27 August 2014

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

Half Yearly Report for the six months ended 30 June 2014

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 2014.

Financial Highlights

- Revenue increased 13% to US$225.1m (H1 2013: US$200.1m)
- B2C Revenue increased 9% to US$192.8m (H1 2013: US$177.0m)
- B2B Revenue increased 40% to US$32.3m (H1 2013: US$23.1m)
- Adjusted EBITDA* increased 27% to US$49.0m (H1 2013: US$38.6m)
- Adjusted EBITDA* margin increased to 21.8% (H1 2013: 19.3%)
- Profit Before Tax decreased 4% to US$34.0m (H1 2013: US$35.5m) impacted by FX.
- Cash generated from operating activities increased 22% to US$46.7m (H1 2013: US$38.3m)
- Corporate cash net of customer liabilities increased 50% to US$60.0m (H1: 2013 US$40.0m)
- Interim dividend of 3.5 cents per ordinary share (H1 2013: 3.0 cents)

Operational Highlights

- Record performance driven by strong growth across B2C and B2B lines of business
- Continued development of mobile - driving growth across product verticals
- Casino growth driven by innovative CRM and content
- 888poker continued to buck negative industry trends and maintained number 2 position in global liquidity rankings**
- Bingo turnaround delivering results with strong growth from revamped mobile offer
- Sport revenue more than doubled reflecting quality of the improved 888sport product and a successful FIFA World Cup
- Strong market share maintained in Spain in Casino and Poker
- Further progress in regulated US market as All American Poker Network (“AAPN”) grows its network and 888 brand builds traction
- In February, Delaware and Nevada signed a compact to pool poker liquidity providing an opportunity unique to 888 as the only operator offering its platform in both states
- Richard Kilsby, Non-executive Chairman, to retire following 2015 AGM with Brian Mattingley stepping down as CEO becoming Executive Chairman at that time and Itai Frieberger, COO, joining the Board in January 2015

Brian Mattingley, CEO of 888, commented:

“888 has delivered another excellent set of results in what has again been a record-breaking period for the business. Revenue growth has been driven by strong performances across both our B2C and B2B lines of business which reflects our exceptional brands, technology, marketing and CRM systems as well as the passion of our highly skilled team.

We have delivered growth across all key product verticals, with Casino the standout performer delivering another period of double-digit growth. We are delighted by the turnaround of our improved Bingo business and 888sport has delivered an outstanding performance by more than doubling revenue year on year reflecting the strength of our re-launched offer.

Whilst the outcome for the full year will be dependent on trading in the second half we continue to look forward with confidence as we further develop the business.”

** As defined in the table below*

*** According to global ranking site PokerScout*

Financial Summary

	Six months ended 30 June 2014[1] $ million	Six months ended 30 June 2013[1] $ million	Change
Revenue			
B2C			
Casino	107.6	94.1	14%
Poker	48.1	46.9	3%
Bingo	24.0	22.1	9%
Emerging Offering	13.1	13.9	(6%)
Total B2C	**192.8**	**177.0**	**9%**
B2B	**32.3**	**23.1**	**40%**
Revenue	**225.1**	**200.1**	**13%**
Operating Expenses[2]	(64.7)	(54.2)	19%
Gaming Duties	(6.8)	(7.1)	(4%)
Research and Development Expenses	(19.3)	(15.2)	27%
Selling and Marketing Expenses	(69.6)	(72.1)	(3%)
Administrative Expenses[3]	(15.7)	(12.8)	23%
Adjusted EBITDA[3]	**49.0**	**38.6**	**27%**
Depreciation and Amortisation	(8.6)	(6.8)	
Share benefit charges and other	0.5	(1.1)	
Share of joint venture loss	(4.4)	(1.5)	
Profit Before Tax and Finance	**36.5**	**29.2**	**25%**
Finance (mainly derivatives and FX)	(2.5)	6.3	
Profit Before Tax	**34.0**	**35.5**	**(4%)**
Adjusted Earnings Per Share [4]	**9.7¢**	**9.9¢**	**(2%)**

Reconciliation of Operating Profit to Adjusted EBITDA	**Six months ended 30 June 2014[1] $ million**	**Six months ended 30 June 2013[1] $ million**
Operating profit	**40.9**	**29.4**
Depreciation	4.5	4.1
Amortisation	4.1	2.7
Share benefit charges	(0.5)	2.5
Adjusted EBITDA	**49.0**	**38.6**

1 Totals may not sum due to rounding.
2 Excluding depreciation of US$4.5 million (H1 2013: US$4.1 million) and amortisation of US$4.1 million (H1 2013: US$2.7 million).
3 Excluding share benefit credit of US$0.5 million (H1 2013: charges of US$2.5 million)
4 As defined in note 4 to the financial statements.

Analyst Presentation

Brian Mattingley, Chief Executive Officer, Aviad Kobrine, Chief Financial Officer, and Itai Frieberger, Chief Operating Officer, will be hosting a presentation for analysts today at 10:30 (BST) at Hudson Sandler, 29 Cloth Fair, London, EC1A 7NN. To register your interest in attending please telephone +44 (0) 207 796 4133 or email 888@hudsonsandler.com.

The presentation will be available from the investor relations section of 888's website (http://www.888holdingsplc.com) this morning.

Contacts and enquiries

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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.

Chief Executive's Review

Introduction
I am delighted to report that 888 has delivered another record-breaking set of results in the first half of 2014. This outstanding performance has been driven by the continued strength of our core products and markets underpinned by our best-in-class technology, analytical capabilities and innovative marketing. The outcome for the period is also testament to the efforts of our exceptional team and I would like to thank them for their continued hard work.

Results
The first half of the year saw strong results across all of our key metrics. Group revenue in the first half was up 13% to a record US$225 million (H1 2013: US$200 million), driven by continued growth across both our B2C and B2B lines of business.

Operating expenses increased 19% to US$65 million (H1 2013: US$54 million) primarily as a result of increased costs associated with our new Sport platform provider and higher staff costs, part of which relates to the recently launched US operations. Research and development expenses reached US$19 million (H1 2013: US$15 million) mainly as a result of the Group's ongoing technology investment in the US. The ratio of marketing expenses to revenue decreased to 31% (H1 2013: 36%). Marketing expenses was US$70 million (H1 2013: US$72 million) reflecting the optimisation of our marketing channels during the period. We expect that this ratio will gradually increase to 2013 levels.

Adjusted EBITDA for the period increased 27% to US$49 million (H1 2013: US$39 million) and our Adjusted EBITDA margin increased to 21.8% (H1 2013: 19.3%).

Depreciation and amortization costs increased to US$8.6 million (H1 2013: US$6.8 million) mainly due to assets associated with our US operations. We recorded a share benefit credit of US$0.5 million (H1 2013: charges of US$2.5 million) as a result of changes in the Company's share price which affect this cost element.

Towards the end of 2013, All American Poker Network ('AAPN'), 888's joint venture with Avenue Capital in the US, launched its offering in New Jersey and embarked on marketing activities which resulted in a loss for AAPN in the period. The Group's share of the AAPN loss was US$4.4 million (H1 2013: US1.5$).

Finance related charges were US$2.5 million (H1 2013: income of US$6.3 million). During H1 2013 the Group benefited from movements in FX relating to operational forward contracts entered into in late 2012, whilst this year it experienced the impact of the strengthening of GBP and Euro.

Profit before tax and finance increased 25% to US$37 million (H1 2013: US$29 million). Taxation for the period was US$3.6 million (H1 2013: US$3.4 million) with no material change. Profit after tax was US$30 million (H1 2013: $32 million), slightly lower than H1 2013 as a result of higher FX losses and 888's share of AAPN's launch costs in the regulated US market.

In considering the going concern basis, the directors reviewed the Group's operations, its financial position 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.

Given this strong performance the Board has declared an interim dividend of 3.5 cents per share (H1 2013: 3.0 cents per share) in accordance with the Group's dividend policy (50% of profit after tax) as set out at the time of its 2005 initial public offering.

B2C Review
Our B2C business, which accounted for 86% of Group revenue in the period, continued to perform well with revenue increasing 9% against the prior year to a record US$193 million (H1 2013: US$177 million). 888's casino business was the stand-out performer during the first half of the year and recorded year on year revenue growth of 14%.

888's continued focus on innovation and providing a best-in-class mobile offering underpinned the success across product verticals. 888 is now a truly "mobile first" business and continually improving and developing the customer experience on "touch" devices is embedded across our operations and all product development. Revenue from mobile devices continued to surge and revenue from mobile devices represented 29% (H1 2013: 11%) of total UK B2C revenue, with customer recruitment from mobile devices also rising impressively year on year.

Casino
Casino delivered another very strong performance across a variety of markets and delivered yet another period of double-digit revenue growth. We continue to refresh and bolster our offering and added various new games to 888casino during the period to ensure that our customers continue to enjoy the richest possible gaming entertainment experience. We have continued our focused efforts to maintain and increase the life time value of our players through targeted retention strategies and have continued to improve customer acquisition trends though smart and targeted marketing campaigns.

We will further refresh and strengthen our Casino portfolio in the second half of the year with a combination of in-house and third party content and, in combination with our technological expertise and excellent analytical capabilities underpinning our CRM activity, this means that we are well positioned to continue our strong performance.

Poker
Poker performed resiliently in a highly competitive and low growth market recording a year on year revenue increase of 3% as 888 continued to buck negative industry trends. Consistent execution of our stated Poker strategy to provide recreational players with a safe and enjoyable poker ecosystem has continued to deliver outperformance. We have maintained our position at number two in the global PokerScout rankings*, which is testament to the strength of the 888poker brand, our 'smart' marketing strategy and CRM.

Bingo
B2C Bingo revenue was pleasingly up 9% year on year despite what remains a challenging and mature market. This performance vindicates our plan embarked on last year to turnaround the Bingo business by restructuring it in line with our Casino and Poker verticals and improving the look and feel of our product. Since initiating this turnaround we have delivered consistent improvements to performance which continues to be driven by last year's re-launch of Bingo on mobile devices that has again demonstrated encouraging growth both in terms of customer recruitment and deposits.

Sport
888sport continued to deliver strong performance during the period in line with our goals and expectations, with revenue increasing 102% year on year. 888sport has now enjoyed more than a year of trading since its re-launch with Kambi Sports Solutions in May 2013. Since applying our back office solutions and marketing expertise to the new Sport offer we have seen improving trends in terms of customer acquisition and retention. Sport continues to provide a big opportunity for 888 both in revenue and market share growth as well as affording significant cross-sell opportunities, and we are continually looking at ways to further improve our offer.

The 2014 FIFA World Cup in Brazil, which continued post the period end, was a success for 888sport and demonstrated that our enhanced Sport product can now truly compete during major sporting events.

B2B Review
Dragonfish, 888's B2B offering which accounted for 14% of Group revenue in the period, delivered very strong revenue growth of 40% to US$32 million (H1 2013: US$23 million). This strong increase reflects contributions from our US business as well as from our pre-existing leading B2B platform and offer.

We have further developed our B2B bingo platform and added three new skins to the Dragonfish Bingo network during the period. We were also pleased to announce in May that Dragonfish had agreed with Cashcade Ltd. to extend its bingo agreement for a further four years.

Regulated Markets

UK & Europe
In Spain we maintained a strong market share in both Casino and Poker reflecting the quality of our customer proposition and CRM expertise. During August 2014 we have launched 888sport.es, which we are confident will enable further growth and customer acquisition in a market that is passionate about sport. We are planning to introduce mobile to the Spanish market in the second half of the year to capitalise on this important growth channel and see further opportunities in the marketplace for 888 from the anticipated regulation of slot games.

In Italy we maintained our rich casino content in a maturing and competitive environment. During August 2014 we launched our mobile product in that market which we expect will boost our offering.

Naturally we keep a close eye on the regulatory environment across Europe with further countries at various stages of reforming their regulatory landscape. Some dramatic developments are underway. The UK has amended its Gaming Act to require foreign operators wishing to offer services to UK residents to become licensed by the UK Gambling Commission. This reform will come into force in October, and 888 is in the process of applying for the necessary license to continue its sizeable UK business. We are also closely following developments in the Netherlands, where the Government has presented a bill to liberalize the Dutch gaming market, including online gaming. Other developments (for example, in Hungary) may also impact the regulatory landscape affecting our business in Europe. Our significant experience of successfully entering regulated markets means that we continue to be well positioned to capitalise on positive regulatory developments.

* As at 1 August 2014

US
As the only operator with a technological platform operational in all three regulated states we have significant technical and regulatory know-how as well as the relationships and networks to be a major player in the US market going forward as regulation occurs.

To date AAPN's trading in New Jersey, the largest of the three regulated states, has been slower than what was initially expected as a result of much publicised technical issues around geo-location and ePayments as well as the continued operation of unregulated sites and a more general lack of awareness in the market of legalised online gaming. AAPN is in constant dialogue with the regulators and hopes that these technical issues will be addressed and resolved over time. The 888 technological platform used by AAPN and others in New Jersey is now the biggest network in the market and we continue to see growth opportunities. Meanwhile, AAPN is refining its marketing approach to better exploit the customer opportunity using the 888 brand, which was unknown in the market at launch but is building traction.

In February, the states of Delaware and Nevada signed a compact to pool poker liquidity which provides an opportunity unique to 888 as the only operator offering its platform in both states. We are aiming to deploy a shared poker network across the two states which will offer poker players in each state an enhanced customer experience.

We remain fully committed to the US market through our B2B business as well as through our interest in the AAPN joint venture. This dual structure allows us to capture the significant opportunities in an effective and investment efficient manner. Through our technical, operational and commercial expertise and flexibility we continue to be in an exceptionally strong position as the market regulates.

Board change
Today 888 announces that Richard Kilsby, Non-Executive Chairman, has informed the Board of his intention to step down from his role following the Company's 2015 Annual General Meeting. Richard has been Non-Executive Chairman of 888 since March 2006, having initially joined as Deputy Chairman of the Company in August 2005. His vast knowledge and experience has been invaluable to the Board and the 888 management team over a significant period of time. On behalf of the entire 888 team I would like to take this opportunity to thank Richard for his significant contribution to 888's development during his time with the business, which will continue until the end of next year's AGM.

After three years as Chief Executive of 888, today I am announcing my intention to retire as CEO at the conclusion of the 2015 AGM. The Board has decided that at that time I will become the Company's new Executive Chairman, where I will continue to work alongside the rest of the Executive team in driving the business forward. In addition, Itai Frieberger, COO, will join the Board from January 2015.

Current Trading and Outlook
In the UK we are finalising preparations for the introduction of Point of Consumption Tax due in December. This new duty will undoubtedly have an impact on the UK market although it will take time as the market evolves and adjusts to a new regulatory environment to fully understand what this will be. Our preparations include strategies to mitigate some of the financial impact of the Point of Consumption Tax for 888 whilst continuing to ensure that we provide the most enjoyable gaming experience to our customers. We also continue to closely monitor regulatory developments and opportunities elsewhere in Europe and in the US.

We have delivered a record-breaking performance in the period, with 888's outcome for the full year dependent on its performance during the second half of the year. With our US business now operational, we are able to increase our focus on driving growth in our core business. Whilst the Board anticipates that the first half will contribute more significantly to the full year performance than in prior years, performance since the period end has remained strong, with average daily revenue during Q3 to date more than 15% higher compared to 2013.

With the strength of the 888 brand, best-in-class technology platforms and a track record of value creating product and CRM innovation, we look forward with confidence as we continue to develop the business.

Brian Mattingley
Chief Executive Officer
27 August 2014

Principal Risks and Uncertainties

In addition to the risks faced by businesses generally and online businesses in particular, the 888 Group (Group) is uniquely exposed to the regulatory risks, taxation risks and technology risks inherent in the online gaming industry in which it operates.

The principal risks and uncertainties that could impact the Group for the remainder of the current financial year remain unchanged from those set out on pages 19-20 of the Group's Annual Report & Accounts 2013. 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 or due to the presence of customers of the Group in such jurisdiction. 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.

Condensed Consolidated Income Statement
For the six months ended 30 June 2014

	Note	Six months ended 30 June 2014 US $ million (unaudited)	Six months ended 30 June 2013 US $ million (unaudited)	Year ended 31 December 2013 US $ million (audited)
Revenue	2	225.1	200.1	400.5
Operating expenses		(73.3)	(61.0)	(128.0)
Gaming duties		(6.8)	(7.1)	(13.7)
Research and development expenses		(19.3)	(15.2)	(30.7)
Selling and marketing expenses		(69.6)	(72.1)	(139.9)
Administrative expenses		(15.2)	(15.3)	(32.0)
Operating profit before share benefit charges		40.4	31.9	61.7
Share benefit credit (charge)		0.5	(2.5)	(5.5)
Operating profit	**3**	**40.9**	**29.4**	**56.2**
Finance income		0.7	7.1	7.2
Finance expenses		(3.2)	(0.9)	(7.5)
Movement in contingent and deferred consideration		-	(0.5)	(0.5)
Profit on acquisition of equity accounted joint venture	7	-	1.9	1.9
Share of post-tax loss of equity accounted joint ventures	7	(4.4)	(1.5)	(4.1)
Profit before tax		**34.0**	**35.5**	**53.2**
Taxation		(3.6)	(3.4)	(3.2)
Profit after tax for the period attributable to equity holders of the parent		**30.4**	**32.1**	**50.0**
Earnings per share	4			
Basic		8.6¢	9.2¢	14.2¢
Diluted		8.5¢	9.0¢	14.0¢

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2014

	Six months ended 30 June 2014 US $ million	Six months ended 30 June 2013 US $ million	Year ended 31 December 2013 US $ million
	(unaudited)		(audited)
Profit for the period	30.4	32.1	50.0
Items that may be reclassified subsequently to profit or loss			
Group share of equity injections by joint venture partner in equity accounted joint venture	3.7	-	6.1
Items that will not be reclassified to profit or loss			
Actuarial losses on defined benefit pension plan	-	-	(0.5)
Total other comprehensive income for the year	3.7	-	5.6
Total comprehensive income for the period attributable to equity holders of the parent	34.1	32.1	55.6

Condensed Consolidated Balance Sheet
At 30 June 2014

	Note	30 June 2014 US $ million (unaudited)	30 June 2013 US $ million (unaudited)	31 December 2013 US $ million (audited)
Assets				
Non-current assets				
Intangible assets		156.9	149.8	155.7
Property, plant and equipment		17.6	17.3	19.1
Investment in equity accounted joint venture	7	3.2	0.4	3.9
Available for sale investment		0.2	0.2	0.2
Deferred taxes		0.7	-	1.2
		178.6	167.7	180.1
Current assets				
Cash and cash equivalents		118.7	89.3	115.8
Short term investments		1.1	3.6	3.9
Trade and other receivables		28.9	22.5	31.4
Fair value of derivative financial instruments		-	5.7	-
Corporate taxes		1.9	2.6	1.0
		150.6	123.7	152.1
Total assets		329.2	291.4	332.2
Equity and liabilities				
Equity attributable to equity holders of the parent				
Share capital		3.2	3.2	3.2
Share premium		1.2	0.8	0.9
Retained earnings		166.4	155.8	170.6
Total equity attributable to equity holders of the parent		170.8	159.8	174.7
Liabilities				
Current liabilities				
Trade and other payables		92.6	77.5	92.5
Fair value of derivative financial instruments		3.6	-	4.2
Corporate taxes		1.0	2.6	1.9
Customer deposits		58.7	49.3	55.4
Contingent and deferred consideration		0.2	0.6	0.4
		156.1	130.0	154.4
Non-current liabilities				
Share benefit charges - cash settled		2.3	1.6	3.1
Total liabilities		158.4	131.6	157.5
Total equity and liabilities		329.2	291.4	332.2

The condensed financial statements on pages 8 to 22 were approved and authorised for issue by the Board of Directors on 27 August 2014 and were signed on its behalf by:

Brian Mattingley
Chief Executive Officer

Aviad Kobrine
Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2014

	Share capital US $ million	Share Premium US $ million	Retained Earnings US $ million	Total US $ million
Balance at 1 January 2013 (audited)	3.2	0.1	144.9	148.2
Dividend declared	-	-	(22.8)	(22.8)
Equity settled share benefit charges	-	-	1.6	1.6
Issue of shares to cover employee share schemes	-	0.7	-	0.7
Profit after tax for the period attributable to equity holders of the parent	-	-	32.1	32.1
Balance at 30 June 2013 (unaudited)	3.2	0.8	155.8	159.8
Dividend declared	-	-	(10.4)	(10.4)
Equity settled share benefit charges	-	-	1.7	1.7
Issue of shares to cover employee share schemes	-	0.1	-	0.1
Profit after tax for the period attributable to equity holders of the parent	-	-	17.9	17.9
Other comprehensive income for the year	-	-	5.6	5.6
Balance at 1 January 2014 (audited)	3.2	0.9	170.6	174.7
Dividend declared	-	-	(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
Profit after tax for the period attributable to equity holders of the parent	-	-	30.4	30.4
Other comprehensive income for the year	-	-	3.7	3.7
Balance at 30 June 2014 (unaudited)	3.2	1.2	166.4	170.8

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.

Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2014

	Six months ended 30 June 2014 US $ million (unaudited)	Six months ended 30 June 2013 US $ million (unaudited)	Year ended 31 December 2013 US $ million (audited)
Cash flows from operating activities			
Profit before income tax	34.0	35.5	53.2
Adjustments for:			
Depreciation	4.5	4.1	8.3
Amortisation	4.1	2.7	5.6
Interest received	(0.2)	(0.1)	(0.3)
Fair value movements on unrealized foreign exchange derivatives	(0.6)	(2.4)	7.5
Share of post-tax loss of equity accounted joint ventures	4.4	1.5	4.1
Profit on acquisition of equity accounted joint venture	-	(1.9)	(1.9)
Movement in contingent and deferred consideration	-	0.5	0.5
Share benefit charges	(0.5)	2.5	5.5
	45.7	42.4	82.5
(Increase) decrease in trade receivables	(1.1)	3.5	(0.7)
Decrease (increase) in other accounts receivables	2.8	1.0	(2.0)
Increase (decrease) in customer deposits	3.3	(0.2)	5.9
Increase (decrease) in trade and other payables	0.9	(6.5)	8.8
Cash generated from operations	51.6	40.2	94.5
Income tax paid	(4.9)	(1.9)	(4.3)
Net cash generated from operating activities	46.7	38.3	90.2
Cash flows from investing activities			
Consideration paid on acquisitions	(0.1)	(0.6)	(0.8)
Purchase of property, plant and equipment	(3.0)	(3.0)	(9.1)
Decrease (increase) in short term investments	2.7	(0.1)	(0.4)
Interest received	0.2	0.1	0.3
Acquisition of intangible assets	(1.2)	(0.1)	(0.8)
Internally generated intangible assets	(4.1)	(4.7)	(12.7)
Net cash used in investing activities	(5.5)	(8.4)	(23.5)
Cash flows from financing activities			
Issue of shares to cover employee share schemes	0.3	0.7	0.8
Dividends paid	(38.6)	(22.8)	(33.2)
Net cash used in financing activities	(38.3)	(22.1)	(32.4)
Net increase in cash and cash equivalents	2.9	7.8	34.3
Cash and cash equivalents at the beginning of the period	115.8	81.5	81.5
Cash and cash equivalents at the end of the period	118.7	89.3	115.8

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 2013, which are prepared in accordance with International Financial Reporting Standards as adopted in the EU, with the exception of the new standards adopted during 2014 as shown below.

The new standards adopted during 2014 are:

IFRS10 Consolidated Financial Statements
IFRS11 Joint Arrangements
IFRS12 Disclosure of Interests in Other Entities
IFRS10, IFRS12 and IAS27 (amendments) - Investment Entities
IAS27 Separate Financial Statements
IAS28 Investments in Associates and Joint Ventures
IAS32 (amendment) - Offsetting Financial Assets and Financial Liabilities
IAS36 (amendment) - Recoverable Amount Disclosures for Non-Financial Assets
IAS39 (amendment) - Novation of Derivatives and Continuation of Hedge Accounting
IFRIC21 Levies

The adoption of these new and amended standards and interpretations has not had a material impact on the financial statements.

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 2013 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 auditors' 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 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					101.9	19.5	121.4
Unallocated corporate expenses[1]							80.5
Operating Profit							40.9
Financial income							0.7
Financial 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] Including share benefit charges of US$ (0.5) million credited to administrative expenses.

2 Segment information (continued)

	Six months ended 30 June 2013						
	B2C					B2B	Consolidated
	Casino	Poker	Bingo	Emerging offerings	Total B2C		
	US $ million					US $ million	
	(unaudited)						
Revenue	94.1	46.9	22.1	13.9	177.0	23.1	200.1
Result							
Segment result					82.9	13.4	96.3
Unallocated corporate expenses[1]							66.9
Operating Profit							29.4
Financial income							7.1
Financial expenses							(0.9)
Movement in contingent and deferred consideration							(0.5)
Profit on acquisition of equity accounted joint venture							1.9
Share of post-tax loss of equity accounted joint ventures							(1.5)
Taxation							(3.4)
Profit for the period							32.1
Assets							
Unallocated corporate assets							291.4
Total assets							291.4
Liabilities							
Segment liabilities					47.2	2.1	49.3
Unallocated corporate liabilities							82.3
Total liabilities							131.6

[1] Including share benefit charges of US$ 2.5 million charged to administrative expenses.

2 Segment information (continued)

	Year ended 31 December 2013						
	B2C					B2B	Consolidated
	Casino	Poker	Bingo	Emerging offerings	Total B2C		
	US $ million					US $ million	
	(audited)						
Revenues	190.4	93.6	43.7	24.5	352.2	48.3	400.5
Result							
Segment result					171.4	27.0	198.4
Unallocated corporate expenses[1]							142.2
Operating profit							56.2
Financial income							7.2
Financial expenses							(7.5)
Movement in contingent and deferred consideration							(0.5)
Profit on acquisition of equity accounted joint venture							1.9
Share of post-tax loss of equity accounted joint ventures							(4.1)
Taxation							(3.2)
Profit for the year							50.0
Assets							
Unallocated corporate assets							332.2
Total assets							332.2
Liabilities							
Segment liabilities					52.1	3.3	55.4
Unallocated corporate liabilities							102.1
Total liabilities							157.5

1 Including share benefit charges of US$5.5 million charged to administrative expenses.

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:

	Six months ended 30 June 2014 US $ million	Six months ended 30 June 2013 US $ million	Year ended 31 December 2013 US $ million
	(unaudited)		(audited)
Revenue by geographical market			
UK	100.7	82.6	163.3
Europe (excluding UK)	83.4	80.1	161.7
Americas	28.2	22.0	46.4
Rest of World	12.8	15.4	29.1
Total operating income	225.1	200.1	400.5

3 Operating profit

	Six months ended 30 June 2014 US $ million (unaudited)	Six months ended 30 June 2013 US $ million (unaudited)	Year ended 31 December 2013 US $ million (audited)
Operating profit is stated after charging:			
Staff costs (including executive Directors)	51.6	41.4	89.5
Depreciation (within operating expenses)	4.5	4.1	8.3
Amortisation (within operating expenses)	4.1	2.7	5.6
Chargebacks	1.2	1.6	3.1
Payment service providers' commissions	11.1	10.8	21.5

4 Earnings per share

Basic earnings per share
Basic earnings per share have 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 earnings per share takes into account all potentially dilutive shares and share options granted, which are not included in the number of shares for basic earnings per share. Certain equity instruments have been excluded from the calculation of diluted EPS as their performance conditions of being issued were not deemed to be satisfied at the end of the performance period or it would not be advantageous for holders to exercise their options. The number of equity instruments excluded from the diluted EPS calculation is 2,709,540 (2013: Half year - 1,414,708, Full year – 2,259,924).

	Six months ended 30 June 2014 US $ million (unaudited)	Six months ended 30 June 2013 US $ million (unaudited)	Year ended 31 December 2013 US $ million (audited)
Profit for the period attributable to equity holders of the parent (US$ million)	30.4	32.1	50.0
Weighted average number of Ordinary Shares in issue	352,585,260	350,240,227	350,909,199
Effect of dilutive Ordinary Shares and Share options	3,413,382	6,342,081	5,443,710
Weighted average number of dilutive Ordinary Shares	355,998,642	356,582,308	356,352,909
Basic	8.6¢	9.2¢	14.2¢
Diluted	8.5¢	9.0¢	14.0¢

Adjusted earnings per share
The Directors believe that EPS excluding share benefit charges, movement in contingent and deferred consideration, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint venture ("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 share benefit charges, movement in contingent and deferred consideration, share of post-tax loss of equity accounted joint ventures and profit on acquisition of equity accounted joint venture ("Adjusted profit"):

	Six months ended 30 June 2014 US $ million (unaudited)	Six months ended 30 June 2013 US $ million (unaudited)	Year ended 31 December 2013 US $ million (audited)
Profit for the period attributable to equity holders of the parent	30.4	32.1	50.0
Share benefit charges	(0.5)	2.5	5.5
Movement in contingent and deferred consideration	-	0.5	0.5
Share of post-tax loss of equity accounted joint ventures	4.4	1.5	4.1
Profit on acquisition of equity accounted joint venture	-	(1.9)	(1.9)
Adjusted profit	34.3	34.7	58.2
Weighted average number of Ordinary Shares in issue	352,585,260	350,240,227	350,909,199
Weighted average number of dilutive Ordinary Shares	355,998,642	356,582,308	356,352,909
Adjusted basic earnings per share	9.7¢	9.9¢	16.6¢
Adjusted diluted earnings per share	9.6¢	9.7¢	16.3¢

5 Contingent liabilities and regulatory issues

(a) As part of the Board's ongoing regulatory compliance and operational risk assessment process, the Board 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, the Group is filing tax returns, providing for and paying all taxes and duties it believes are due based on local tax laws, transfer pricing agreements and tax advice obtained. The Group is periodically subject to audits and assessments by local taxing authorities. The Board is unable to quantify reliably any exposure for additional taxes, if any, that may arise from the final settlement of such assessments. Accordingly, no additional provisions have been made.

6 Related party transactions

The aggregate amounts payable to the directors as well as share-based charges are set out below:

	Six months ended 30 June 2014 US $ million	**Six months ended 30 June 2013 US $ million**	**Year ended 31 December 2013 US $ million**
	(unaudited)		**(audited)**
Short term benefits	1.0	0.9	3.1
Post-employment benefits	-	-	0.1
Share benefit charges – equity settled	0.2	0.7	1.0
Share benefit charges – cash settled	(0.9)	0.9	2.2
	0.3	2.5	6.4

During the year the Company charged the US Joint Venture US$4.6 million (H1 2013: US$2.6 million) in the normal course of business and on commercial terms. At 30 June 2014 the Company had a payable of US$0.6 million to the US Joint Venture (31 December 2013: US $1.8 million asset).

7 Investment in equity accounted joint ventures

The following entities meet the definition of Jointly Controlled Entities and have been equity accounted in the consolidated financial statements:

Name	Country of incorporation	Effective interest 30 June 2014	Effective interest 30 June 2013	Effective interest 31 December 2013
Technology Solutions (Gibraltar) Limited	Gibraltar	50%	50%	50%
AAPN Holdings LLC	USA	47%	47%	47%
AGN LLC	USA	47%	47%	47%
AAPN New Jersey LLC	USA	47%	-	47%

USA Jointly Controlled Entities

On 11 March 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 that agreement the Group has a 47% interest in AAPN. AAPN is funded by Avenue as defined in the JVA.

AAPN New Jersey LLC ("AAPN NJ") is the entity which contracted with an Atlantic City casino licensee in connection with the operation of a B2C gaming offering in New Jersey (an offering which launched in November 2013). AGN LLC is the entity which contracted with a Las Vegas casino licensee in connection with the operation of a B2C gaming offering in Nevada (this offering has not yet launched).

As at 31 December 2013, AGN LLC and AAPN NJ (together, the "Operating Entities") were 100% owned by 888 US Inc. However, both are regarded as jointly controlled entities, as the Group has agreed that so long as the Operating Entities remain wholly owned by the Group, they will be operated in a manner consistent with the contractual arrangements in place within the AAPN JVA. The Group also has an irrevocable commitment under the terms of the JVA to contribute 100% of the interests in AAPN NJ and AGN LLC, to AAPN for no consideration, upon fulfillment of certain conditions.
On this basis, the three entities (the “US Joint Venture”), have been equity accounted for reflecting the Groups effective 47% interest in their aggregated results and assets.

On 8 July 2013, AGN LLC obtained the required licences by the Nevada Gaming Commission enabling it to provide online gaming services in the State of Nevada in accordance with the stipulations of the licenses.

On 8 November 2013, AAPN NJ obtained the transactional waiver by the New Jersey Division of Gaming Enforcement enabling it to provide online gaming services in the State of New Jersey for a period of six months from the date of the waiver and subject to final approval by the New Jersey Division of Gaming Enforcement.

On 21 May 2014, 888 US Inc. contributed its entire membership interest in AAPN NJ to AAPN, in fulfillment of its prior obligation to do so.

On 21 May 2014, Avenue contributed a further US$15 million to AAPN in consideration for the issuance of Class B Units. In accordance with the AAPN LLC Agreement, the Class B Units grant Avenue a priority return of $1,000 per Class B Unit (as adjusted for splits, combinations, reclassifications and the like), together with interest negotiated at arm's length according to the agreement, which amount is payable to Avenue as a preference prior to any distributions to AAPN ‘s shareholders or upon liquidation of AAPN.

Amounts relating to the joint venture and the Groups share of net assets and post-tax losses of the joint venture are as follows:

Net assets of US Joint Venture	30 June 2014	30 June 2013	31 December 2013
		US $ million	
Non-current assets	5.6	-	5.9
Current assets	17.3	1.7	6.0
Current liabilities	(1.0)	(0.9)	(3.6)
Net assets of joint ventures	**21.9**	**0.8**	**8.3**
Assets attributed to class B holders	(15.0)	-	-
Net assets of joint ventures attributed to class A holders	**6.9**	**0.8**	**8.3**
Group effective interest in joint ventures	47%	47%	47%
Group share of net assets of joint ventures	**3.2**	**0.4**	**3.9**

Income statement of Joint Ventures			
Income	1.1	-	-
Expenses	(10.5)	(3.2)	(8.7)
Post tax losses of joint ventures	(9.4)	(3.2)	(8.7)
Group share of effective interest	47%	47%	47%
Group share of Post-tax losses of joint ventures	**(4.4)**	**(1.5)**	**(4.1)**

During 2013, the US Joint Venture launched licensed gaming offerings in the states of Nevada and New Jersey. As a result, substantial marketing costs were incurred in order to facilitate the penetration into these newly opened markets.

On acquisition of the interest in AAPN the difference of US$1.9 million between the consideration paid of nil and the share of net assets of the entity of US$1.9 million was accounted for as a profit on acquisition in line with IFRS11.

The Group's share of subsequent increases in the net assets of AAPN arising from equity injections by its JV partners, amounting to US $6.1 million has been accounted for through Other Comprehensive Income.

A reconciliation of the movements in the Groups interest in equity accounted joint ventures is shown below

Movements in interest in equity accounted joint ventures

Investment in equity accounted joint ventures	**US Joint Ventures US $ million**
At 1 January 2013	-
Profit on acquisition of equity accounted joint venture	1.9
Group share of equity injections by joint venture partner in equity accounted joint venture	6.1
Share of post-tax loss of equity accounted joint ventures	(4.1)
At 31 December 2013	**3.9**
Group share of equity injections by joint venture partner in equity accounted joint venture	**3.7**
Share of post-tax loss of equity accounted joint ventures	**(4.4)**
At 30 June 2014	**3.2**

8 Dividends

	Six months ended 30 June 2014 US $ million	**Six months ended 30 June 2013 US $ million**	**Year ended 31 December 2013 US $ million**
	(unaudited)		**(audited)**
Dividends paid	38.6	22.8	33.2

An interim dividend of 3.0¢ per share was paid on 4 October 2013.

A final dividend of 4.0¢ per share and an additional one-off 7.0¢ was paid on 21 May 2014.

The Board of Directors has declared an interim dividend of 3.5 cents per share payable on 1 October 2014.

9 Fair value measurements

Materially, the Group's financial instruments carried at fair value are in respect of derivative foreign exchange contracts.

The carrying value of derivative foreign exchange contracts was a liability of US$3.6m at 30 June 2014. (30 June 2013: an asset of US$5.7m). These comprise level 2 fair value measurement instruments, valued 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.

The fair value of the following financial assets and liabilities approximate to their carrying amount:

- Trade and other receivables
- Other current financial assets
- Cash and cash equivalents
- Trade and other payables
- Customer deposits

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 Chief Executive Officer	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 2014 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 related explanatory notes 1 to 9. 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 2014 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
27 August 2014