is particularly important that in addition to the revenue growth described above, revenue in both Q1 and Q2 of 2017 was higher than the corresponding periods in the previous year at constant currency, demonstrating the momentum in the business.

The Group's strong strategic progress also continued as 888 developed its positions in regulated geographies, achieved greater diversification across products and markets and further enhanced operational efficiencies.

Financial review

Operating expenses

Operating expenses[1] increased by a modest 2% to US$68.9 million (H1 2016: US$67.5 million) primarily as a result of higher commissions and royalties required to support 888's growing Casino offering. However, the proportion of Operating expenses to revenue declined slightly to 25.5% (H1 2016: 25.7%). In addition, while Sport revenue increased significantly during the period, associated royalty costs payable to Kambi, our sport provider, reduced as a result of new and improved renewal terms. Finally, while deposit volumes increased during the period, the chargebacks ratio decreased to 0.5% (H1 2016: 0.8%) of revenue reflecting the continued optimisation of the Group's risk management and fraud detection mechanisms that enhance 888's internal monitoring systems and allow the Group to react in real time to evolving fraud patterns.
Reported operating expenses amounted to US$78.2 million (H1 2016: US$77.2 million).

[1] *As defined in table set out on page 3.*

Gaming taxes and duties

Gaming duties increased to US$37.4 million (H1 2016: US$30.2 million), primarily as a result of increased Revenue in regulated and taxed markets.

Research and development expenses

Research and development expenses increased by 9% to US$17.2 million (H1 2016: US$15.8 million) in part as a result of strengthening of the Israeli Shekel against our reporting currency and reflecting the Group's continued investment in the development of new products and games as well as tools to further enhance customer protection.

Selling and marketing expenses

Selling and marketing expenses decreased 5% to US$85.4 million (H1 2016: US$90.3 million) and the ratio of marketing expenses to revenue decreased to 31.6% (H1 2016: 34.4%). This reflected the increased investment ahead of the Euro 2016 football championships in the prior year and that the Group is now operating in fewer major regulated territories which are in the earlier stage of maturity.

Administrative expenses

Administrative expenses[1] decreased 4% to US$13.6 million (H1 2016: US$14.1 million) and represented a lower proportion of revenue compared to the comparable period last year at 5.1% (H1 2016: 5.4%). Reported administrative expenses amounted to US$17.7 million (H1 2016: US$17.3 million).

[1] *As defined in table set out on page 3.*

Adjusted EBITDA

Adjusted EBITDA for the period increased 8% to US$47.6 million (H1 2016: US$44.1 million) and increased by 22% at constant currency. The Adjusted EBITDA margin increased to 17.6% (H1 2016: 16.8%) and increased to 18.9% on a constant currency basis. EBITDA for the period including exceptional charges of US$50.8 million amounted to a loss of US$7.3 million (H1 2016: profit US$38.2 million).

Share benefit charges

The Group recorded a non-cash share benefit charge of US$4.1 million (H1 2016: US$3.2 million) mainly attributed to long-term incentive equity awards granted to eligible employees.

Finance income and expenses

Finance income of US$0.3 million (H1 2016: US$1.2 million) less finance expenses of US$1.0 million (H1 2016: US$1.9 million) resulted in net finance expenses of US$0.7 million (H1 2016: US$0.7 million).

Exceptional charges

Exceptional charges of US$50.8 million (H1 2016: US$2.7 million) were incurred including US$45.3 million provision in respect of potential value added tax relating to the provision of gaming services in Germany prior to 2015 all as described in note 6 below and a payment of US$5.5 million in lieu of a fine as part of a resolution of the UKGC licence review[1].

[1] *Further information on the UKGC review is set out in the Group announcements from 15 May 2017 and 31 August 2017.*

Profit before tax

Adjusted Profit before tax increased by 12% to US$37.6 million (H1 2016: US$33.7 million). Loss before tax was US$17.3 million (H1 2016: $27.8 million profit) as a result of the exceptional charges outlined above.

Taxation and profit after tax

Taxation for the period was US$0.6 million (H1 2016: US$5.8 million). The decrease compared to the same period in 2016 related to withholding tax on dividends distributed during 2016 by a subsidiary to the parent company coupled with the tax effect of foreign currency losses following the strengthening of the ILS against the USD. Adjusted Profit after tax[2] increased by 33% to US$37.0 million (H1 2016: $27.9 million). Loss after tax was US$17.9 million (H1 2016: $22.0 million profit) as a result of the exceptional charges outlined above.

[2] *As defined in note 5 of the financial statements*

Earnings per share

Adjusted basic earnings per share increased 32% to 10.3¢ (H1 2016: 7.8¢). Basic loss per share was 5.0¢ (H1 2016: 6.1¢ earnings per share). Further information on reconciliation of adjusted basic earnings per share is provided in Note 5 to the H1 2017 financial statements.

Dividend

Given the Group’s performance and the Board’s confidence in the outlook it has declared an interim dividend of 4.0¢ per share (H1 2016: 3.8¢ per share).

Cash flow

Net cash generated from operating activities increased significantly to US$43.9 million (H1 2016: US$15.5 million). The increase is a result of higher adjusted profit before tax of US$37.6 million (H1 2016: US$33.7 million) and one off cash payments made during H1 2016 in respect of previous periods comprising exceptional charges and income tax.

Balance sheet

The Group's balance sheet remains strong with no financial indebtedness. The Group held cash at 30 June 2017 of US$153.0 million (31 December 2016: US$172.6 million). The decrease in the cash balance compared to 31 December 2016 is a result of the 2016 final dividend payment of US$56.1 million on 11 May 2017. Balances owed to customers were US$71.8 million (31 December 2016: US$75.7 million).

Strategic progress

888 has a clear strategy for sustainable growth based upon delivering the Group's organic potential as well as evaluating attractive M&A opportunities. This strategy is built on 888's core strengths of world class proprietary technology, leading-edge CRM, strong brands and innovative marketing.

888 made further strong progress against the key pillars of its strategy during H1 2017:

Development of core B2C brands

B2C Revenue increased 6% to US$242.6 million and by 11% at constant currency (H1 2016: US$229.5 million). This performance was primarily driven by a strong momentum in Casino, the continued rapid development of our Sport product, a resilient and healthy performance in Poker and further growth on mobile devices.

Active players across all products (with the exception of Poker) increased despite the activity boost from the European football championships in prior year. In addition, the Group saw an increase in average active days per player, reflecting the high entertainment value, which 888 offers for its players.

In Poker lower actives is as a result of the Group's strategic decision to exit during the period from a number of markets including Australia, Poland, Slovenia and the Czech Republic which did not offer long term and sustainable growth opportunities for 888. However, Poker players' average revenue increased 28%, average active days increased 26% and overall Poker revenue increased 1% against a declining market.

Mobile continued to be a primary driver of growth for the Group in terms of revenue, deposits and customer recruitment across B2C verticals. B2C revenue from mobile devices in the UK increased to 69% (H1 2016: 56%) of total UK revenue with customer recruitment and deposit levels from mobile devices also rising.

Casino

Casino maintained its strong momentum and recorded an 11% increase in revenue at constant currency. Reported Revenue increased 6% to US$146.0 million (H1 2016: US$137.4 million). This very good outcome was driven by strong performances across a number of regulated markets, continued growth on mobile devices, effective cross-sell of players from other verticals as well as increased content offering.

Poker

Poker performed well during the first half of 2017 with a revenue increase of 1% to US$42.5 million (H1 2016: US$42.2 million). This is a pleasing outcome and reflects the qualities of the 888Poker offer.

Poker's resilient performance remains underpinned by the brand's strong reputation as a leading online poker destination for recreational players. It is also supported by a fully integrated Casino gaming suite and Sports betting offer. The Group also continues to deliver growth from new product innovation, which is particularly focused on further enhancing the player experience on mobile devices. The Group's new BLAST product, a mobile-friendly sit and go format introduced last year, together with the successful fast game SNAP (introduced in 2016) has supported player activity and was successfully launched in Spain and New Jersey during the first half of 2017. During August 2017 the Group launched 'FlopoMania', a new Poker product, in which the game starts when the flop is already open.

Sport

Sport delivered another period of outstanding momentum with reported revenue rising by 35% to US$33.7 million (H1 2016: US$25.0 million) and by 45% at constant currency. This strong growth was achieved in spite of last year's strong comparatives and reflects customers' increasing recognition of 888sport as a premium sports betting brand.

Sport continued to benefit from the Group's launch into Italy during the first quarter of 2016 as well as from a constantly improving range of markets and live bets for customers to enjoy. Average active days per Sport players increased by 12% and average revenue per player increased 41% on a constant currency basis.

Post the period end 888 signed an extension to its agreement with Kambi Group. The agreement provides 888 with continued access to a leading sport product, which is integrated into 888's market-leading back office, on more favourable terms while retaining flexibility to change platforms in the event of M&A.

Bingo

The Group recorded Bingo revenue of US$19.7 million (H1 2016: US$23.1 million) representing a 3% decrease at constant currency and a 15% reduction in reported revenue. This outcome reflects the weaker sterling against the Group's reporting currency, a highly competitive UK bingo market as well as an enhanced regulatory environment in the UK.

888 continues to focus on introducing new Bingo games and content, enhancing shared jackpots and developing its first-class mobile offer to deliver growth in a fragmented market and, as a result, Bingo active players and average days per player increased. The Group is also taking measures in preparation for the taxation of bonuses in the UK due later this year including the optimisation of bonus per player.

Regulated markets

888 remains focused on driving sustainable performances in regulated markets where the Group is able to leverage its full marketing expertise and thereby increase its diversification. During the period, despite the weaker GBP impacting contribution from the UK, the Group's largest single market, revenue from regulated markets continued to represent the significant majority of total revenue with revenue from regulated and taxed markets representing 71% of revenue at constant currency (H1 2016: 72%).

During the period, the Group remained focused on continuing to develop its presence across its target geographies. At the same time, 888 made the decision to exit a number of markets (including Australia, Poland, Slovenia and the Czech Republic) which did not offer sustainable future opportunities. Whilst these withdrawals have had a short term impact on revenue and player activity levels, they have enabled 888 to fully focus its efforts on new and existing markets where it sees sustainable and profitable long-term potential.

UK

Given the strong progress delivered across regulated continental European markets, including Spain and Italy, revenue from the UK represented 39% of total revenue (H1 2016: 46%). At constant currency, UK revenue decreased by only 3% compared to the same period last year. In part this was driven by revisions to our practices and processes driven by changes to the regulatory environment.

Europe (excluding UK)

Europe's (excluding UK) significant growth of 24% to US$133.6 million (H1 2016: US$107.5 million) reflects strong progress delivered in regulated markets, primarily Italy and Spain. At 49% of total revenue, Europe (excluding UK) for the first time represents the most significant proportion of the Group's overall revenue. This is a strong endorsement of the Group's ability and success in growing leading positions in new regulated markets and strengthens the Group's diversification strategy.

In Spain, 888's second largest individual market, the Group continued to benefit from a comprehensive product offering and very successful marketing campaigns. These supported a revenue increase of 23% against the prior period.

In Italy, revenue increased by 40% as 888 enjoyed a good contribution from Sport following its launch during the first quarter of 2016. The Group is continuing to work towards the launch of Poker into that market during 2018 which will allow 888 to leverage a comprehensive product offering in Italy for the first time.

US

Trading in the US market has been in line with the Board's expectations. 888 continues to enjoy and develop its unique position in and experience of the US market and, during the first half of the year, introduced the BLAST poker product to New Jersey. The Group is continuing to control costs in the US market whilst investing in product developments to support future growth. Most notably, 888 is focused on introducing further enhancements to its Casino offering and marketing capability in New Jersey. These improvements are scheduled to be fully implemented during the second half of the year.

B2B partner of choice through Dragonfish

Revenue from Dragonfish, 888's B2B offering decreased by 6% at constant currency. Reported revenue was US$27.5 million (H1 2016: US$32.5 million) reflecting the weaker sterling against the Group's reporting currency and the highly competitive UK bingo market.

Dragonfish's *Casinoflex* offering continued to support its B2B partners and the Group added five additional *Casinoflex* brands during the period resulting in 30 brands now operating on the platform. A key focus during the period was to service our partners with newly introduced optimisation tools as well as additional content aimed to drive bonuses per player down and revenue per player up.

Enhancing efficiencies

The 888 Board and management team remain focused on maximising operational efficiencies which includes making sure that 888 has the right structure, team and operations in place for long term success. During the period management remained resolutely focused on cost control and targeted investment across its operations to ensure that 888 remains ideally positioned to deliver sustainable, profitable and long term growth in the dynamic and increasingly regulated online gaming industry.

Continue to protect our customers and act responsibly

888 takes its obligations as a responsible operator seriously and remains dedicated to providing players with a responsible as well as enjoyable gaming experience. During the period 888 announced that it had been informed that the United Kingdom's Gambling Commission ('UKGC') was conducting licence review of its licensed activities. 888 worked cooperatively and closely with the UKGC and reached a resolution to this process which was published on 31 August 2017.

The Group has taken a number of steps to further strengthen its social responsibility tools and procedures as a result of this process so that the Group can be at the very fore of responsible gaming. As a business 888 never loses sight of its duty as a responsible operator and we will continue to invest in, improve and develop our responsible gaming tools and procedures to be a leader in the industry.

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

888 is an increasingly diversified operator across markets and product verticals with the majority of its income generated from regulated geographies. Underpinned by the strength of the Group's technology and marketing, 888 has a number of significant further growth opportunities available across its existing geographies, platforms and products. In addition, the Group will evaluate and explore new avenues for growth, including M&A.

The global online gaming market is dynamic and will continue to grow driven by technology, regulatory and marketing developments. However, further regulation, such as the expansion of gaming duty on casino, poker and bingo free bets in the UK taking effect in the second half of 2017, will increase the cost base for operators in the UK. At the same time, enhanced regulation in the UK around areas such as television advertising and bonuses will impact overall UK market growth.

Trading since the beginning of the third quarter has been solid and in line with our expectations at 5% above the same period last year. This growth is despite unusually lower gaming margins and the Group's exit from several markets and, on a comparable basis by adjusting for those factors, revenue is 8% higher. We are also encouraged to see a more than 10% increase in deposit levels compared to the prior year.

888 is an agile business with an adaptable and entrepreneurial culture and team. Underpinned by the proven strengths of the Group's business model the Board remains confident that 888 will achieve further progress and deliver its full year expectations.

Itai Frieberger
Chief Executive Officer
5 September 2017

Principal risks and uncertainties

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

The key principal risks and uncertainties are consistent with those included on pages 27-30 of the 2016 Annual Report and Accounts and summarised as follows:

The Group is exposed to political and regulatory risk as regards “Brexit”. On 29 March 2017, the UK Government duly gave the requisite notice, initiating a two year process for the UK leaving the EU. This means that the process of Britain leaving the EU is now legally in place. Negotiations between the UK and the EU began on 19 June, and the deadline for concluding the talks remains 29 March 2019. At this point the position of Gibraltar remains unclear and therefore the Group’s ability to offer its services in reliance on EU principles into EU markets remain uncertain. The Group continues to monitor this risk and is engaged with the Government of Gibraltar and Gibraltar online gaming industry bodies in managing the Group's response to this process. Management has put in place plans to address the potential outcome of the negotiations.

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 an uncertainty as to whether VAT is due in respect of certain services provided by the Group to customers in certain EU Member States prior to 2015. For further information see note 6.

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, which may be affected by unauthorised access, cyber attacks, DDoS, theft or misuse of data by internal or external parties, or disrupted by increases in usage, human error, natural hazards or disasters or other events. In order to manage its technology risk, the Group uses multiple technical solutions and common standards, as well as investing 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 internal and 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, in addition to full network infrastructure redundancy, 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. Further to the Group's engagement with the UKGC, the Group has further enhanced its customer protection and monitoring capabilities.

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 2017

	Note	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million
Revenue	**2**	**270.1**	**262.0**
Operating expenses		(78.2)	(77.2)
Gaming duties	**3**	(37.4)	(30.2)
Research and development expenses		(17.2)	(15.8)
Selling and marketing expenses	**3**	(85.4)	(90.3)
Administrative expenses		(17.7)	(17.3)
Exceptional charges	**4**	(50.8)	(2.7)
Operating profit before exceptional costs and share benefit charge		**38.3**	**34.4**
Exceptional charges		(50.8)	(2.7)
Share benefit charges		(4.1)	(3.2)
Operating (loss) profit	**3**	**(16.6)**	**28.5**
Finance income		0.3	1.2
Finance expenses		(1.0)	(1.9)
(Loss) profit before tax		**(17.3)**	**27.8**
Taxation		(0.6)	(5.8)
(Loss) profit after tax for the period attributable to equity holders of the parent		**(17.9)**	**22.0**
(Loss) earnings per share	**5**		
Basic		(5.0¢)	6.1¢
Diluted		(5.0¢)	6.0¢

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2017

	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million (unaudited)
(Loss) profit for the period	(17.9)	22.0
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	1.0	0.2
Total other comprehensive income for the period	1.0	0.2
Total comprehensive (loss) income for the period attributable to equity holders of the parent	(16.9)	22.2

Condensed Consolidated Balance Sheet

At 30 June 2017

	Note	30 June 2017 US $ million (unaudited)	31 December 2016 US $ million (audited)
Assets			
Non-current assets			
Goodwill and other intangible assets		159.6	158.6
Property, plant and equipment		8.1	9.1
Investments	**8**	1.5	1.5
Non-current receivables		0.7	0.7
Deferred tax assets		1.3	1.1
		171.2	171.0
Current assets			
Cash and cash equivalents		153.0	172.6
Trade and other receivables		38.0	35.9
Income tax receivables		3.0	1.1
		194.0	209.6
Total assets		365.2	380.6
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital		3.3	3.2
Share premium		3.3	3.3
Foreign currency translation reserve		(1.4)	(2.4)
Retained earnings		89.6	159.5
Total equity attributable to equity holders of the parent		94.8	163.6
Liabilities			
Current liabilities			
Trade and other payables		151.2	139.3
Provisions	**4,6**	45.3	-
Income tax payable		0.1	0.1
Customer deposits		71.8	75.7
		268.4	215.1
Non-current liabilities			
Deferred tax liabilities		2.0	1.9
Total liabilities		270.4	217.0
Total equity and liabilities		365.2	380.6

The condensed financial statements on pages 8 to 20 were approved and authorised for issue by the Board of Directors on 5 September 2017 and were signed on its behalf by:

Itai Frieberger
Chief Executive Officer

Aviad Kobrine
Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2017

	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 2016 (audited)	3.2	2.2	158.4	(1.6)	162.2
Profit after tax for the period attributable to equity holders of the parent	-	-	22.0	-	22.0
Other comprehensive income for the period	-	-	-	0.2	0.2
Total comprehensive income	-	-	22.0	0.2	22.2
Dividend paid	-	-	(43.0)	-	(43.0)
Equity settled share benefit charges	-	-	3.2	-	3.2
Issue of shares to cover employee share schemes	-	0.9	-	-	0.9
Balance at 30 June 2016 (unaudited)	3.2	3.1	140.6	(1.4)	145.5
Balance at 1 January 2017 (audited)	3.2	3.3	159.5	(2.4)	163.6
Loss after tax for the period attributable to equity holders of the parent	-	-	(17.9)	-	(17.9)
Other comprehensive income for the period	-	-	-	1.0	1.0
Total comprehensive (loss) income	-	-	(17.9)	1.0	(16.9)
Dividend paid	-	-	(56.1)	-	(56.1)
Equity settled share benefit charges	-	-	4.1	-	4.1
Issue of shares to cover employee share schemes	0.1	-	-	-	0.1
Balance at 30 June 2017 (unaudited)	3.3	3.3	89.6	(1.4)	94.8

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 2017

	Note	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million (unaudited)
Cash flows from operating activities			
(Loss) profit before tax		(17.3)	27.8
Adjustments for:			
Depreciation		3.0	3.9
Amortisation		6.3	5.8
Interest income		(0.3)	(0.3)
Share benefit charges		4.1	3.2
		(4.2)	40.4
Decrease (increase) in trade receivables		1.5	(0.2)
Increase in other receivables		(2.6)	(3.6)
Decrease in customer deposits		(4.3)	(2.9)
Increase (decrease) in trade and other payables		10.7	(10.9)
Increase in provisions		45.3	-
Cash generated from operations		46.4	22.8
Income tax paid		(2.5)	(7.3)
Net cash generated from operating activities		43.9	15.5
Cash flows from investing activities			
Acquisition of property, plant and equipment		(1.9)	(1.6)
Interest received		0.3	0.3
Acquisition of intangible assets		(1.3)	(1.9)
Internally generated intangible assets		(6.0)	(5.9)
Net cash used in investing activities		(8.9)	(9.1)
Cash flows from financing activities			
Issue of shares to cover employee share schemes		0.1	0.9
Dividends paid	**9**	(56.1)	(43.0)
Net cash used in financing activities		(56.0)	(42.1)
Net decrease in cash and cash equivalents		(21.0)	(35.7)
Net foreign exchange difference		1.4	0.1
Cash and cash equivalents at the beginning of the period		172.6	178.6
Cash and cash equivalents at the end of the period[1]		153.0	143.0

[1] Cash and cash equivalents includes restricted short-term deposits of US$1.2 million (H1 2016: US$3.3 million).

Included in net cash generated from operating activities are amounts paid during the period in respect of exceptional items of nil (H1 2016: US$0.7 million).

Notes to the Condensed Consolidated Financial Statements

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 by the EU ('IAS 34') and with the Disclosure and Transparency Rules of the Financial Conduct Authority. The interim condensed consolidated financial statements do not include all the information and disclosures required in the Group's annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2016.

These interim condensed consolidated financial statements have been prepared on the basis of the accounting policies and methods of computation adopted in the Group's full financial statements for the year ended 31 December 2016, which are prepared in accordance with International Financial Reporting Standards as adopted by the EU.

There have been no new standards or amendments to existing standards effective from 1 January 2017 that are applicable to the Group or that have any material impact on the financial statements and related notes as at 30 June 2017.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Based on preliminary analysis performed during the current interim period the directors do not anticipate that the adoption of any of the new standards and interpretations issued by the IASB and IFRIC which are effective after the date of these interim financial statements will have a significant impact on the Group's financial statements in the period of initial application, including IFRS 15 'Revenue from Contracts to Customers' and IFRS 9 'Financial Instruments'.

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 2016 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 257(1)(a) and Section 258(2) 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

	B2C						B2B	Consolidated
	Casino	Poker	Sport	Bingo	Emerging Offerings	Total B2C		
	US $ million						US $ million	
Six months ended 30 June 2017	(unaudited)							
Segment revenue	146.0	42.5	33.7	19.7	0.7	242.6	27.5	270.1
Segment result[1]						102.9	11.6	114.5
Unallocated corporate expenses[2]								(131.1)
Operating loss								**(16.6)**
Finance income								0.3
Finance expenses								(1.0)
Taxation								(0.6)
Loss for the period								**(17.9)**
Assets								
Unallocated corporate assets								365.2
Total assets								365.2
Liabilities								
Segment liabilities						64.5	7.3	71.8
Unallocated corporate liabilities								198.6
Total liabilities								270.4

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

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

2 Segment information (continued)

Six months ended 30 June 2016	B2C						B2B	Consolidated
	Casino	Poker	Sport	Bingo	Emerging Offerings	Total B2C		
	US $ million						US $ million	
	(unaudited)							
Segment revenue	137.4	42.2	25.0	23.1	1.8	229.5	32.5	262.0
Segment result[1]						91.6	17.3	108.9
Unallocated corporate expenses[2]								(80.4)
Operating profit								**28.5**
Finance income								1.2
Finance expenses								(1.9)
Taxation								(5.8)
Profit for the period								**22.0**
Assets								
Unallocated corporate assets								352.9
Total assets								352.9
Liabilities								
Segment liabilities						69.6	9.0	78.6
Unallocated corporate liabilities								128.8
Total liabilities								207.4

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

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

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:

Revenue by geographical market (based on location of customer)

	Six months ended 30 June 2017 US $ million	Six months ended 30 June 2016 US $ million
	(unaudited)	
UK	105.2	121.1
Europe (excluding UK)	133.6	107.5
Americas	22.6	22.4
Rest of world	8.7	11.0
Total revenue	270.1	262.0

3 Operating profit

	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million
Operating (loss) profit is stated after charging:		
Staff costs (including executive Directors)	51.9	48.7
Gaming duties	37.4	30.2
Selling and marketing expenses	85.4	90.3
Exceptional charges	50.8	2.7
Depreciation (within operating expenses)	3.0	3.9
Amortisation (within operating expenses)	6.3	5.8
Chargebacks	1.4	2.0
Payment service providers' commissions	11.3	10.9

4 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.

	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million
UKGC - payments in lieu of a fine	5.5	-
Potential historical VAT charge	45.3	2.7
Total exceptional costs	50.8	2.7

During the period and as announced in May 2017, the UKGC conducted a review of the manner in which the Group has carried on its licensed activities.
Following this review and as announced on 31 August 2017 the Group has been working cooperatively with the UKGC throughout its review and taken actions to address the concerns raised in the review.
In addition the Group has agreed, in a resolution, to make payments in lieu of a fine of US$5.5 million to the UKGC. In respect of this settlement, the Group recorded exceptional items in the consolidated income statement of US$5.5 million (H1 2016: $nil) and an accrual of US$5.5 million in the consolidated balance sheet (31 December 2016: $nil). The accrual is expected to be settled in the second half of 2017.

During the period, the Group recorded a provision for exceptional charges of US$45.3 million in respect of potential value added tax relating to the provision of gaming services in Germany prior to 2015 all as described in note 6.

During same period in 2016, the Group recorded exceptional retroactive charges of US$2.7 million in respect of gaming duties relating to activity in prior years.

5 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

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 reporting period or it will not be advantageous for holders to exercise them into shares, in the case of options. The number of equity instruments to be included in the diluted EPS calculation consist of 8,813,801 ordinary shares (H1 2016: 6,953,844) and 91,566 market- value options (H1 2016: 122,546). However, these shares and options are antidilutive for the six months ended 30 June 2017 due to the net loss generated in the period. The number of equity instruments excluded from the diluted EPS calculation is 1,526,965 (H1 2016: 2,120,890).

	Six months ended 30 June 2017 (unaudited)	Six months ended 30 June 2016
(Loss) profit for the period attributable to equity holders of the parent (US$ million)	(17.9)	22.0
Weighted average number of Ordinary Shares in issue	359,101,639	357,751,513
Effect of dilutive Ordinary Shares and share options	-	7,076,390
Weighted average number of dilutive Ordinary Shares	359,101,639	364,827,903
Basic	(5.0¢)	6.1¢
Diluted	(5.0¢)	6.0¢

Adjusted earnings per share

The Directors believe that EPS excluding exceptional items and share benefit charges ("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 (loss)/profit to (loss)/profit excluding exceptional items and share benefit charges ("Adjusted profit"):

	Six months ended 30 June 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million
(Loss) profit for the period attributable to equity holders of the parent	(17.9)	22.0
Exceptional items (see note 4)	50.8	2.7
Share benefit charges	4.1	3.2
Adjusted profit	37.0	27.9
Weighted average number of Ordinary Shares in issue	359,101,639	357,751,513
Weighted average number of dilutive Ordinary Shares	359,101,639	364,827,903
Adjusted basic earnings per share	10.3¢	7.8¢
Adjusted diluted earnings per share	10.3¢	7.7¢

6 Provisions, 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, for the majority of these matters the Board is unable to quantify reliably any material outflow of funds that may result, if any, and has not made any provisions. For matters where an outflow of resources is probable and can be measured reliably, amounts have been accrued in the financial statements. These amounts are not material at 30 June 2017, except for the UKGC matter further described in note 4.

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 are uncertainties as to whether any VAT is due in respect of certain services provided by the Group to customers in Germany 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 and the customer's location is determined to be Germany, whether a possible imposition of VAT on relevant services would be lawful. There are also uncertainties surrounding any tax base to be applied and any retrospective period in the event that it is ultimately determined that VAT is due on any relevant services.

Historically, on the basis of legal advice received, the Board considered that cash outflow in respect of VAT on these services rendered to customers in Germany was not probable. In the current period, in response to an inquiry from the tax authorities in Germany about services provided prior to 2015, the Group provided information, in order to fulfil its statutory assistance and information obligations, to enable the appropriate tax authorities to form their own view regarding the likelihood of a VAT liability. The Group obtained a thorough legal assessment and considered the tax position in respect of each service supplied and has taken a cautious approach by recording a provision of US$45.3 million at 30 June 2017 (31 December 2016: $nil) in respect of some of these services, based on its estimate of probable amounts due given the uncertainties outlined above.

For other services the Group considers that it has strong arguments to support the fact that the payment of VAT is not probable due to the uncertainties (as outlined above) related to these services are still significant. On this basis, no amounts have been recorded in the Group's consolidated financial statements. However, it remains possible that there is a cash outflow in respect of these services. The Group has estimated that the VAT which may be payable in respect of these items is up to US$18.5 million.

This position reflects the Group’s estimate of the likely amounts and probability of any related outflows. The Board, however, has received legal advice which supports its position that no such taxes have been triggered at all and will thus defend its position in Court if necessary.

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.

7 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 2017 US $ million (unaudited)	Six months ended 30 June 2016 US $ million (unaudited)
Short term benefits	1.1	1.1
Post-employment benefits	0.1	0.1
Share benefit charges – equity settled	2.0	1.9
	3.2	3.1

US joint ventures

During the period the Group charged the US joint ventures for reimbursement of costs US$1.0 million (H1 2016: US$0.9 million), of which the outstanding balance as at 30 June 2017 is US$0.4 million (31 December 2016: US$0.3 million).

Investment in associates
During H1 2016 the Group charged its associate for the Group share of the net revenue of US$0.7 million. The revenue share agreement between the Group and the associate was terminated in September 2016. The outstanding balance at 30 June 2017 is nil (31 December 2016: US$0.1 million).

8 Investments

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

Name	Country of incorporation	Effective interest 30 June 2017	Effective interest 31 December 2016
AAPN Holdings LLC	USA	47%	47%
AGN LLC	USA	47%	47%
Come2Play Ltd	Israel	20%	20%

Joint ventures

In 2013 the Group entered into a joint venture agreement (‘‘JVA”) with Avenue OLG Entertainment LLC (‘‘Avenue”) and other minority shareholders to form AAPN Holdings LLC (‘‘AAPN”), under which the Group has a 47% interest in AAPN. AAPN has a 100% owned subsidiary, AAPN New Jersey LLC (‘‘AAPN NJ”), which has a B2C gaming offering in New Jersey.

AGN LLC (“AGN”), the entity which contracted with a Las Vegas casino licensee in connection with the operation of a B2C gaming offering in Nevada, is 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 JVA, it is regarded as a joint venture. During 2016 AGN surrendered its Nevada licence and ceased operation.

AAPN and AGN have been equity accounted for, reflecting the Group's effective 47% interest in their aggregated results and assets.

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 2017, the US joint ventures incurred further losses and, as a result, the Group’s investment remained at nil.

Associates

On 15 April 2015 the Group acquired 20% of the Ordinary Shares of Come2Play Limited for a cash payment of US$1.5 million. The carrying amount of the investment for 30 June 2017 is US$1.3 million. Further disclosures have not been provided as the investment is not material to the Group.

Other investments

The Group holds available for sale investments of US$0.2 million at 30 June 2017 (31 December 2016: US$0.2 million).

9 Dividends

	Six months ended 30 June 2017 US $ million	Six months ended 30 June 2016 US $ million
	(unaudited)	
Dividends paid	56.1	43.0

2016 final dividend of 5.1¢ per share and an additional one-off 10.5¢ was paid on 11 May 2017 (US$56.1 million).

During 2016, the 2015 final dividend of 4.0¢ per share and an additional one-off 8¢ per share were paid on 12 May 2016 (US$43.0 million) and the 2016 interim dividend of 3.8¢ per share was paid on 6 October 2016 (US$13.6 million).

The Board of Directors has declared an interim dividend of 4.0¢ per share, payable on 11 October 2017.

10 Fair value measurements

At 30 June 2017 and 31 December 2016, the Group’s available for sale investment is measured at fair value. For the remaining financial assets and liabilities, the Group considers that the book value approximates to fair value.

Available for sale investment carried at fair value is not considered material and designated as level 3 in the fair value hierarchy. There were no changes in valuation techniques or transfers between categories in the period.

Statement of Directors' Responsibilities

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the IASB and adopted by the EU.

- The interim management report includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

  b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the 2016 Annual Report and Accounts.

The Directors of 888 Holdings plc are as listed in the 888 Holdings plc Annual Report and Accounts for 31 December 2016 with the exception of Zvika Zivlin, who was appointed as directors on 9 May 2017 and Amos Pickel, who has stepped down on the same date.

A list of the current Directors is maintained on the 888 Holdings plc website: www.888holdingsplc.com.

By order of the Board of 888 Holdings plc.

Itai Frieberger Chief Executive Officer	Aviad Kobrine Chief Financial Officer

Independent Review Report to 888 Holdings plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the interim financial report for the six months ended 30 June 2017 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 that have been reviewed. 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 interim financial report based on our review.

Scope of review

We conducted our review in accordance with 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 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 interim financial report for the six months ended 30 June 2017 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
5 September 2017