

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

Half Yearly Report for the six months ended 30 June 2016

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 2016 (the "period").

Financial Highlights[#]

- Revenue increased by 19% to US\$262.0m (H1 2015: US\$220.0m)
- B2C revenue increased by 21% to US\$229.5m (H1 2015: US\$189.6m)
- Casino revenue increased by 31% to US\$137.4m (H1 2015: US\$104.9m)
- Sport revenue increased by 63% to US\$25.0m (H1 2015: US\$15.3m)
- Revenue from regulated markets increased 29% and represents 63% (H1 2015: 58%) of Group revenue
- Adjusted EBITDA* increased by 8% to US\$44.1m (H1 2015: US\$40.9m); EBITDA increased by 36% to US\$38.2m (H1 2015: US\$28.0m) despite adverse currency movements of US\$3 million
- Profit before tax increased by 39% to US\$27.8m (H1 2015: US\$20.0m)
- Interim dividend of 3.8¢ per share (H1 2015: 3.5¢ per share)

Operational Highlights

- Very strong Casino performance with active players in Q2 2016 up 35% year on year driven by innovative CRM and premium content
- Outstanding Sport growth boosted by successful Euro 2016, effective and accelerated marketing investment as well as launching in new regulated markets (Italy and Denmark)
- Mobile driving growth across product verticals and accounting for 56% of UK revenue (H1 2015: 43%)
- Continued strong progress in Spain with full product suite driving revenue up 58%
- Excellent momentum in Italy with revenue up 44% supported by the launch of Sport in Q1 2016
- Continued encouraging performance in Denmark following successful launch in Q3 2015
- Casino, Poker and Sport real money registered customer accounts of 21.9m, up 7% from 31 December 2015

Itai Frieberger, Chief Executive Officer of 888, commented:

"888 has delivered a very encouraging performance in H1 2016, resulting in a 19% increase in Group revenue to a record \$262.0 million. This strong outcome was driven by outstanding momentum at 888Casino and 888Sport where we achieved impressive revenue increases of 31% and 63% respectively.

In line with our strategic focus we have made further excellent progress developing 888 in regulated markets and have grown regulated revenue by 29% against the prior year, reflecting strong performances in the UK, Spain and Italy as well as 888's recent successful launch in Denmark.

888's continued success is built on our first class technology and core expertise in CRM, marketing and analytics. These strengths, along with the fantastic efforts of our highly skilled and dynamic team, mean that the business is in excellent shape to deliver long term sustainable growth. Trading in Q3 has started well with average daily revenue until 27 August 2016 15 per cent. above strong previous year comparatives and 22 per cent. higher on a like for like basis. With this strong momentum the Board remains confident of delivering against expectations for the full year."

[#] Percentages calculated on underlying figures before rounding

* As defined in the table below

Financial Summary

	Six months ended 30 June 2016 ¹ US\$ million	Six months ended 30 June 2015 ¹ (restated ³) US\$ million	Change Like for like ²	Change Reported
Revenue (including VAT) – B2C				
Casino	141.5	108.7	34%	30%
Poker	43.1	46.2	(8%)	(7%)
Bingo	23.1	22.6	9%	2%
Sport ³	25.0	15.3	71%	63%
Emerging Offering ³	1.8	1.7	10%	10%
Total B2C	234.5	194.5	23%	21%
B2B³	32.5	30.6	11%	6%
Revenue (including VAT)	267.0	225.1	22%	19%
VAT	(5.0)	(5.1)		
Revenue	262.0	220.0	22%	19%
Operating expenses ⁴	(67.5)	(60.8)		
Gaming duties ⁵	(30.2)	(21.8)		
Research and development expenses	(15.8)	(16.4)		
Selling and marketing expenses	(90.3)	(67.1)		
Administrative expenses ⁶	(14.1)	(13.0)		
Adjusted EBITDA^{4,5,6}	44.1	40.9		8%
Depreciation and amortisation	(9.7)	(9.4)		
Share benefit charges, finance and other	(3.9)	(1.0)		
Exceptional acquisition costs	-	(7.0)		
Exceptional retroactive duties and associated charges	(2.7)	(3.5)		
Profit before tax	27.8	20.0		39%
Basic earnings per share	6.1¢	4.4¢		39%

Reconciliation of profit before tax to EBITDA and Adjusted EBITDA

	Six months ended 30 June 2016 ¹ US\$ million	Six months ended 30 June 2015 ¹ US\$ million
Profit before tax	27.8	20.0
Finance expense (income), net	0.7	(1.4)
Depreciation	3.9	4.5
Amortisation	5.8	4.9
EBITDA	38.2	28.0
Exceptional acquisition costs	-	7.0
Exceptional retroactive duties and associated charges	2.7	3.5
Share benefit charges	3.2	2.4
Adjusted EBITDA	44.1	40.9

¹ Totals may not sum due to rounding.

² The Group reports its financial results in US dollars but generates the majority of its revenue from customers using other currencies. Due to the strong US dollar in H1 2016, reported revenue was adversely impacted. Like for like revenue has been calculated, with the exception of Poker, by applying H1 2015 exchange rates to revenue generated during H1 2016. Poker was also adversely impacted by the strong US dollar but only a small adjustment has been made, due to the indirect impact on revenue of the reduction in the purchasing power of local currencies.

³ Sport, which was previously included in the Emerging Offerings segment, is presented as a standalone segment. Brand licensing on third party platforms, which was previously included in the Emerging Offerings segment, is now included in the B2B segment. These changes are described in note 2 to the financial statements.

⁴ Excluding depreciation of US\$3.9 million (H1 2015: US\$4.5 million) and amortisation of US\$5.8 million (H1 2015: US\$4.9 million).

⁵ Excluding exceptional retroactive duties and associated charges of US\$2.7 million in respect of gaming taxes relating to activity in prior years (H1 2015: US\$3.5 million).

⁶ Excluding share benefit charges of US\$3.2 million (H1 2015: US\$2.4 million).

Webcast and Conference Call:

Itai Frieberger, Chief Executive Officer and Aviad Kobrine, Chief Financial Officer, will be hosting a presentation by webcast and conference call for analysts today at 10:00am BST available from the investor relations section of 888's website (<http://corporate.888.com/investor-relations/reports-and-presentations>).

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

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Notes to Editors:

888 Holdings Public Limited Company (888) is one of the world's most popular online gaming entertainment and solutions providers. 888's mission is to supply its customers with innovative and market-leading online gaming products, above all in safe and secure environment.

888 has been at the forefront of the online gaming industry since foundation in 1997, providing to players and B2B partners an always innovative and world-class online gaming experience. At the heart of 888's business is its proprietary gaming technology and associated platforms.

The Group is structured into two lines of business: B2C, under the 888 brands, and B2B, conducted through Dragonfish, which provides partners a leading platform through which to establish an online gaming presence and monetise their own brands.

888's consumer facing websites offer more than just online gaming. They are entertainment destinations: places where people can enjoy a truly interactive experience and be part of an online community that shares common interests. 888's strong and trusted brands are all accessible through www.888.com.

Find out more about 888 at <http://corporate.888.com/>.

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 a very encouraging performance in the first half of 2016 and recorded a 19% increase in revenue against the prior year to a record \$262.0 million (H1 2015: US\$220.0 million). Strong operational progress continued with 5% and 10% year on year increases in active B2C Casino and Poker customers in Q1 2016 and Q2 2016 respectively and a 22% increase in B2C first time depositors in H1 2016 against the comparable period in the prior year. This result has again been underpinned by the Group's core strengths: our first-class technology and expertise in CRM, marketing and business analytics.

We have continued to deliver excellent progress against our focused growth strategy, a core element of which is expanding in regulated markets where we are able to leverage the Group's full marketing expertise for the long term development of 888's brands. This strategic focus is reflected by our revenue increase from regulated markets during H1 2016 of 29%, which significantly outpaced the 5% increase from non-regulated markets. Revenue from regulated markets increased to 63% of total revenue while revenue from regulated and taxed markets² increased to 72% of total revenue (H1 2015: 58% and 66% respectively). This progress was supported by the successful launch of 888 in Denmark at the end of the third quarter of 2015 as well as strong momentum in the UK, Spain and Italy.

Financial Review

Group revenue in the first half was up 19% to US\$262.0 million (H1 2015: US\$220.0 million), which was driven by our core B2C business where there were outstanding results in Casino and Sport.

Operating expenses¹ increased by 11% to US\$67.5 million (H1 2015: US\$60.8 million) primarily as a result of higher commissions and royalties required to support 888's improved Sport performance as well as the Group's Live Casino offering.

Gaming duties¹ increased to US\$30.2 million (H1 2015: US\$21.8 million), primarily reflecting greater revenues in the UK, Spain and Italy as well as gaming duties in newly regulated and taxed markets namely Denmark, Austria, Romania and Ireland.

Research and development expenses in the income statement decreased by 3% to US\$15.8 million (H1 2015: US\$16.4 million). However, including capitalised expenses, overall research and development spend increased by 6% to reflect our continued focus on product development.

Selling and marketing expenses increased 34% to US\$90.3 million (H1 2015: US\$67.1 million) and the ratio of marketing expenses to revenue increased to 34.4% (H1 2015: 30.5%) reflecting management's strategic decision to invest in Casino and to accelerate targeted investment including in Sport marketing activities, which in turn helped to deliver 63% growth in Sport revenue and 22% in first time depositors for the period.

Adjusted EBITDA for the period increased 8% to US\$44.1 million (H1 2015: US\$40.9 million). This is a pleasing outcome given that during H1 2016 the Group incurred newly imposed gaming duties and value added tax of US\$4.0 million. The Adjusted EBITDA margin decreased to 16.8% (H1 2015: 18.6%). EBITDA for the period increased 36% to US\$38.2m (H1 2015: US\$28.0m). This is a strong result given that the Group continued to face external headwinds during the period that affected our financial results including currency headwinds, new gaming duties and value added tax imposed in various jurisdictions, which were not imposed during the comparable period last year.

Exceptional retroactive duties and associated charges of US\$2.7 million were incurred in respect of gaming taxes relating to activity in prior years (H1 2015: US\$3.5 million).

Depreciation and amortisation costs were US\$9.7 million (H1 2015: US\$9.4 million). The Group recorded a non-cash share benefit charge of US\$3.2 million (H1 2015: US\$2.4 million) mainly attributed to long-term incentive equity awards granted to eligible employees.

Finance income of US\$1.2 million (H1 2015: US\$1.4 million) less finance expenses of US\$1.9 million (H1 2015: nil), resulted in net finance expenses of US\$0.7 million (H1 2015: income of US\$1.4 million). The change compared to H1 2015 is mainly attributable to the devaluation of the pound following the referendum in the UK on 23 June 2016 on the valuation of assets and liabilities denominated in pounds.

Profit before tax increased by 39% to US\$27.8 million (H1 2015: US\$20.0 million).

Taxation for the period was US\$5.8 million (H1 2015: US\$4.3 million). The higher tax charge is related to withholding tax on dividends distributed by a subsidiary to the parent company. Profit after tax increased by 40% to US\$22.0 million (H1 2015: \$15.7 million).

¹ As defined in table set out on page 2.

² Regulated and taxed markets refers to jurisdictions where there are regulations in place or where the Group is liable for gaming duties or VAT.

The Group's balance sheet remain strong with no financial indebtedness.

Net cash generated from operating activities was US\$15.5 million (H1 2015: US\$30.7 million). The year on year decrease is primarily a result of payments of US\$11.5 million made during the period relating to costs incurred during 2015 in respect of UK point of consumption tax and VAT (H1 2015: payments of US\$3.0 million). In addition, H1 2016 saw a payment of US\$8.0 million in respect of exceptional retroactive duties and associated charges.

Dividend

Given the Group's performance and the Board's confidence in the outlook it has declared an interim dividend of 3.8¢ per share (H1 2015: 3.5¢ per share).

B2C Review

Active B2C customers and first time depositors, two core key performance indicators of the B2C business, increased 10% and 22% respectively year on year reflecting the effectiveness of the Group's CRM and marketing. B2C Revenue increased 21% to US\$229.5 million (H1 2015: US\$189.6 million) primarily driven by an outstanding Casino performance, the continued rapid development of 888Sport and the strength of the Group's offer on mobile devices.

Mobile remains a key driver in terms of revenue, deposits and customer recruitment across product verticals for 888 and B2C revenue from mobile devices in the UK increased to 56% (H1 2015: 43%) of total UK revenue with customer recruitment from mobile devices also rising significantly.

Casino

888Casino maintained its outstanding momentum recording a 36% increase in active players and 31% increase in revenue to US\$137.4 million (H1 2015: US\$104.9 million). This excellent result was driven by strong performances across a number of regulated markets, notably the UK, Spain and Italy.

888Casino players continue to enjoy the Group's unrivalled mix of in-house developed content alongside third party games as well as a first class experience on mobile devices. The appeal of 888's casino proposition alongside our leading CRM and increased customer recruitment, which benefited from the success of the new 777.com brand launched at the end of 2015 and cross-sell from other verticals, notably Sport, continues to drive our success in this vertical.

Poker

888Poker again outperformed against a tough market backdrop increasing first time depositors by 3% and maintaining the Group's position at number two in the global PokerScout liquidity rankings. 888Poker continues to be recognised as a leading online poker destination for recreational players and benefits from a fully integrated casino gaming suite and sports betting proposition, which helps to drive important cross-sell to other verticals.

Despite 888's increase in first time depositors, Poker revenue declined 6% compared to the previous period reflecting the challenging broader market dynamics.

Bingo

888's bingo brands benefit from a steady flow of fresh new content including in-house developed games, new shared progressive jackpots and a strong mobile proposition. Together these enhance customer appeal and differentiate 888 in the competitive bingo market.

The Group delivered a 2% year on year increase in Bingo revenue and a 9% increase on a like for like basis* reflecting the weaker sterling against our US\$ reporting currency. Bingo active players also increased by 1% against the comparable prior year period reflecting the appeal of our brands as well as the success of 888's marketing activity and CRM.

Sport

Sport continues to represent a major growth opportunity for 888 both in terms of revenue and customer acquisition and, to reflect this, the Group is now presenting Sport as a standalone operational segment (having previously been included as part of the Group's Emerging Offering).

Sport revenue for the period of US\$25.0 million (H1 2015: US\$15.3 million) was a 63% increase against strong comparatives in the prior year. This outstanding performance was supported by accelerated marketing investment which is strengthening customer recognition of 888Sport as a credible sports betting destination and helped to deliver a very successful Euro 2016 for the Group. 888Sport also benefited from the launches into Spain in the second half of 2014, Denmark towards the end of 2015 and Italy during the first quarter of this year as well as a constantly improving range of markets and live bets for customers to enjoy.

B2B Review

Revenue from Dragonfish, 888's B2B offering, increased 7% to US\$32.5 million (H1 2015: US\$30.4 million) with growth primarily driven through our bingo network, to which we added a further 16 new skins during the period.

We continue to enhance and develop our B2B proposition to deliver growth for 888 and our B2B partners. *Casinoflex*, which was launched as a brand towards the end of 2015, and the milestone interstate poker network in the US, launched in February 2015, are notable examples of this.

* As defined in footnote 2 on page 2.

UK & Europe

888 continued to deliver strong growth in the core UK market with revenue increasing 18% year on year to US\$121.1 million (H1 2015: US\$102.8 million), driven by continued momentum in Casino and Sport and supported by innovative multi-channel marketing initiatives and CRM success. Despite this strong performance, UK revenue continued to represent 46% of total Group revenue (H1 2015: 47%) which is a reflection of the strong progress also delivered across other regulated markets.

Europe (excluding UK) revenue increased by 32% to US\$107.5 million (2015: US\$81.2 million). This was driven by very strong performances in Spain, with revenue up 58% year on year, and Italy, with revenue up 44% year on year, as well as contributions from new regulated markets.

In Spain which is now the Group's second largest market, we continued our strong performance and momentum. We are benefitting from the full product suite we now offer in the Spanish market across mobile and desktop platforms following the successful launches of 888sport.es in the second half of 2014 and slot games towards the end of the first half of 2015. The scope and strength of our offering in Spain is delivering further traction for 888 as well as enabling the Group to capitalise on cross-sell opportunities and we are confident of achieving further expansion.

In Italy we successfully launched Sport in Q1 2016, supported by online and offline marketing campaigns, which has increased revenue and enabled cross sell opportunities to Casino, which continues to benefit from fresh new content and games.

In Denmark, where we received our license towards the end of 2015 and offer Casino, Poker and Sport, we continue to see encouraging trends across product verticals.

888's significant experience of successfully entering regulated markets and rapidly developing leading positions in those markets means that the Group continues to be well placed to capitalise on positive regulatory developments. We continue to monitor closely the regulatory landscape in Europe and are in the process of finalising our permanent licence in Romania for casino, poker and sports betting, where we currently operate under an interim licence. We continue to follow developments in the Netherlands and the Czech Republic (both of which are in advanced stages of reforming their regulatory regimes) as well as other European markets that are considering or are in the process of reforming their laws and regulations applicable to our business. On a broader level, we are assessing any potential impact of the UK's decision to leave the European Union on our business in various EU jurisdictions.

US

Trading in the US market has been in line with our expectations. We are benefitting from the successful launch of our shared poker player liquidity across Delaware and Nevada early in the first half of last year and we believe that pooled liquidity arrangements will be a key feature of future states as and when they regulate. With our unique position and experience of the US market, we remain confident that 888 remains well placed to capitalise on future potential regulatory developments.

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 has a clear organic growth strategy and we will remain focused on expanding the Group's presence in regulated markets, exploiting opportunities across product verticals - with Sport in particular a key area of focus and investment - and appraising strategic M&A opportunities.

Trading in Q3 has started well with increases in deposits, activity and customer recruitment levels. Average daily revenue until 27 August 2016 is 15 per cent. above strong previous year comparatives and 22 per cent. higher on a like for like basis, driven by casino and sport. Whilst we will continue to face some external headwinds including the expansion of gaming duty on casino, poker and bingo free bets in the UK due to take effect from the second half of 2017 and a weakening of the GB Pound following the UK's vote to leave the European Union in June of this year, underpinned by the proven strengths of the Group's business model the Board remains confident of achieving its full year expectations.

With the Group's strong operational momentum, first class technology and core expertise in analytics, CRM and marketing, 888 is in excellent shape and we look forward with confidence as we continue our long term development.

Itai Frieberger
Chief Executive Officer
31 August 2016

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 in the 2015 Annual Report and Accounts, other than the addition of the Brexit risk described below, and summarised as follows:

The Group is exposed to political and regulatory risk as regards "Brexit". On 23 June 2016 the UK decided, through a referendum, that it should leave the European Union, although the formal process to do so has not yet started. The implications of the UK's decision are unclear and will take a number of years to determine, including the minimum of two years between the UK giving notice of its intention to leave and it leaving. At this point the position of Gibraltar, driving the ability of the Group to continue to rely on the EU principles that are a major part of the Group's regulatory strategy regarding substantial EU markets, remains unclear. The Group continues to monitor this political risk and is engaged with the Government of Gibraltar and Gibraltar online gaming industry bodies in managing the Group's response to this process.

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

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

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

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

The Group's technology risks arise due to the dependence of the Group on the reliable performance of its IT systems, 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.

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 2016

	Note	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million
Revenue	2	262.0	220.0
Revenue (including VAT)		267.0	225.1
VAT	2	(5.0)	(5.1)
Operating expenses		(77.2)	(70.2)
Gaming duties	3	(32.9)	(25.3)
Research and development expenses		(15.8)	(16.4)
Selling and marketing expenses	3	(90.3)	(67.1)
Administrative expenses		(17.3)	(15.4)
Exceptional acquisition costs	4	-	(7.0)
Operating profit before exceptional acquisition costs, exceptional retroactive duties and associated charges and share benefit charges		34.4	31.5
Exceptional acquisition costs	4	-	(7.0)
Exceptional retroactive duties and associated charges	4	(2.7)	(3.5)
Share benefit charges		(3.2)	(2.4)
Operating profit	3	28.5	18.6
Finance income		1.2	1.4
Finance expenses		(1.9)	-
Profit before tax		27.8	20.0
Taxation		(5.8)	(4.3)
Profit after tax for the period attributable to equity holders of the parent		22.0	15.7
Earnings per share	5		
Basic		6.1¢	4.4¢
Diluted		6.0¢	4.4¢

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million
Profit for the period	22.0	15.7
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	0.2	(0.6)
Total other comprehensive income for the period	0.2	(0.6)
Total comprehensive income for the period attributable to equity holders of the parent	22.2	15.1

Condensed Consolidated Balance Sheet

At 30 June 2016

	Note	30 June 2016 US \$ million (unaudited)	31 December 2015 US \$ million (audited)
Assets			
Non-current assets			
Goodwill and other intangible assets		159.3	157.3
Property, plant and equipment		8.9	11.2
Investments	8	1.5	1.6
Non-current receivables		0.7	0.8
Deferred tax assets		1.3	1.2
		171.7	172.1
Current assets			
Cash and cash equivalents		143.0	178.6
Trade and other receivables		36.2	32.9
Income tax receivables		2.0	2.7
		181.2	214.2
Total assets		352.9	386.3
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital		3.2	3.2
Share premium		3.1	2.2
Retained earnings		139.2	156.8
Total equity attributable to equity holders of the parent		145.5	162.2
Liabilities			
Current liabilities			
Trade and other payables		126.2	137.2
Income tax payable		0.6	2.8
Customer deposits		78.6	82.4
		205.4	222.4
Non-current liabilities			
Deferred tax liabilities		2.0	1.7
Total liabilities		207.4	224.1
Total equity and liabilities		352.9	386.3

The condensed financial statements on pages 8 to 20 were approved and authorised for issue by the Board of Directors on 31 August 2016 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 2016

	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 2015 (audited)	3.2	1.3	181.1	(0.5)	185.1
Profit after tax for the period attributable to equity holders of the parent	-	-	15.7	-	15.7
Other comprehensive income for the period	-	-	-	(0.6)	(0.6)
Total comprehensive income	-	-	15.7	(0.6)	15.1
Dividend paid	-	-	(41.0)	-	(41.0)
Equity settled share benefit charges	-	-	0.7	-	0.7
Issue of shares to cover employee share schemes	-	0.4	-	-	0.4
Balance at 30 June 2015 (unaudited)	3.2	1.7	156.5	(1.1)	160.3
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

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 2016

	Note	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million
Cash flows from operating activities			
Profit before tax		27.8	20.0
Adjustments for:			
Depreciation		3.9	4.5
Amortisation		5.8	4.9
Interest income		(0.3)	(0.2)
Fair value movements on unrealised foreign exchange derivatives		-	(2.5)
Share benefit charges		3.2	2.4
		40.4	29.1
Increase in trade receivables		(0.2)	(4.4)
Increase in other receivables		(3.6)	(2.9)
(Decrease) increase in customer deposits		(2.9)	8.4
(Decrease) increase in trade and other payables		(10.9)	4.6
		22.8	34.8
Cash generated from operations			
Income tax paid		(7.3)	(4.1)
		15.5	30.7
Net cash generated from operating activities			
Cash flows from investing activities			
Acquisition of investment in equity accounted associates	8	-	(1.5)
Acquisition of property, plant and equipment		(1.6)	(2.8)
Interest received		0.3	0.2
Acquisition of intangible assets		(1.9)	(2.0)
Internally generated intangible assets		(5.9)	(4.7)
		(9.1)	(10.8)
Net cash used in investing activities			
Cash flows from financing activities			
Issue of shares to cover employee share schemes		0.9	0.4
Dividends paid	9	(43.0)	(41.0)
		(42.1)	(40.6)
Net cash used in financing activities			
Net decrease in cash and cash equivalents		(35.7)	(20.7)
Net foreign exchange difference		0.1	(0.8)
Cash and cash equivalents at the beginning of the period		178.6	163.1
		143.0	141.6
Cash and cash equivalents at the end of the period¹			

¹ Cash and cash equivalents includes restricted short-term deposits of US\$3.3 million (2015: US\$3.3 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 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 2015, which are prepared in accordance with International Financial Reporting Standards as adopted in the EU, with the exception of the new standards adopted during 2016. In addition, the Group changed its operating segment disclosures in the period and restated its comparatives for the period ended 30 June 2015. This is described in more detail in note 2.

The following standards, interpretations and amendments issued by the IASB, have been adopted by the Group during the period with no significant impact on its consolidated results or financial position:

- Amendments to IAS 1 - Disclosure Initiative
- Amendments to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 16 and IAS 41 - Agriculture: Bearer Plants
- Amendments to IAS 27 – Equity Method in Separate Financial Statements
- Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception
- Amendments to IFRS 11 – Accounting for Acquisitions of Interests in Joint Operations
- IFRS 14 - Regulatory Deferral Accounts
- Annual Improvements 2012-2014 Cycle including minor amendments to IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations, IFRS 7 - Financial Instruments: Disclosures, IAS 19 - Employee Benefits and IAS 34 - Interim Financial Reporting.

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 2015 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

	Six months ended 30 June 2016						B2B ¹	Consolidated
	B2C							
	Casino	Poker	Bingo	Sport ¹	Emerging Offerings ¹	Total B2C	US \$ million	
	US \$ million							
(unaudited)								
Revenue	137.4	42.2	23.1	25.0	1.8	229.5	32.5	262.0
Revenue (including VAT)	141.5	43.1	23.1	25.0	1.8	234.5	32.5	267.0
VAT	(4.1)	(0.9)	-	-	-	(5.0)	-	(5.0)
Result								
Segment result²						91.6	17.3	108.9
Unallocated corporate expenses ³								(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								126.8
Total liabilities								205.4

¹ The Group has changed its operating segments in the period to reflect a change in the way that the business is managed and reported internally. Sport is now presented separately, having previously been reported in Emerging Offerings. Brand licensing on third party platforms, which was previously included in Emerging Offerings, is now included in the B2B segment. The comparative segment results for the six months ended 30 June 2015 have been restated to reflect this change, as described on the following page.

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

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

2 Segment information (continued)

	Six months ended 30 June 2015 (restated ¹)						B2B ¹	Consolidated
	B2C					Total B2C		
	Casino	Poker	Bingo	Sport ¹	Emerging Offerings ¹		US \$ million	
	US \$ million							US \$ million
(unaudited)								
Revenue	104.9	45.1	22.6	15.3	1.7	189.6	30.4	220.0
Revenue (including VAT)	108.7	46.2	22.6	15.3	1.7	194.5	30.6	225.1
VAT	(3.8)	(1.1)	-	-	-	(4.9)	(0.2)	(5.1)
Result								
Segment result²						85.7	16.5	102.2
Unallocated corporate expenses ³								(83.6)
Operating profit								18.6
Finance income								1.4
Taxation								(4.3)
Profit for the period								15.7
Assets								
Unallocated corporate assets								355.5
Total assets								355.5
Liabilities								
Segment liabilities						62.9	13.7	76.6
Unallocated corporate liabilities								118.6
Total liabilities								195.2

¹ The Group has changed its operating segments in the period to reflect a change in the way that the business is managed and reported internally. Sport is now presented separately, having previously been reported in Emerging Offerings. Brand licensing on third party platforms, which was previously included in Emerging Offerings, is now included in the B2B segment. The comparative segment results for the six months ended 30 June 2015 have been restated to reflect this change. Of the Emerging Offerings revenue of US\$18.5 million, US\$15.3 million has been classified in the Sport segment and US\$1.5 million in the B2B segment. Of the previously reported B2C segment result of US \$86.3 million, US\$0.6 million relating to brand licensing on third party platforms has been reclassified in the B2B segment result, reducing the B2C segment result to US\$85.7 million and increasing the B2B segment result from US\$15.9 million to US\$16.5 million.

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

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

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

2 Segment information (continued)

Geographical information

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

Revenue by geographical market (based on location of customer)

	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million (unaudited)
UK	121.1	102.8
Europe (excluding UK)	107.5	81.2
Americas	22.4	24.7
Rest of world	11.0	11.3
Total revenue	262.0	220.0

3 Operating profit

	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million (unaudited)
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Operating profit is stated after charging:

Staff costs (including executive Directors)	48.7	45.2
Gaming duties ¹	32.9	25.3
Selling and marketing expenses ²	90.3	67.1
Exceptional acquisition costs ³	-	7.0
Depreciation (within operating expenses)	3.9	4.5
Amortisation (within operating expenses)	5.8	4.9
Chargebacks	2.0	1.5
Payment service providers' commissions	10.9	11.0

¹ Gaming duties increase reflecting greater activity in the UK, Spain and Italy and gaming duties in new regulated markets, including exceptional retroactive duties and associated charges of US\$2.7 million (2015: US\$3.5 million).

² Selling and marketing expenses reflecting management's strategic decision to accelerate targeted investment in Sport marketing activities during the period.

³ During the period ended 30 June 2015 the Group incurred legal and professional costs of US\$7.0 million associated with the subsequently aborted proposed acquisition of bwin.party digital entertainment plc. These exceptional acquisition costs were presented separately as they are non-recurring costs and assist in providing a clearer view of the underlying performance of the Group.

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 2016 (unaudited)	Six months ended 30 June 2015 (unaudited)
Exceptional acquisition costs: Legal and professional costs ¹	-	7.0
Exceptional retroactive duties and associated charges (included within gaming duties in the consolidated income statement) ²	2.7	3.5
Total exceptional costs	2.7	10.5

¹ During H1 2015 the Group incurred legal and professional costs of US\$7.0 million associated with the subsequently aborted proposed acquisition of bwin.party digital entertainment plc.

² Exceptional retroactive duties and associated charges of US\$2.7 million in respect of gaming duties relating to activity in prior years (H1 2015: US\$3.5 million).

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

In accordance with IAS 33, 'Earnings per share', the weighted average number of shares for diluted EPS takes into account all potentially dilutive equity instruments granted, which are not included in the number of shares for basic EPS. Certain equity instruments have been excluded from the calculation of diluted EPS as their conditions of being issued were not deemed to satisfy the performance conditions at the end of the 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 included in the diluted EPS calculation consist of 6,953,844 ordinary shares (H1 2015: 1,335,890) and 122,546 market- value options (H1 2015: 181,833). The number of equity instruments excluded from the diluted EPS calculation is 2,120,890 (H1 2015: 2,242,920).

	Six months ended 30 June 2016 (unaudited)	Six months ended 30 June 2015
Profit for the period attributable to equity holders of the parent (US\$ million)	22.0	15.7
Weighted average number of Ordinary Shares in issue	357,751,513	355,373,096
Effect of dilutive Ordinary Shares and share options	7,076,390	1,517,723
Weighted average number of dilutive Ordinary Shares	364,827,903	356,890,819
Basic	6.1¢	4.4¢
Diluted	6.0¢	4.4¢

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 profit to profit excluding exceptional items and share benefit charges ("Adjusted profit"):

	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million
Profit for the period attributable to equity holders of the parent	22.0	15.7
Exceptional items (see note 4)	2.7	10.5
Share benefit charges	3.2	2.4
Adjusted profit	27.9	28.6
Weighted average number of Ordinary Shares in issue	357,751,513	355,373,096
Weighted average number of dilutive Ordinary Shares	364,827,903	356,890,819
Adjusted basic earnings per share	7.8¢	8.0¢
Adjusted diluted earnings per share	7.7¢	8.0¢

6 Contingent liabilities and regulatory issues

- (a) As part of the Board's ongoing regulatory compliance and operational risk assessment process, it continues to monitor legal and regulatory developments, and their potential impact on the business, and continues to take appropriate advice in respect of these developments.
- (b) Given the nature of the legal and regulatory landscape of the industry, from time to time the Group has received notices, communications and legal actions from a small number of regulatory authorities and other parties in respect of its activities. The Group has taken legal advice as to the manner in which it should respond and the likelihood of success of such actions. Based on this advice and the nature of the actions, the Board is unable to quantify reliably any material outflow of funds that may result, if any. Accordingly, no provisions have been made.
- (c) The Group operates in numerous jurisdictions. Accordingly, and on the basis of tax advice obtained, the Group is filing tax returns, providing for and paying all taxes and duties it believes are due based on local tax laws and transfer pricing agreements. The Group is also periodically subject to audits and assessments by local taxing authorities.

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

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

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 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million (unaudited)
Short term benefits	1.1	1.2
Post-employment benefits	0.1	0.1
Share benefit charges – equity settled	1.9	0.3
Share benefit charges – cash settled	-	1.6
	3.1	3.2

US joint ventures

During the period the Group charged the US joint ventures for reimbursement of costs US\$0.9 million (H1 2015: US\$0.9 million), of which the outstanding balance as at 30 June 2016 is US\$0.3 million (31 December 2015: US\$0.2 million).

Investment in associates

During the period the Group charged its associate for the Group share of the net revenue of US\$0.7 million (H1 2015: US\$0.5 million), of which the outstanding balance at 30 June 2016 is US\$1.7 million (31 December 2015: US\$1.0 million).

8 Investments

US joint ventures

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

Name	Country of incorporation	Effective interest 30 June 2016	Effective interest 31 December 2015
AAPN Holdings LLC	US	47%	47%
AGN LLC	US	47%	47%
AAPN New Jersey LLC	US	47%	47%

As at 30 June 2016, AGN LLC ('AGN') remained 100% owned by the Group. However, the Group considers that due to the manner in which AGN is operated under the contractual arrangements in the AAPN Holdings LLC ('AAPN') joint venture agreement, it is regarded as a joint venture. The Group also has an irrevocable commitment to contribute its ownership of AGN to AAPN for no consideration upon fulfilment of certain conditions.

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

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 2016, the US joint ventures incurred further losses and, as a result, the Group's investment remained at nil.

Investment in associates

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

Name	Country of incorporation	Effective interest 30 June 2016	Effective interest 31 December 2015
Come2Play Ltd	Israel	20%	20%

Other investments

The Group holds available for sale investments of US\$0.2 million at 30 June 2016 (31 December 2015: US\$0.2 million).

9 Dividends

	Six months ended 30 June 2016 US \$ million (unaudited)	Six months ended 30 June 2015 US \$ million
Dividends paid	43.0	41.0

During the period, the 2015 final dividend of 4.0¢ per share and an additional one-off 8.0¢ was paid on 12 May 2016 (US\$43.0 million).

During 2015, the 2014 final dividend of 11.5¢ per share was paid on 15 May 2015 (US\$41.0 million) and the 2015 interim dividend of 3.5¢ per share was paid on 30 September 2015 (US\$12.5 million).

The Board of Directors has declared an interim dividend of 3.8¢ per share, payable on 6 October 2016.

10 Fair value measurements

At 30 June 2016 and 31 December 2015, 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.

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.

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

Itai Frieberger
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 2016 which comprises the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related explanatory notes 1 to 10. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2016 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
31 August 2016